

US surpasses China as India's biggest trading partner in FY22 at \$119.42 bn

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NEW DELHI: The US surpassed China to become India's top trading partner in 2021-22, reflecting strengthening economic ties between the two countries.

According to the data of the commerce ministry, in 2021-22, the bilateral trade between the US and India stood at \$119.42 billion as against \$80.51 billion in 2020-21.

Exports to the US increased to \$76.11 billion in 2021-22 from \$51.62 billion in previous fiscal year, while imports rose to \$43.31 billion as compared to about \$29 billion in 2020-21.

During 2021-22, India's two-way commerce with China aggregated at \$115.42 billion as compared to \$86.4 billion in 2020-21, the data showed.

Exports to China marginally increased to \$21.25 billion last fiscal year from \$21.18 billion in 2020-21, while imports jumped to \$94.16 billion from about \$65.21 billion in 2020-21. Trade gap rose to \$72.91 billion in 2021-22 from \$44 billion in previous fiscal year.

Trade experts believe that the trend of increasing bilateral trade with the US will continue in the coming years also as New Delhi and Washington are engaged in further strengthening the economic ties.

Federation of Indian Export Organisations Vice President Khalid Khan said India is emerging as a trusted trading partner and global firms are reducing their dependence only on China for their supplies and are diversifying business into other countries like India.

"In the coming years, the bilateral trade between India and the US will continue to grow. India has joined a US-led initiative to set up an Indo-Pacific Economic Framework (IPEF) and this move would help boost economic ties further," Khan said.

Rakesh Mohan Joshi, Director of the Indian Institute of Plantation Management (IIPM), Bangalore, too said that India is home to 1.39 billion people with the world's third largest consumer market and the fastest growing market economy with unparalleled demographic dividend provides enormous opportunities for the US and Indian firms for technology transfer, manufacturing, trade and investment.

"Major export items from India to the US include petroleum polished diamonds, pharmaceutical products, jewellery, light oils and petroleum, frozen shrimp, made ups etc. whereas major imports from the US include petroleum, rough diamonds, liquified natural gas, gold, coal, waste and scrap, almonds etc," Joshi said.

America is one of the few countries with which India has a trade surplus.

In 2021-22, India had a trade surplus of \$32.8 billion with the US.

The data showed that China was India's top trading partner from 2013-14 till 2017-18 and also in 2020-21. Before China, the UAE was the country's largest trading partner.

In 2021-22, the UAE with \$72.9 billion, was the third largest trading partner of India. It was followed by Saudi Arabia (\$42,85 billion), Iraq (\$34.33 billion) and Singapore (\$30 billion).