

Insights Unwrapped

India-US Trade Deal



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India-U.S. Trade Relations Post New Tariffs

U.S.A Reciprocal Tariff Guide

From a 50% high in late 2025 to 18% today, India's new competitive edge following the 2026 U.S. trade agreement

Country / Region	Current Tariff Rate
China	34%
South Korea	15%
Bangladesh	20%
Vietnam	20%
Pakistan	19%
Philippines	19%
Indonesia	19%
India	18%
Zimbabwe	18%
Israel	17%
European Union	15%
Japan	15%

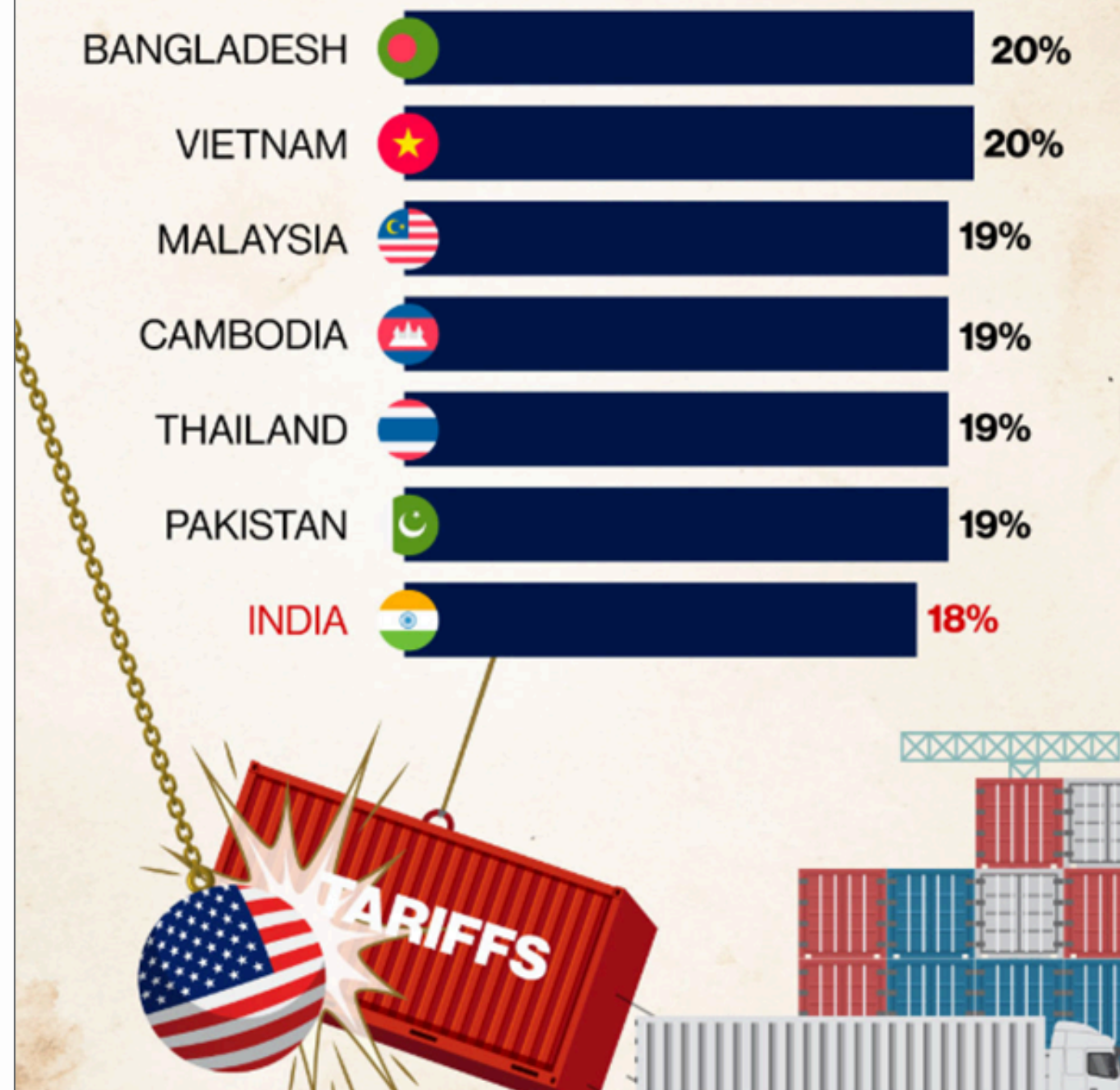
Data as on February 3, 2026
Source: USTR

Source: Kuvera

HOW GLOBAL TARIFFS BY THE US STACK UP



India vs Southeast Asia & Pakistan



Compared with its Asian peers, India now enjoys a meaningful cost advantage in the U.S. market. The new tariff regime could enable Indian exporters to regain market share while attracting increased investment into manufacturing.

India's Trade with the US



- **India-U.S. Trade (FY25):** Exports at ~\$86.5B (from \$77.5B in FY24); imports at ~\$45.7B (from \$42.2B)
- **Trade Balance:** India maintains a strong and widening surplus of over \$40B
- **Key Exports to U.S.:** Electrical machinery (\$15.9B), gems & precious stones (\$10.0B), pharmaceuticals (\$9.8B), industrial machinery (\$6.7B)
- **Key Imports from U.S.:** Mineral fuels & oils (\$14.3B), gems & precious stones (\$5.3B), nuclear reactors & machinery (\$4.4B)

Country-Level Commitments: Current Tariff Structures

Country	Tariffs	Committed Imports from the USA	Investment Focus
European Union	15%	USD 750 Bn in energy and USD 600 Bn in various sectors	Energy products
Japan	15%	USD 550 Bn	Energy, Agriculture and defence
South Korea	15%	USD 350 bn + USD 100 bn in Energy Purchases	Shipbuilding, batteries, semiconductors, AI
Vietnam	20%		Agriculture, Aerospace, and Energy.
Taiwan	15%	USD 250 Bn	US tech (semiconductor, AI, energy)
UAE	10%	USD 1.4 Tn	AI infrastructure, semiconductors, energy, quantum computing, biotechnology, and manufacturing
India	18%	USD 500 Bn	Energy, agriculture, coal and technology
Source: Factsheet- whitehouse.gov			

A \$500-billion purchase commitment by India represents a quantum leap. It is more than twelve times the value of annual US goods exports to India and about six times total goods and services exports combined.

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