



India's International Trade and Investment

June 2025

Presentation Outline



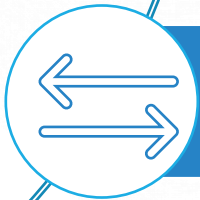
India's Macroeconomic Overview



India's Merchandise Trade



India's Services Trade



India's Foreign Investment Flows

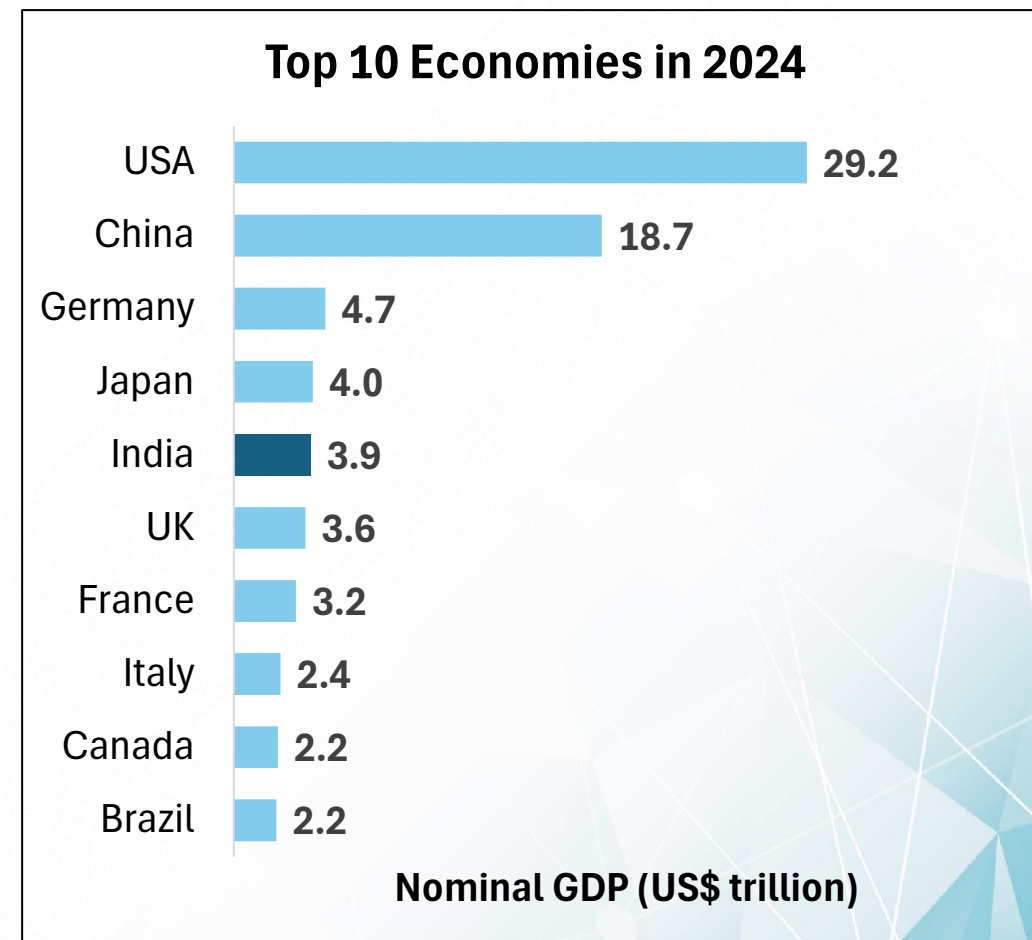
India's Macroeconomic Overview

Global Growth and Major Economies

Output / Real GDP Growth (%)	2022	2023	2024	2025 ^f	2026 ^f
World	3.6	3.5	3.3	2.8	3.0
Advanced Economies	2.9	1.7	1.8	1.4	1.5
United States	2.5	2.9	2.8	1.8	1.7
Euro area	3.5	0.4	0.9	0.8	1.2
Japan	0.9	1.5	0.1	0.6	0.6
Emerging market and developing economies	4.1	4.7	4.3	3.7	3.9
Emerging and Developing Asia	4.7	6.1	5.3	4.5	4.6
China	3.1	5.4	5.0	4.0	4.0
India	7.6	9.2	6.5	6.2	6.3
Latin America and the Caribbean	4.2	2.4	2.4	2.0	2.4
Middle East and Central Asia	5.5	2.2	2.4	3.0	3.5
Sub-Saharan Africa	4.1	3.6	4.0	3.8	4.2

Note: f – Forecast

Source: World Economic Outlook, IMF, April 2025



India is estimated to become the 4th largest economy in 2025 (US\$ 4.2 trillion) surpassing Japan. It is expected to overtake Germany and become the 3rd largest (US\$ 5.6 trillion) by 2028 in terms of nominal GDP.

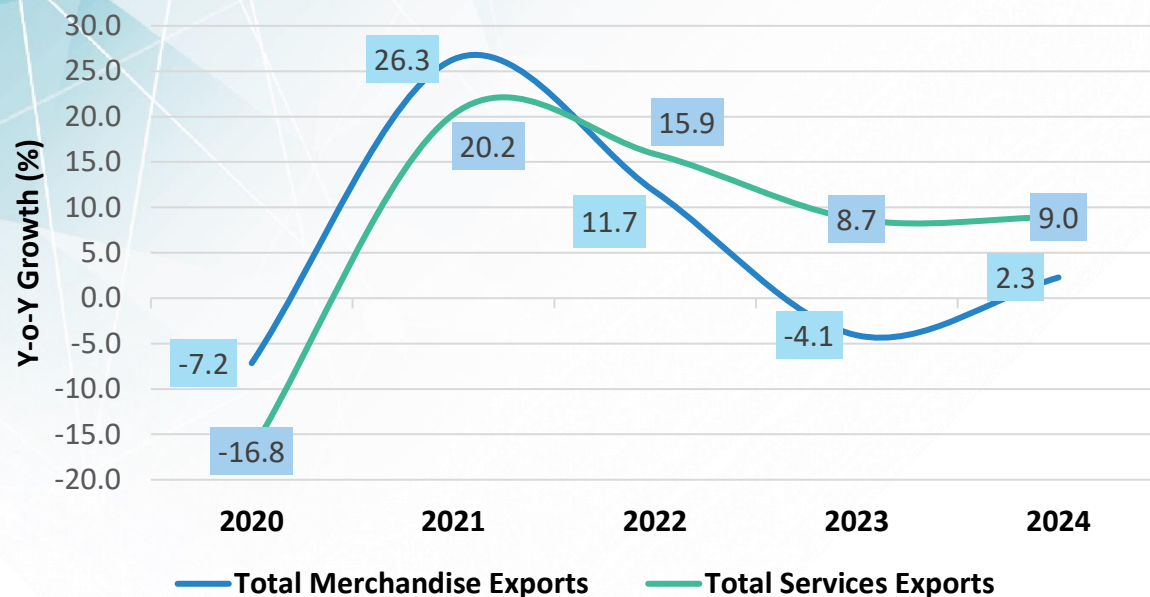
India : Macroeconomic Snapshot

PARAMETERS	2020-21	2021-22	2022-23	2023-24	2024-25
GDP (at current prices, US\$ bn)	2679.0	3192.0	3429.7	3576.9	3921.5 ^f
Real GDP Growth (%)	-5.8	9.7	7.6	9.2 ^{re}	6.5 ^{ae}
<i>Agriculture & allied activities</i>	4.0	4.6	6.3	2.7 ^{re}	4.6 ^{ae}
<i>Industry</i>	-0.4	12.2	2.5	10.8 ^{re}	5.6 ^{ae}
<i>Services</i>	-8.4	9.2	10.3	9.0 ^{re}	7.3 ^{ae}
Inflation rate (CPI, annual avg. %)	6.2	5.5	6.7	5.4	4.6
Index of Industrial Production (IIP, annual avg. %)	-8.5	11.4	5.2	5.8	4.0
Fiscal Deficit (% of GDP)	9.2	6.7	6.4	5.6	4.8 ^{re}
Merchandise Trade Balance (US\$ bn)	-102.6	-191.1	-264.9	-238.3	-282.8
Services Balance (US\$ bn)	88.6	107.5	143.3	162.8	188.6
Current Account Balance (US\$ bn)	24.0	-38.7	-67.0	-23.2	-37.0 (Apr-Dec'24)
<i>CAB as percentage of GDP (%)</i>	0.9	-1.2	-2.0	-0.7	-1.3 (Apr-Dec'24)
Forex Reserves (US\$ bn)	577.0	607.3	578.4	646.4	665.4
External Debt (US\$ bn)	573.7	618.8	624.1	663.8	717.9 (Dec'2024)
General Government Debt (% of GDP)	88.4	83.5	82.0	82.7	82.7 ^f
FDI Inflows (US\$ bn)	82.0	84.8	71.4	71.3	81.0
FDI Outflows (US\$ bn)*	11.0	17.6	14.0	16.7	29.2
Exchange Rate (₹/US\$, avg.)	74.2	74.5	80.4	82.8	84.6

Source: Institute of International Finance (IIF); Union Budget; RBI; Ministry of Finance; Ministry of Statistics and Programme Implementation; Ministry of Commerce & Industry, GOI.

Growth in Global Trade (%)

Global Exports Growth Rate (%)



Note: f – Forecasts

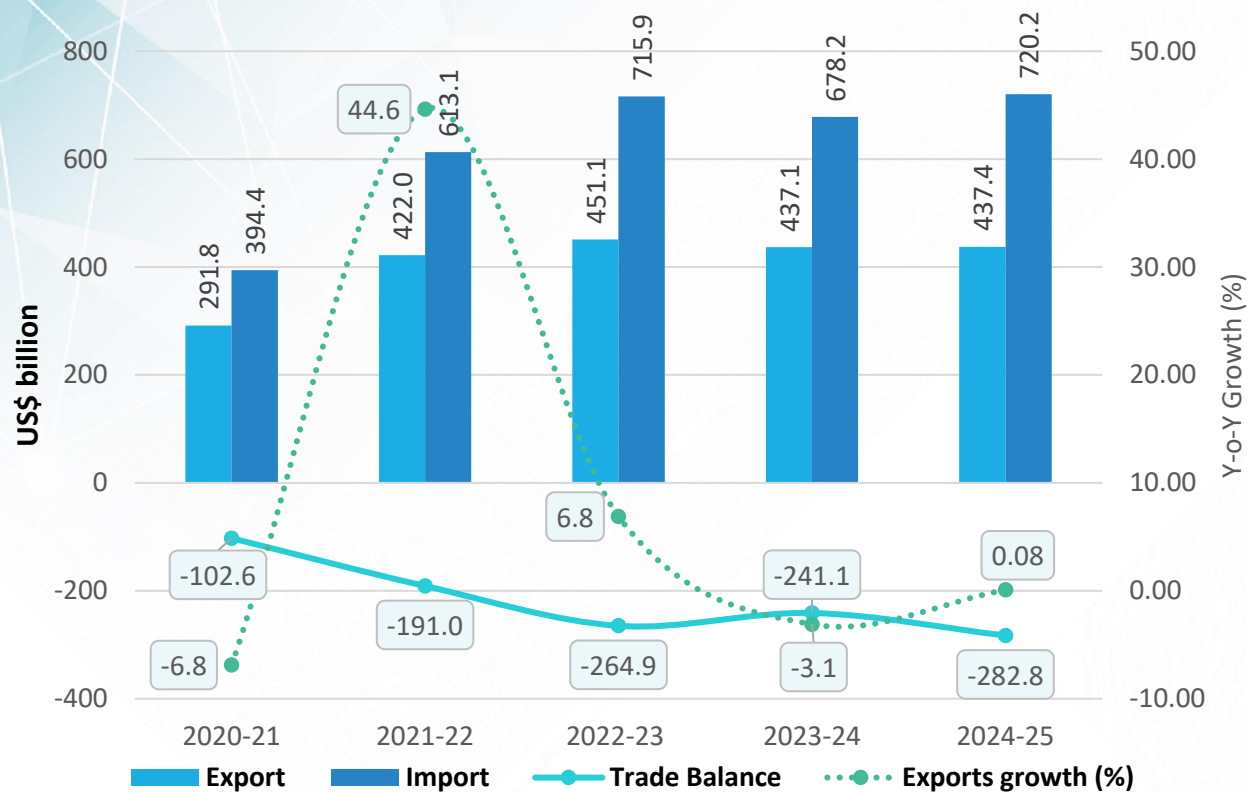
Source: WTO April 2025

			Baseline Forecast		Adjusted Forecast	
Volume Growth (Y-O-Y%)	2023	2024	2025 ^f	2026 ^f	2025 ^f	2026 ^f
World Merchandise Trade (%)	-1.0	2.9	2.7	2.9	-0.2	2.5
Exports (%)						
North America	3.6	2.3	2.2	2.9	-12.6	-1.2
South America	2.4	6.2	1.4	1.2	0.6	0.9
Europe	-2.9	-1.7	1.4	2.3	1.0	2.5
CIS	-4.3	2.3	4.0	-0.1	4.4	0.1
Africa	5.7	1.3	0.5	1.6	0.6	1.7
Middle East	8.1	3.7	5.2	5.0	5.3	5.1
Asia	0.2	8.0	3.3	3.3	1.6	3.5
Imports (%)						
North America	-2.2	4.7	2.8	1.6	-9.6	-0.8
South America	-4.4	6.7	6.0	1.0	5.0	0.5
Europe	-5.0	-2.2	2.1	2.7	1.9	2.7
CIS	18.0	5.0	0.1	2.1	0.5	2.1
Africa	2.6	1.8	6.2	5.4	6.5	5.3
Middle East	9.0	15.0	6.3	6.8	6.3	6.7
Asia	-0.7	4.4	3.2	3.8	1.6	3.8

- Global trade is expected to decline by 0.2% in 2025 (adjusted forecast) due to increased tariffs and trade policy uncertainty (including the suspension of "reciprocal tariffs" by the USA). The disruption in US-China trade is expected to trigger significant trade diversion, raising concerns among third markets about increased competition from China.
- Services trade, though not directly subject to tariffs, is also expected to be adversely affected. As a result, the global volume of commercial services trade is now forecast to grow by 4.0% in 2025 and 4.1% in 2026.

India's Merchandise Trade

India's Merchandise Trade

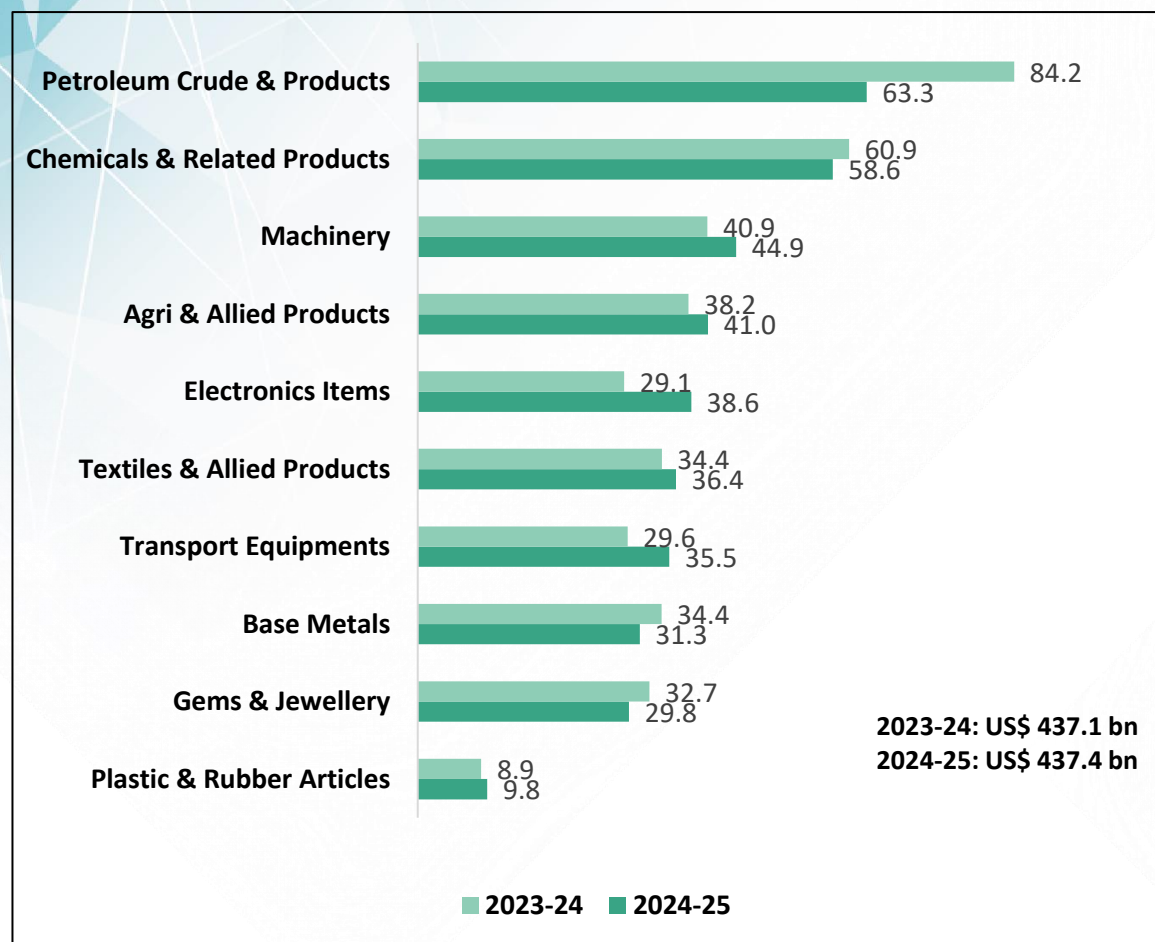


Source: DGCI&S, MOCI

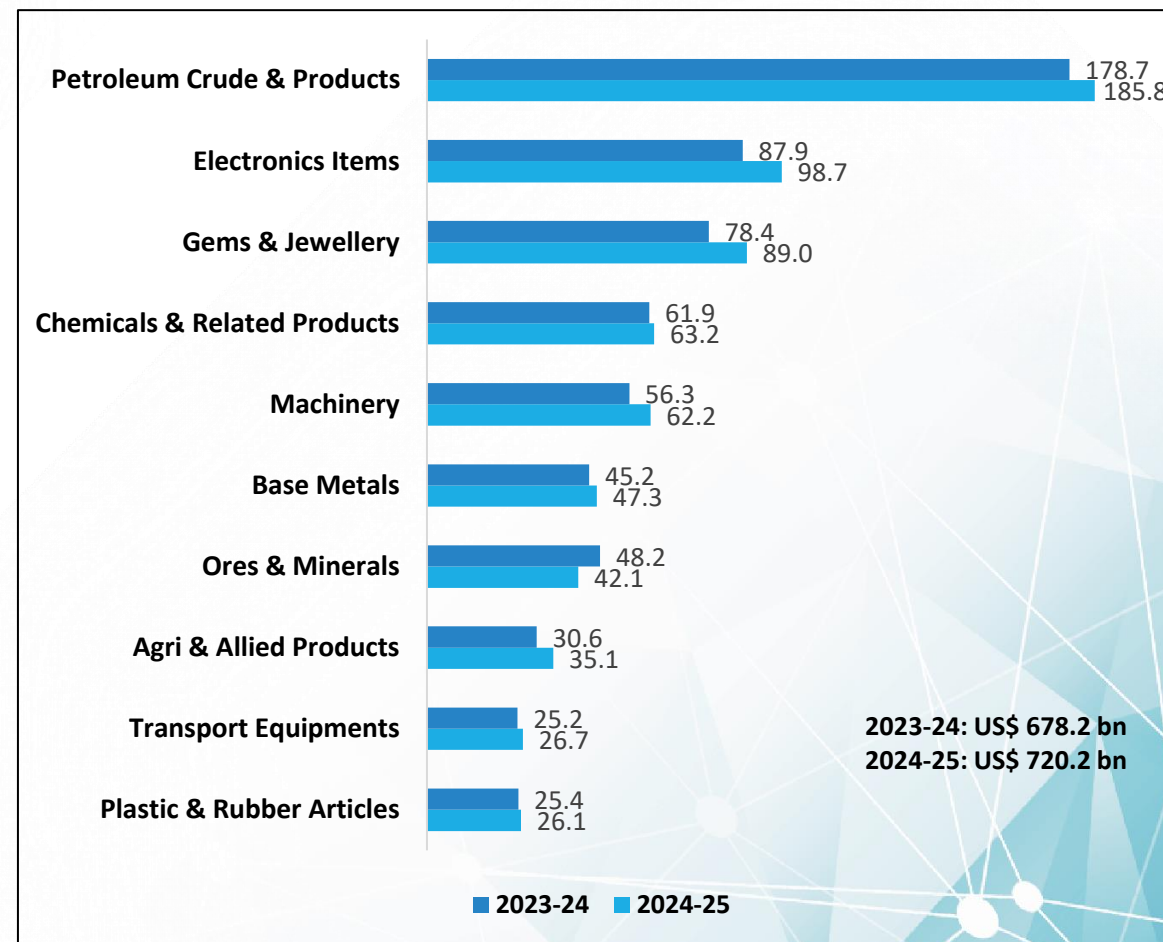
- India's external sector continued to display resilience amidst global headwinds of economic and trade policy uncertainties.
- **Exports remained steady** with a growth of 0.08% while the **imports rose by 6.2% in FY25**.
- The cumulative non-petroleum exports in FY25 registered a **Y-o-Y increase of 6.0%** and were valued at US\$ 374.1 billion.
- Owing to a larger increase in imports than exports, the **merchandise trade deficit widened in FY25**.

India's Merchandise Trade Composition

Major Exports (US\$ billion)



Major Imports (US\$ billion)

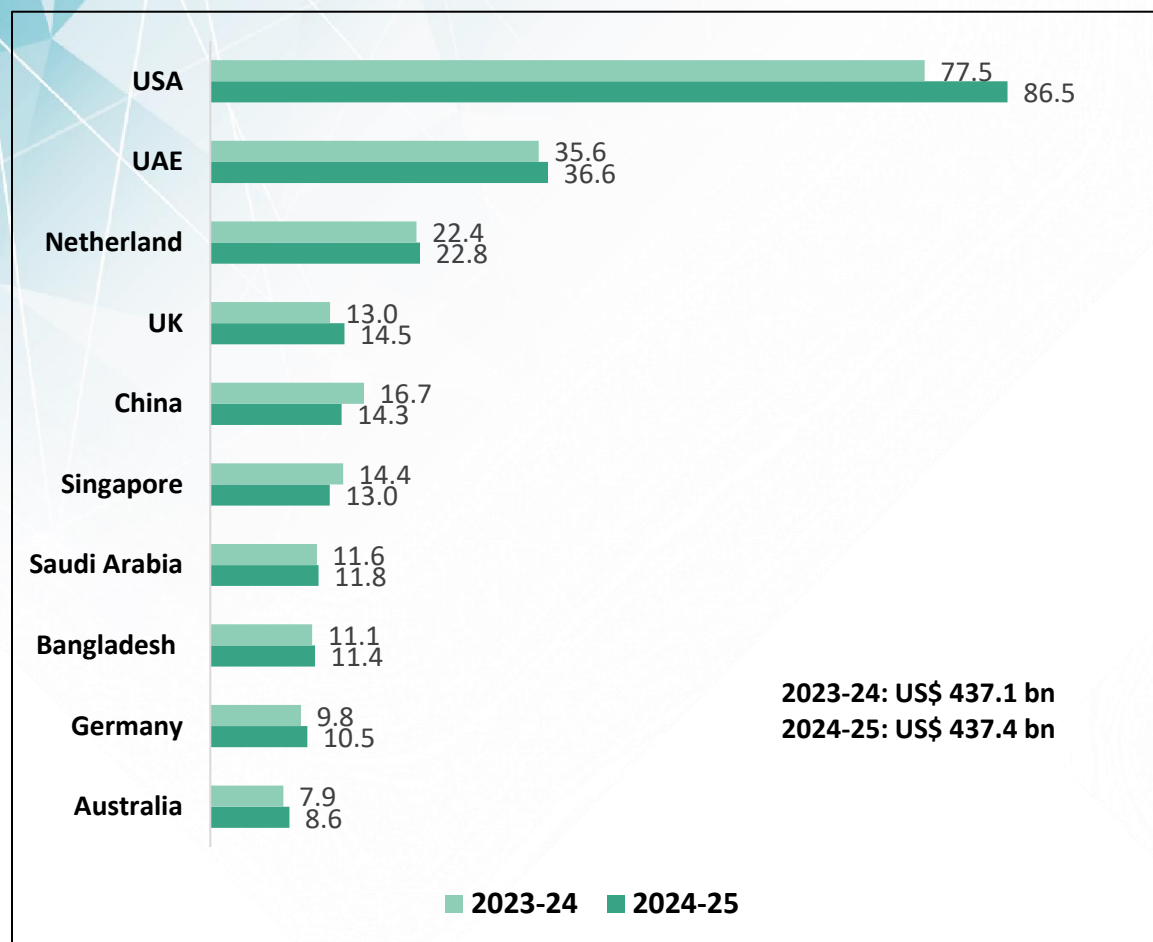


Note: The data for India's exports and imports pertains to Principal Commodity classification. The top 10 exported products accounted for 89.5% of India's total exports in 2024-25 whereas the top 10 imported products accounted for 94% of India's total imports in 2024-25.

Source: MOCI, GoI

India's Merchandise Trade Direction

Major Export Destinations (US\$ billion)

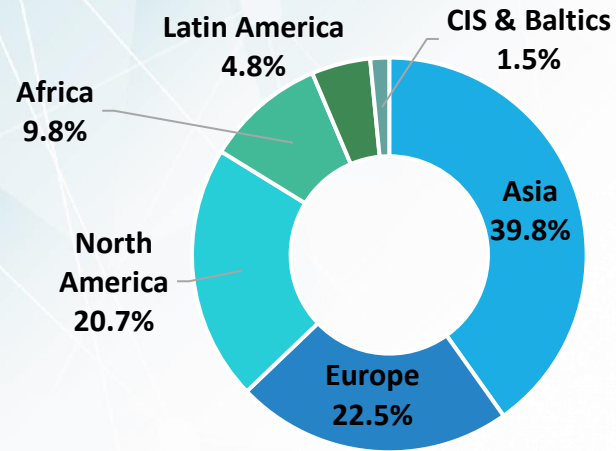


Major Import Sources (US\$ billion)

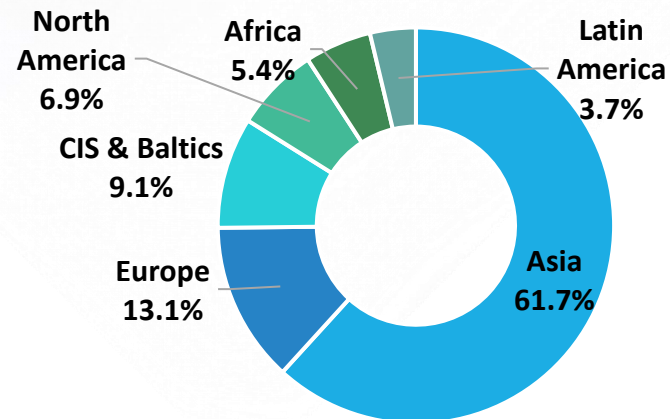


India's Merchandise Trade Direction

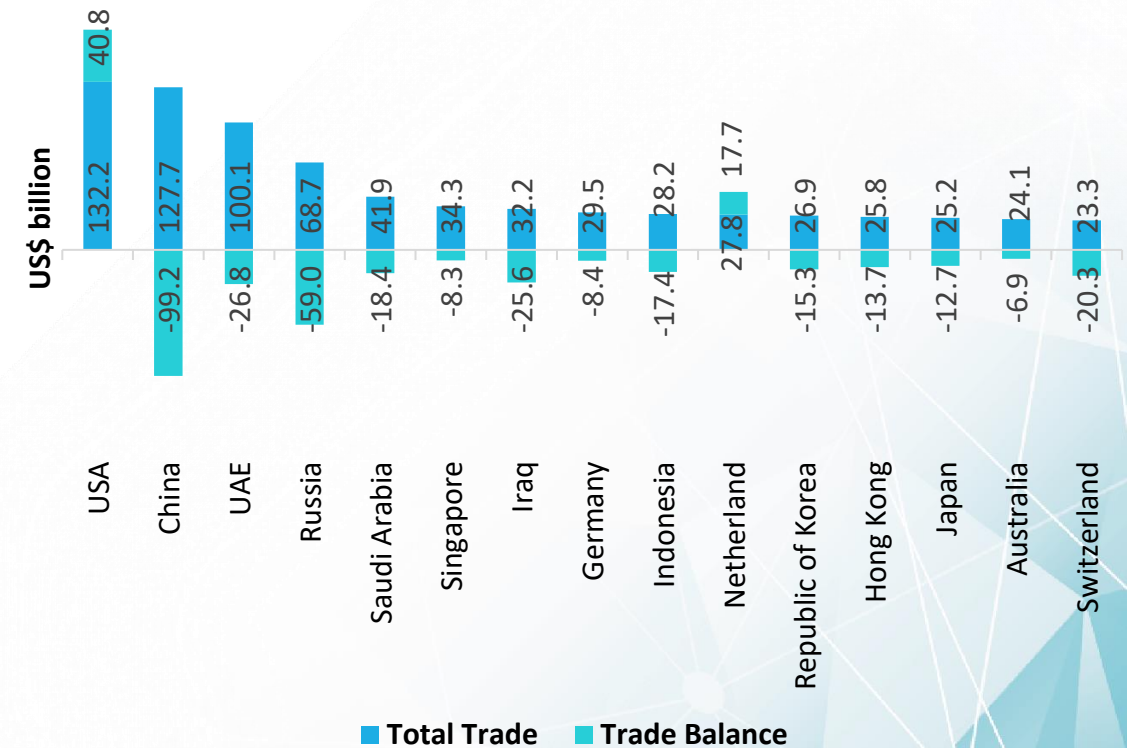
Region-wise Exports



Region-wise Imports



Major Trade Partners

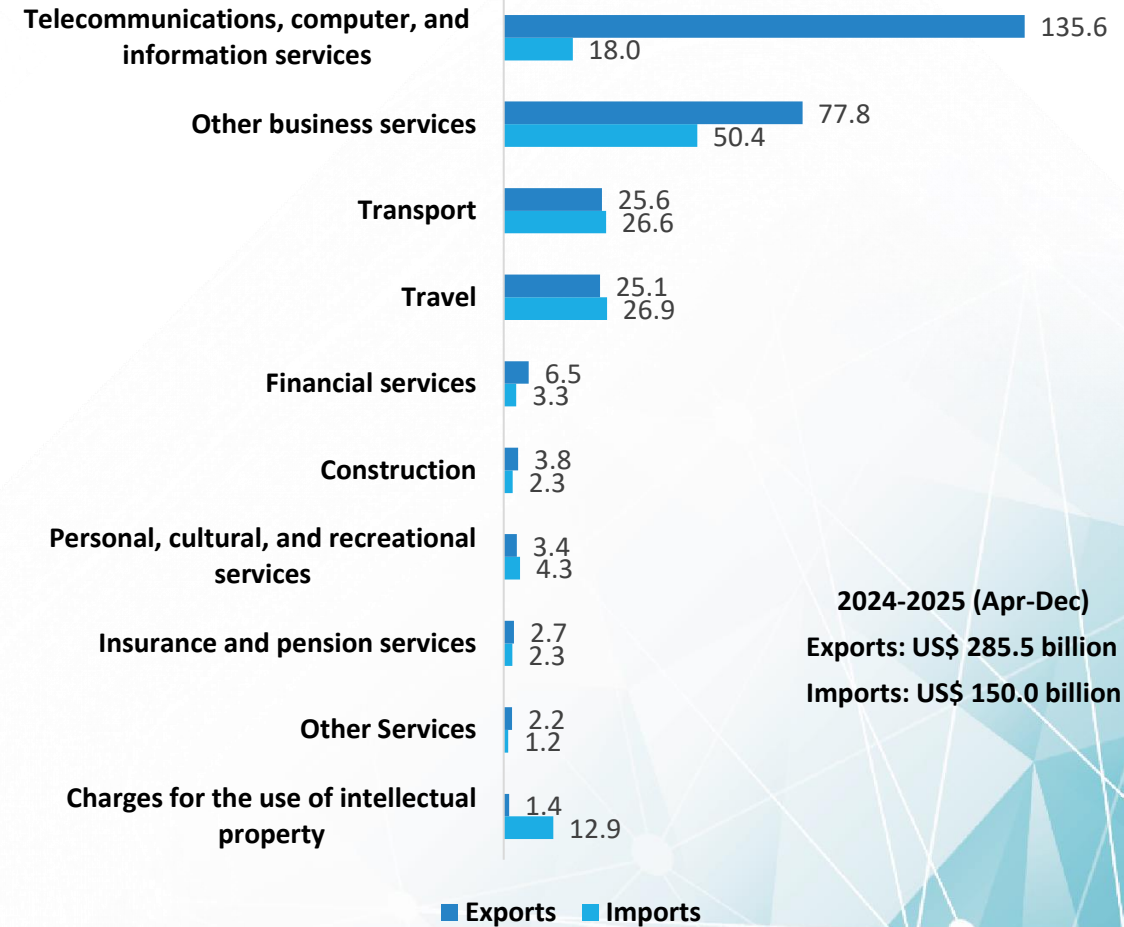
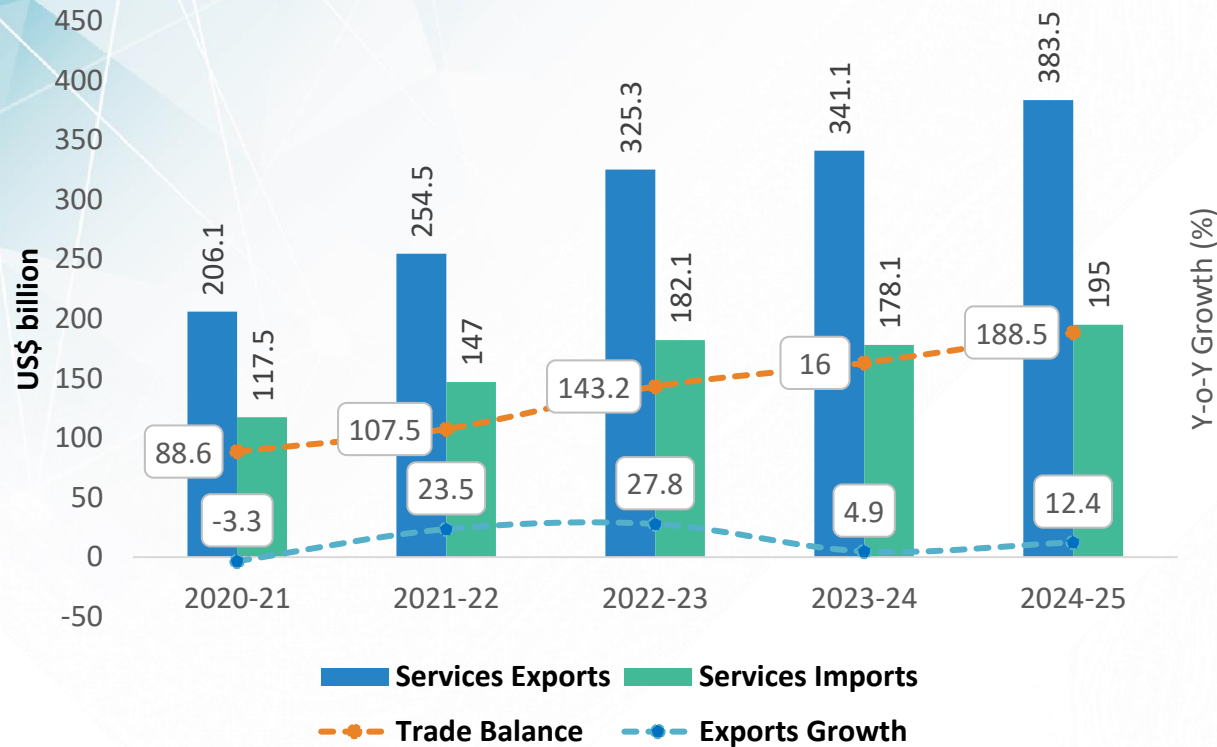


India's Share in Global Merchandise Exports

2014 (% share)			2019 (% share)			2024 (% share)		
1	China	12.3	China	13.1	China	14.6		
2	USA	8.5	USA	8.6	USA	8.5		
3	Germany	7.9	Germany	7.8	Germany	6.9		
4	Japan	3.6	Netherlands	3.7	Netherlands	3.8		
5	Netherlands	3.5	Japan	3.7	Japan	2.9		
6	France	3.1	France	3.0	Republic of Korea	2.8		
7	Republic of Korea	3.0	Republic of Korea	2.9	Italy	2.8		
8	Italy	2.8	Italy	2.8	Hong Kong	2.6		
9	Hong Kong	2.8	Hong Kong	2.8	France	2.6		
10	UK	2.7	Mexico	2.4	Mexico	2.5		
11	Russia	2.6	UK	2.4	UAE	2.5		
12	Canada	2.5	Canada	2.4	Canada	2.3		
13	Belgium	2.5	Belgium	2.4	Belgium	2.2		
14	Singapore	2.2	Russia	2.2	UK	2.1		
15	Mexico	2.1	Singapore	2.1	Singapore	2.1		
16	UAE	1.8	UAE	2.0	Switzerland	1.8		
17	Saudi Arabia	1.8	Spain	1.8	India	1.8		
18	Spain	1.7	India	1.7	Spain	1.7		
19	India	1.7	Switzerland	1.7	Russia	1.7		
20	Switzerland	1.6	Australia	1.4	Vietnam	1.7		
21	Australia	1.3	Poland	1.4	Poland	1.6		
22	Malaysia	1.2	Viet Nam	1.4	Australia	1.4		
23	Thailand	1.2	Saudi Arabia	1.4	Brazil	1.4		
24	Brazil	1.2	Thailand	1.3	Malaysia	1.4		
25	Poland	1.2	Malaysia	1.3	Saudi Arabia	1.2		
26	Austria	0.9	Brazil	1.2	Thailand	1.2		
27	Indonesia	0.9	Czech Republic	1.0	Indonesia	1.1		
28	Czech Republic	0.9	Türkiye	1.0	Czech Republic	1.1		
29	Türkiye	0.9	Austria	0.9	Türkiye	1.1		
30	Sweden	0.9	Ireland	0.9	Ireland	1.0		

India's Services Trade

India's Services Trade



2024-2025 (Apr-Dec)
Exports: US\$ 285.5 billion
Imports: US\$ 150.0 billion

Note: (1) Other business services include research & development services, professional & management consulting services and technical & trade related services.

(2) Other services include government goods & services, maintenance & repair services and manufacturing services.

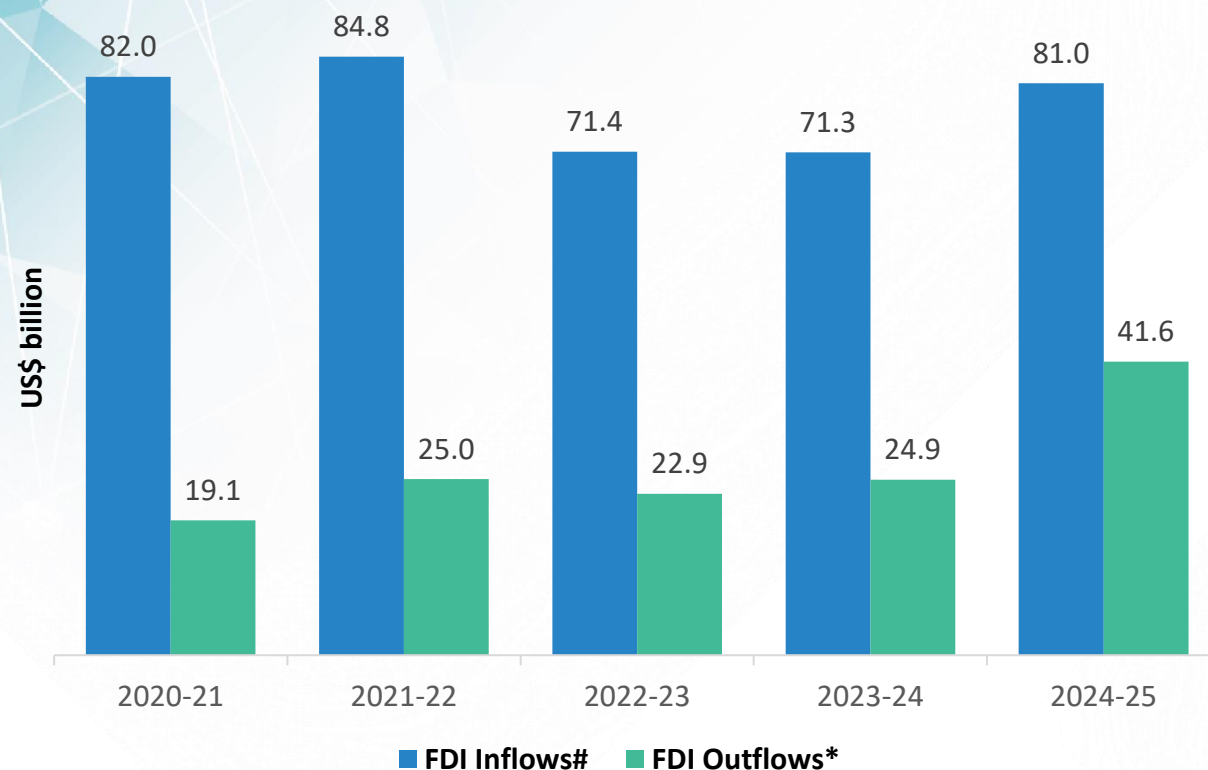
Source: BoP Statistics, RBI

India's Share in Global Services Exports

2014 (% share)			2019 (% share)			2024 (% share)		
1	USA	14.2	USA	13.9	USA	12.6		
2	UK	7.5	UK	6.8	UK	7.4		
3	Germany	5.8	Germany	5.7	Ireland	5.9		
4	France	5.4	France	4.7	Germany	5.4		
5	China	4.1	China	4.4	China	5.1		
6	Netherlands	3.9	Ireland	4.4	Singapore	4.5		
7	Japan	3.1	Netherlands	4.3	France	4.5		
8	India	3.0	Singapore	3.5	India	4.3		
9	Ireland	2.9	India	3.4	Netherlands	3.8		
10	Singapore	2.9	Japan	3.3	Japan	2.6		
11	Spain	2.6	Spain	2.4	Spain	2.5		
12	Switzerland	2.5	Switzerland	2.1	Switzerland	2.1		
13	Belgium	2.4	Africa	2.0	Canada	1.8		
14	Italy	2.1	Belgium	2.0	Italy	1.8		
15	Republic of Korea	2.1	Italy	1.9	Luxembourg	1.8		
16	Hong Kong	2.0	Luxembourg	1.8	Africa	1.8		
17	Africa	2.0	Canada	1.8	Belgium	1.7		
18	Luxembourg	1.8	Republic of Korea	1.6	Republic of Korea	1.6		
19	Canada	1.7	Hong Kong	1.6	Denmark	1.4		
20	Sweden	1.5	Denmark	1.3	Sweden	1.4		
21	Denmark	1.4	Sweden	1.3	Poland	1.3		
22	Türkiye	1.3	Thailand	1.3	Türkiye	1.3		
23	Austria	1.3	Austria	1.2	Hong Kong	1.2		
24	Russia	1.2	Türkiye	1.1	Austria	1.1		
25	Australia	1.1	Australia	1.1	Australia	0.9		
26	Thailand	1.0	Poland	1.1	Israel	0.9		
27	Norway	0.9	Russia	1.0	Thailand	0.8		
28	Poland	0.9	Israel	0.9	Mexico	0.7		
29	Macao	0.9	Taiwan	0.8	Portugal	0.7		
30	Malaysia	0.8	Greece	0.7	Taiwan	0.7		

India's Foreign Investment Flows

India's Foreign Investment Inflows



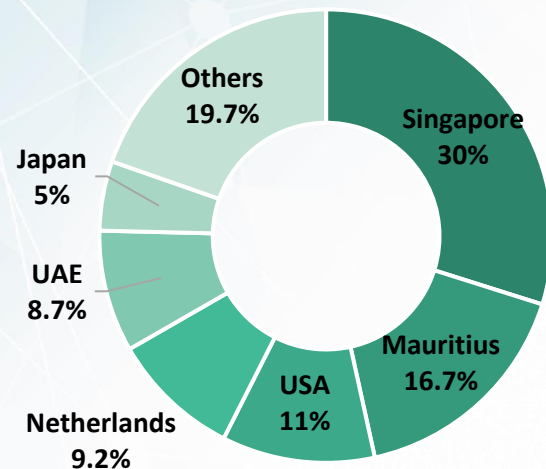
- India's was the **15th largest FDI inflow recipient in 2023** as compared to 8th largest in 2022 as a result of decline in net FDI inflows (WIR, UNCTAD 2024).
- Gross inflows showed signs of revival and increased by 13.7% in 2024-25.
- Over the long term, FDI inflows into India have **surpassed the US\$ 1 trillion mark** from April 2000 to March 2025, solidifying the country's position as a safe and significant global investment destination.

Note: (1) #FDI Inflows include Equity, Re-invested Earnings and other Capital. (2) *FDI Outflows include Equity, Loans & Guarantees Issued.

Source: RBI and UNCTAD

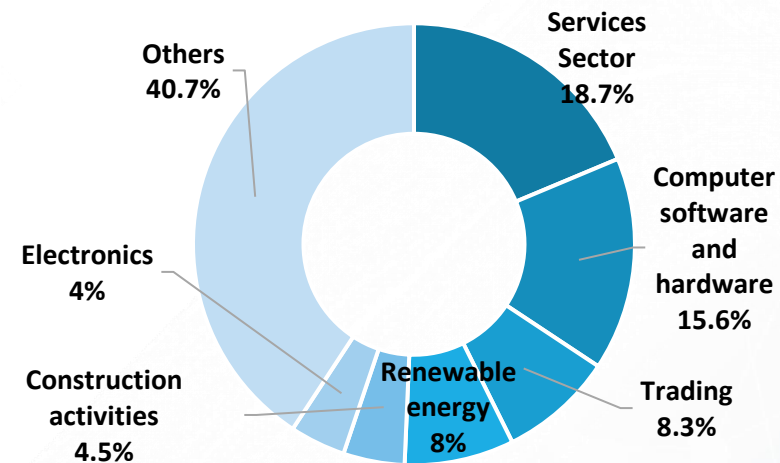
India's Foreign Direct Investment Flows

Top FDI Investing Countries in 2024-25[#]



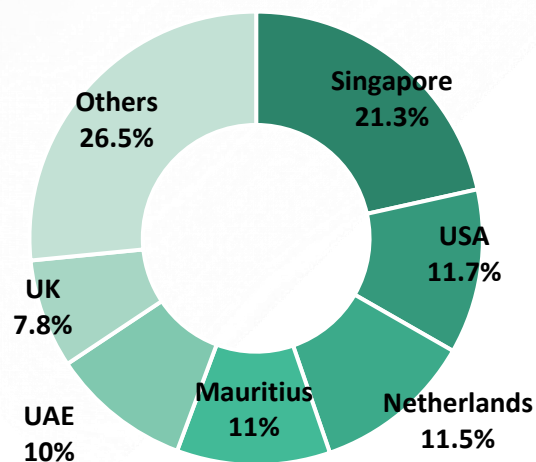
Total FDI inflows in
FY25: US\$ 50 bn

Sector-wise FDI Inflows in 2024-25[#]



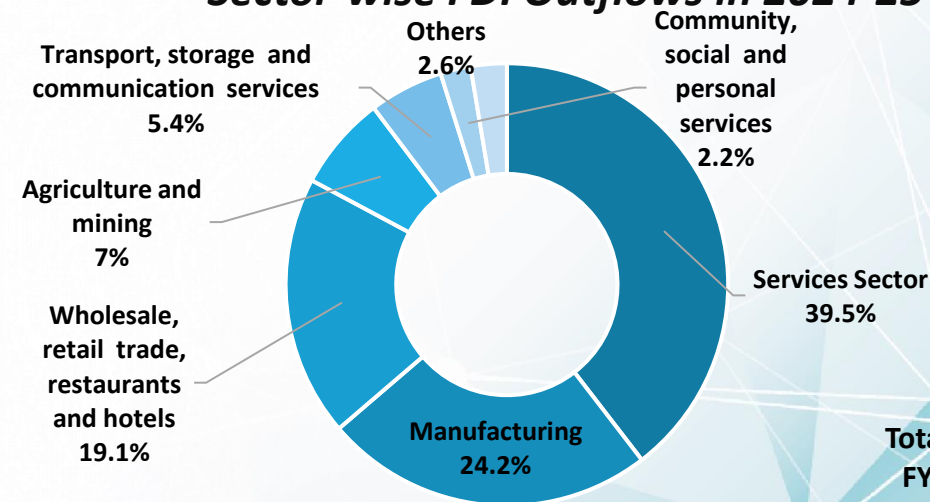
Total FDI inflows in
FY25: US\$ 50 bn

Destination-wise FDI Outflows in 2024-25^{##}



Total FDI outflows in
FY25: US\$ 41.6 bn

Sector-wise FDI Outflows in 2024-25^{##}



Total FDI outflows in
FY25: US\$ 41.6 bn