



India's International Trade and Investment

May 2026

Presentation Outline



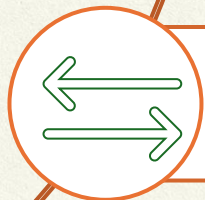
India's Macroeconomic Overview



India's Merchandise Trade



India's Services Trade

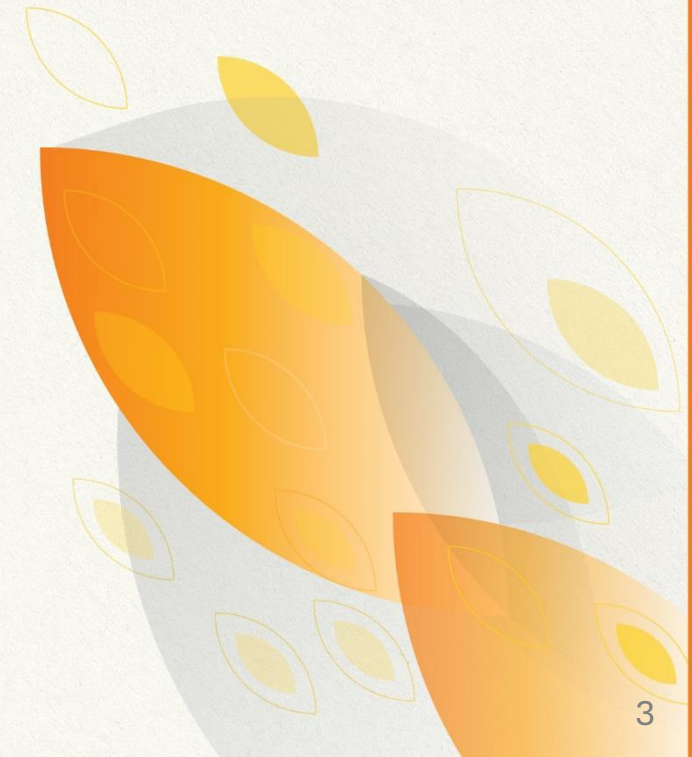


India's Foreign Investment Flows



A decorative graphic in the top-left corner consisting of overlapping orange and grey leaf-like shapes with yellow leaf outlines scattered around them.

India's Macroeconomic Overview



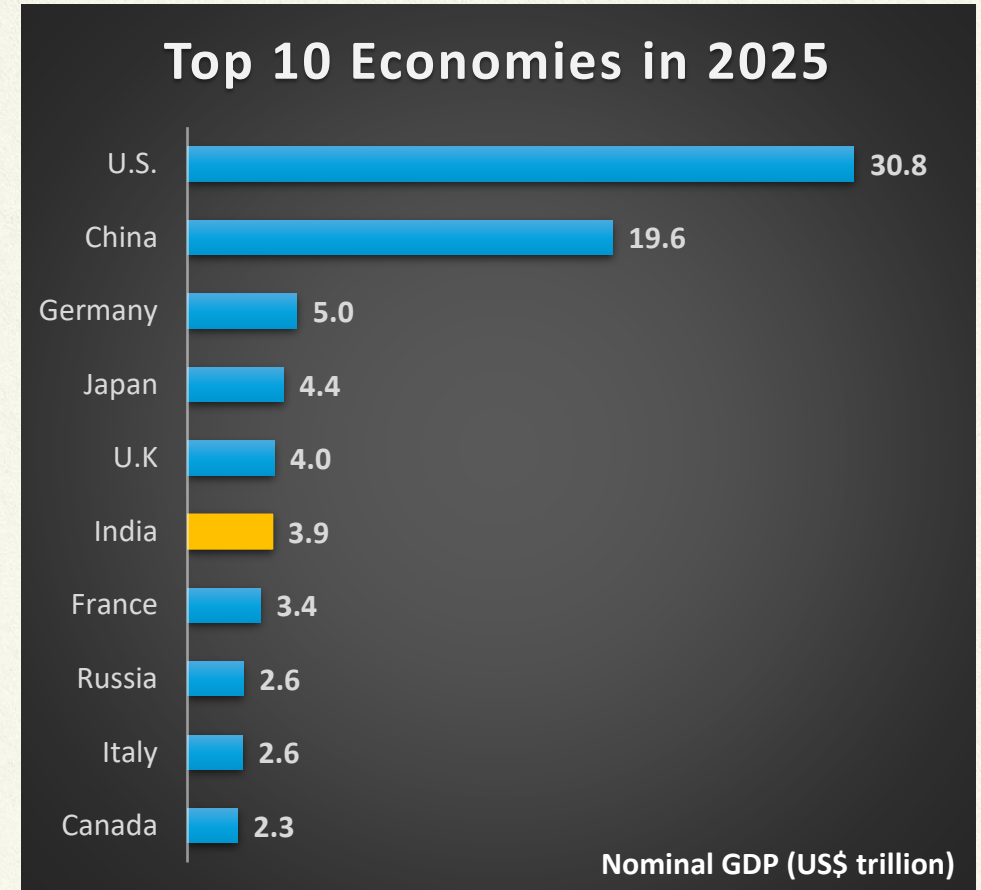
Global Growth and Major Economies



Output/ Real GDP Growth (%)	2023	2024	2025	2026 ^f	2027 ^f
World	3.3	3.4	3.4	3.1	3.2
Advanced Economies	1.7	1.8	1.9	1.8	1.7
United States	2.9	2.8	2.1	2.3	2.1
Euro area	0.4	0.9	1.4	1.1	1.2
Japan	0.7	-0.2	1.2	0.7	0.6
Emerging market and developing economies	4.4	4.5	4.4	3.9	4.2
Emerging and Developing Asia	5.6	5.4	5.5	4.9	4.8
China	5.4	5.0	5.0	4.4	4.0
India	7.2	7.1	7.6	6.5	6.5
Latin America and the Caribbean	2.3	2.4	2.4	2.3	2.7
Middle East and Central Asia	2.6	2.8	3.6	1.9	4.6
Sub-Saharan Africa	3.8	4.2	4.5	4.3	4.4

Note: f – Forecast

Source: World Economic Outlook, IMF, April 2026



India slipped from the position of the 5th to 6th largest economy during 2024 and 2025, mainly due to rebasing/statistical revisions and exchange rate changes. It is projected to surpass the UK and Japan by 2027, becoming the 4th largest economy, with an estimated nominal GDP of about US\$ 4.6 trillion.

India : Macroeconomic Snapshot

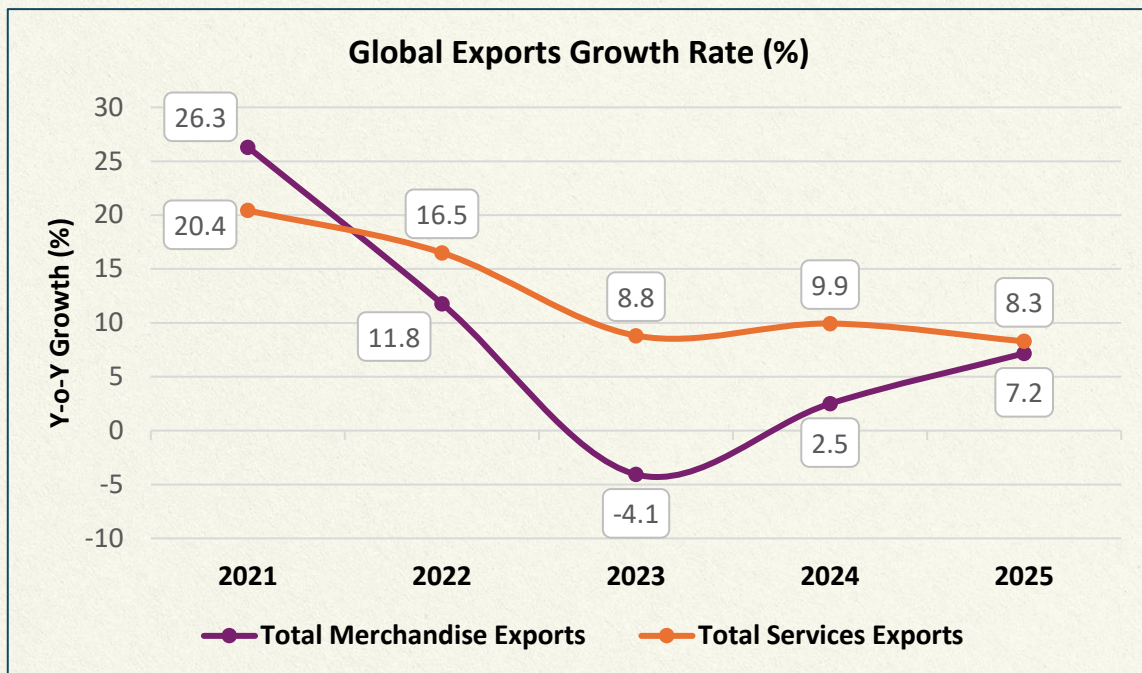


PARAMETERS	2022-23	2023-24	2024-25	2025-26	2026-27
GDP (at current prices, US\$ bn)	3422.2	3648.1	3952.8	4161.7 ^f	4450.0 ^f
Real GDP Growth (%)	7.6	7.2	7.1 ^{FRE}	7.6 ^{SAE}	-
Agriculture & allied activities	6.3	2.6	4.2	2.4	-
Industry	2.5	10.9	8.3	8.9	-
Services	10.3	7.0	7.9	9.0	-
Inflation rate (CPI, annual avg. %)	6.7	5.4	4.6	2.1	3.5 (Apr'26)
Index of Industrial Production (IIP, annual avg. %)	5.2	5.9	4.0	4.1	-
Fiscal Deficit (% of GDP)	6.4	5.6	4.8	4.4 ^{RE}	4.3 ^{BE}
Merchandise Trade Balance (US\$ bn)	-264.9	-241.2	-283.5	-333.2	-28.4 (Apr'26)
Services Balance (US\$ bn)	143.3	162.8	188.8	213.9	20.6 (Apr'26)
Current Account Balance (US\$ bn)	-67	-26	-23.2	-30.1 (Apr-Dec'25)	-
CAB as percentage of GDP (%)	-2	-0.7	-0.6	-1.0 (Apr-Dec'25)	-
Forex Reserves (US\$ bn)	578.4	646.4	665.396	691.9	697.0 (As on 8 May 2026)
External Debt (US\$ bn)	624.1	663.8	736.3	765.5 (Dec'25)	-
General Government Debt (% of GDP)	82.9	81.8	80.8	77.2	75.4
FDI Inflows (US\$ bn)	71.4	71.3	81	88.3 (Apr-Feb'26)	-
FDI Outflows (US\$ bn)*	14	16.7	28.2	30.8 (Apr-Feb'26)	-
Exchange Rate (₹/US\$, avg.)	80.38	82.8	84.55	88.31	96.3 (May 21, 2026)

Note: FRE - First Revised Estimate; SAE - Second Advance Estimate; re- Revised Estimates; pe- Provisional Estimates; - Negligible or Not Available; f - IIF Projections; P- IMF Projections; * - FDI Outflows account for equity capital, reinvested earnings and repatriation/disinvestment. They do not include loans or guarantees issued; ^ - growth over the corresponding period. New base year has been considered for select years as per released Government data.

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 (%)



Note: f – Forecasts
Source: WTO March 2026

	2024	2025	Baseline Forecast		High Energy Price Scenario	
			2026 ^f	2027 ^f	2026 ^f	2027 ^f
Volume Growth (Y-O-Y%)						
World Merchandise Trade (%)	2.7	4.6	1.9	2.6	1.4	2.8
Exports (%)						
North America	2.2	3.1	1.4	2.7	1.1	2.4
South America	5.9	3.2	3.5	2.5	3.5	2.3
Europe	-1.9	-0.5	0.5	1.9	-0.6	2.6
CIS	4.7	3.0	1.3	-0.5	2.4	-0.2
Africa	-2.0	10.3	1.2	2.2	1.0	2.0
Middle East	4.6	12.9	0.6	2.6	-0.1	2.4
Asia	8.3	9.5	3.5	3.2	3.3	3.5
Imports (%)						
North America	4.6	3.1	0.3	3.2	0.2	3.2
South America	5.9	10.4	2.5	3.4	2.7	3.6
Europe	-2.0	2.1	1.3	1.9	0.3	2.3
CIS	5.1	2.7	-2.0	0.1	1.4	-3.2
Africa	1.5	8.7	3.2	3.7	4.2	3.2
Middle East	12.1	10.4	1.0	3.0	2.0	2.7
Asia	4.8	6.0	3.3	3.1	2.6	3.2

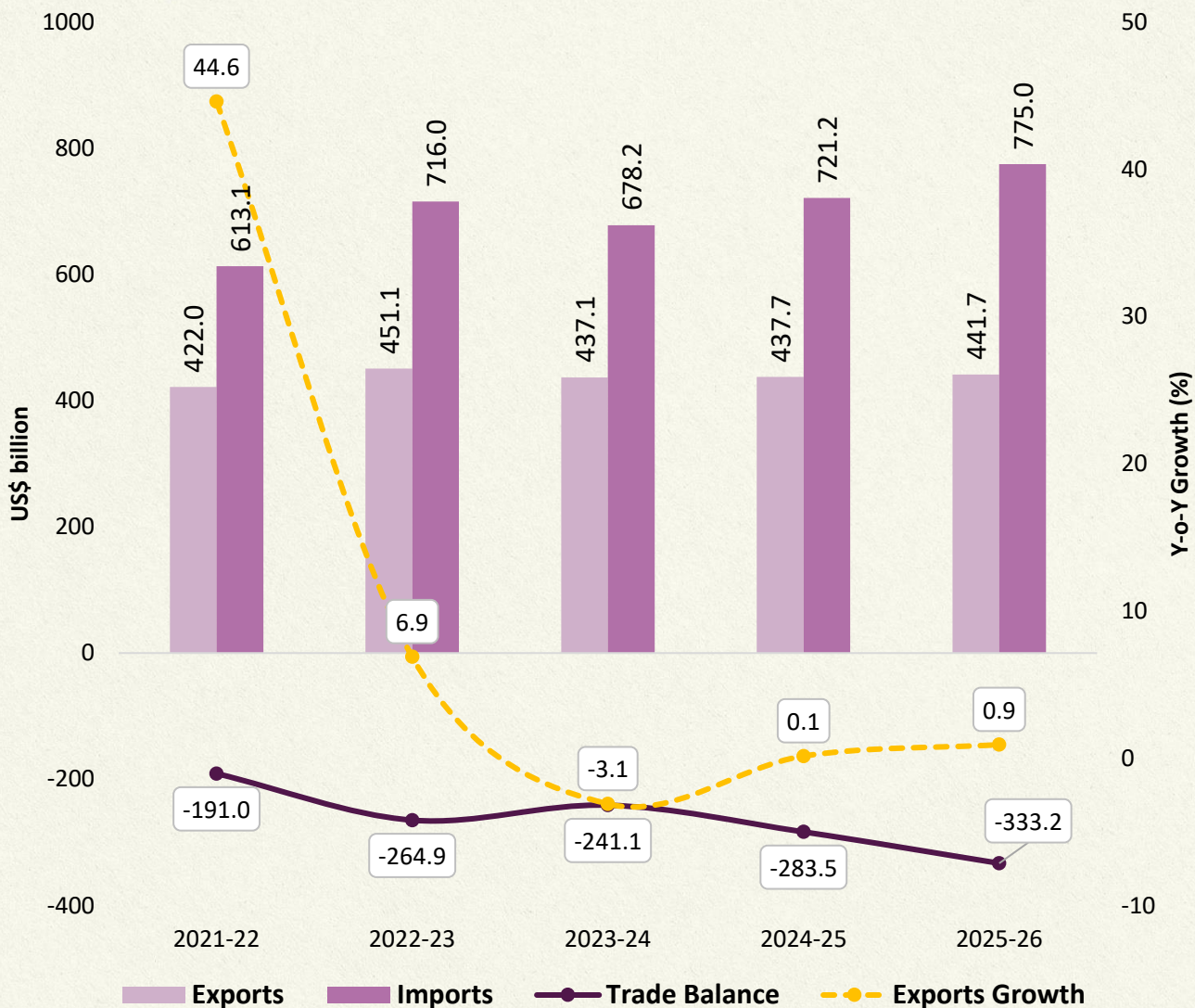
- Global trade is expected to slow, with merchandise volume growth falling from 4.6% in 2025 to 1.9% in 2026, before rising to 2.6% in 2027. Trade value reached US\$ 26.3 trillion in 2025, up 7.2% from 2024.
- High oil prices due to the Middle East conflict could cut 2026 trade growth by 0.5 pp (from 1.9%), while strong AI-related goods trade could add 0.5 pp; services trade may also drop by 0.7 pp due to risks to international transport and travel and structurally elevated fuel costs.

The slide features decorative graphics of stylized leaves in shades of orange and yellow, some with white outlines, arranged in a circular pattern on the left and right sides.

India's Merchandise Trade



India's Merchandise Trade

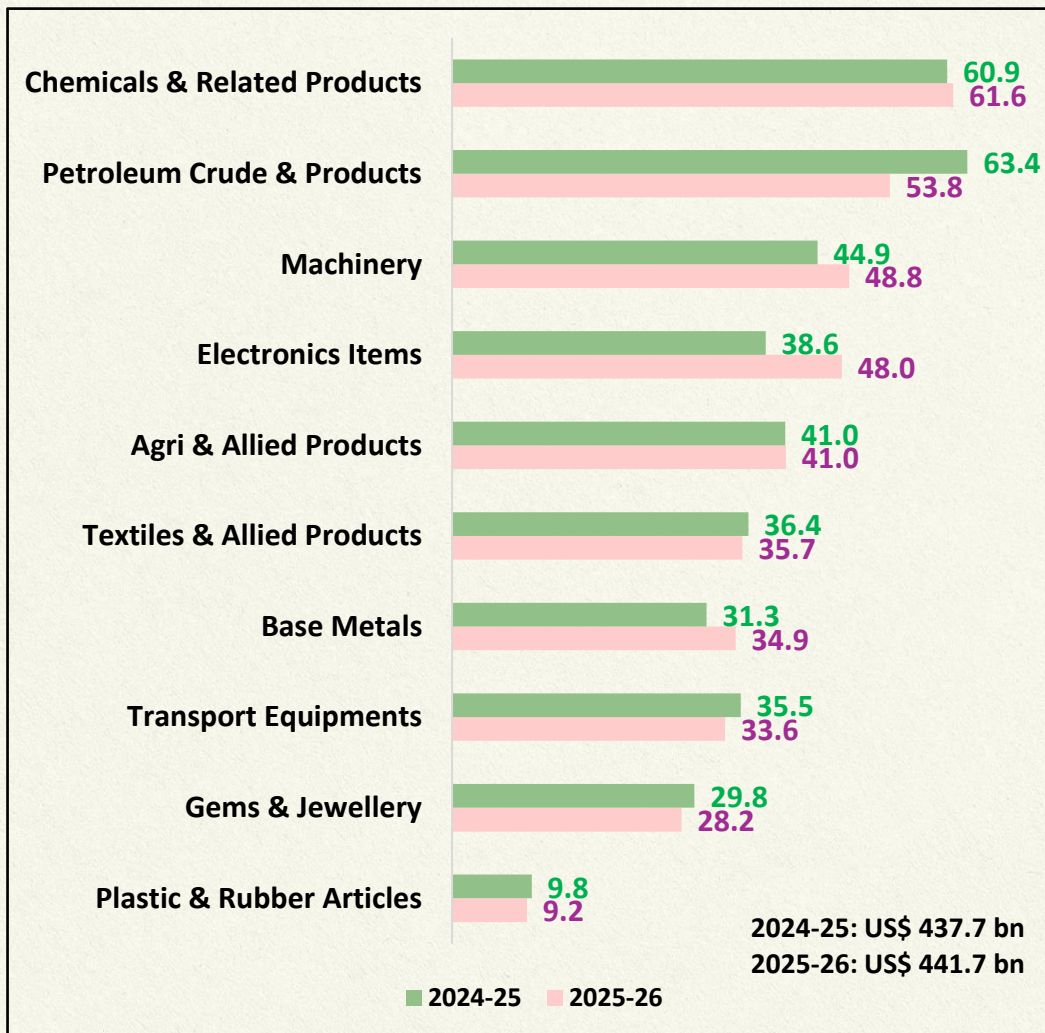


- India's external sector has evolved amidst a global environment characterised by heightened trade policy **uncertainty**, geopolitical realignments, and a structural shift *away* from a **hyper-globalisation** phase.
- Merchandise **exports** during FY26 was US\$ 441.7 billion, as compared to US\$ 437.7 billion during FY25, registering a growth of **0.9%**, while the **imports** grew by **7.4%** leading to an increase in trade deficit to US\$ 333.2 billion.
- The cumulative **non-petroleum exports** in FY26 valued at US\$ 387.9 billion registered an increase of **3.6%** as compared to US\$ 374.3 billion in FY25.

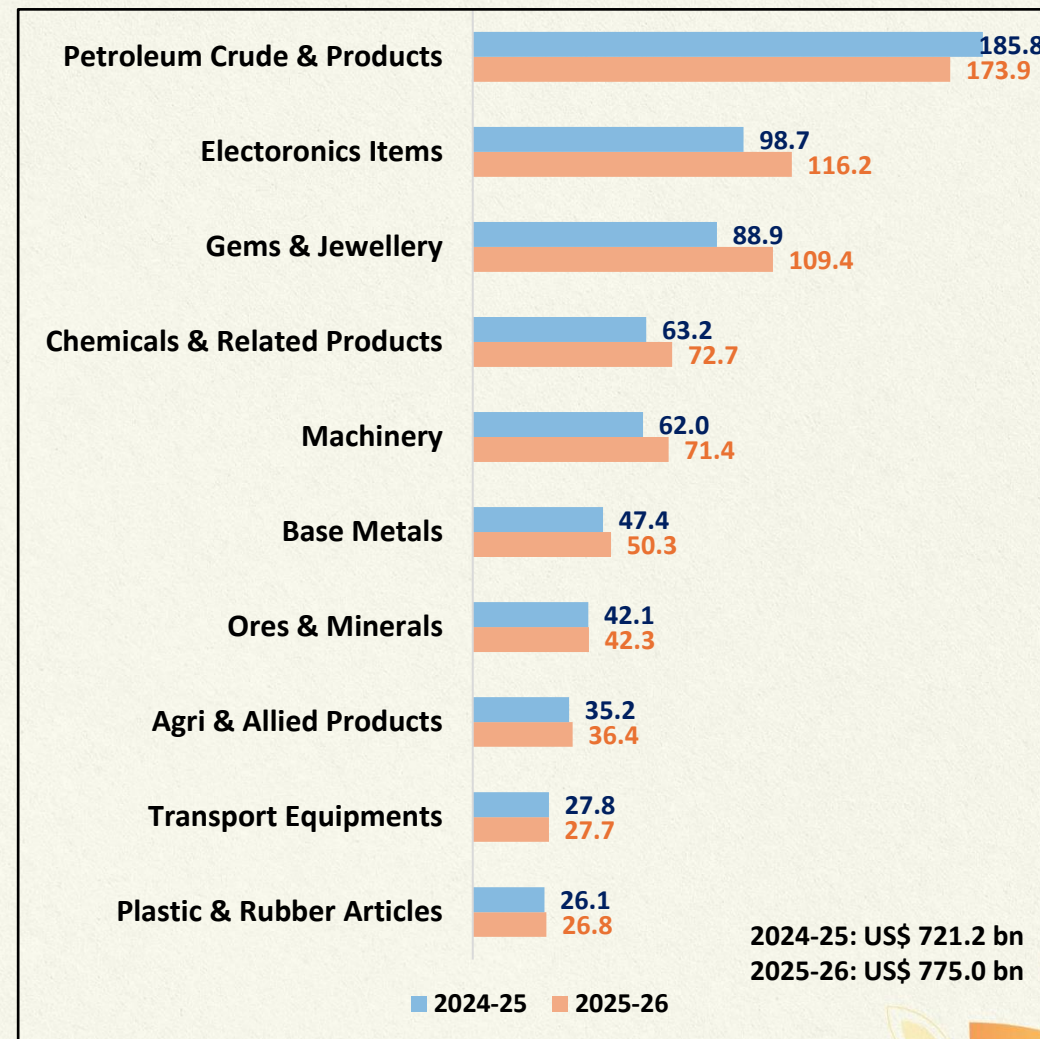
India's Merchandise Trade Composition



Major Exports (US\$ billion)



Major Imports (US\$ billion)



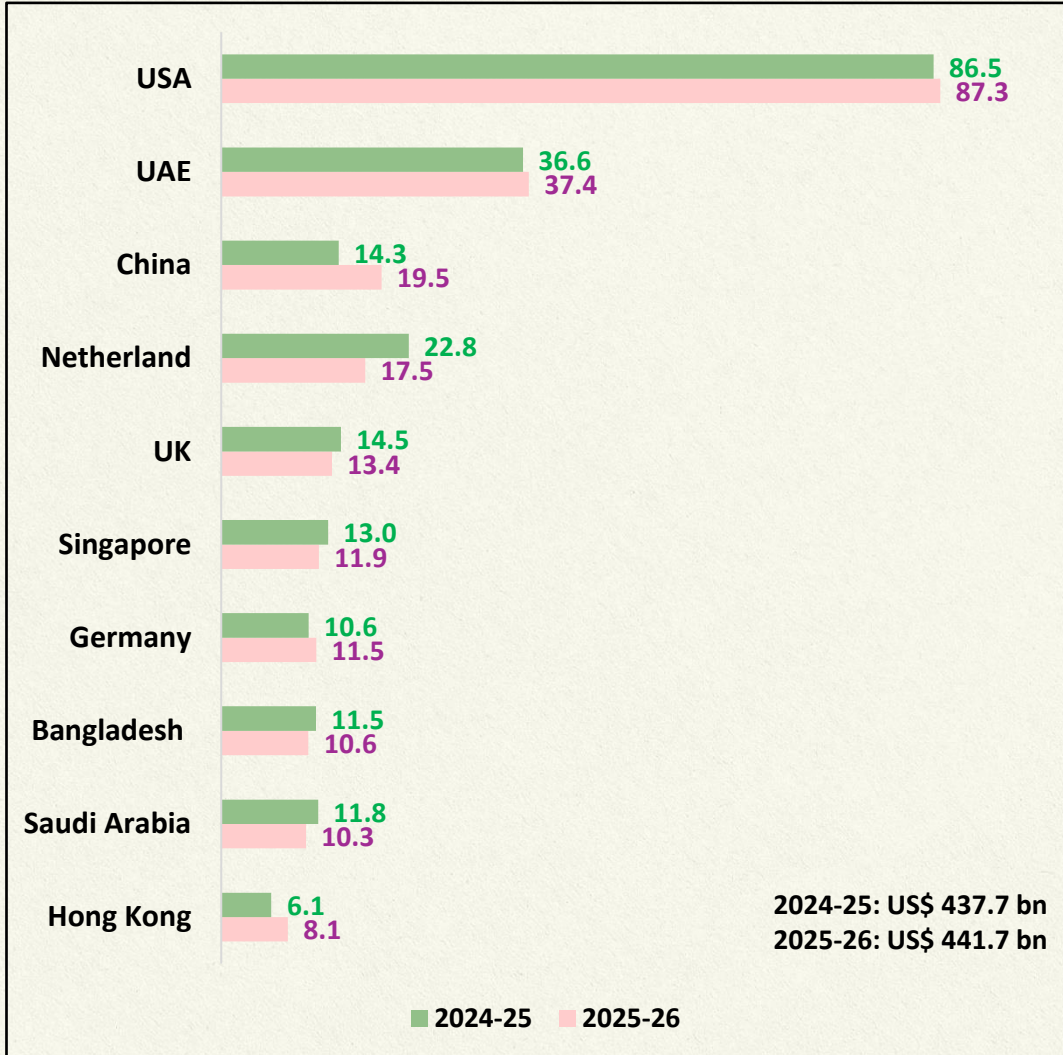
Note: The data for India's exports and imports pertains to Principal Commodity classification. The top 10 exported products accounted for 89.4% of India's total exports in 2025-26 whereas the top 10 imported products accounted for 93.8% of India's total imports in 2025-26.

Source: MOCI, Gol

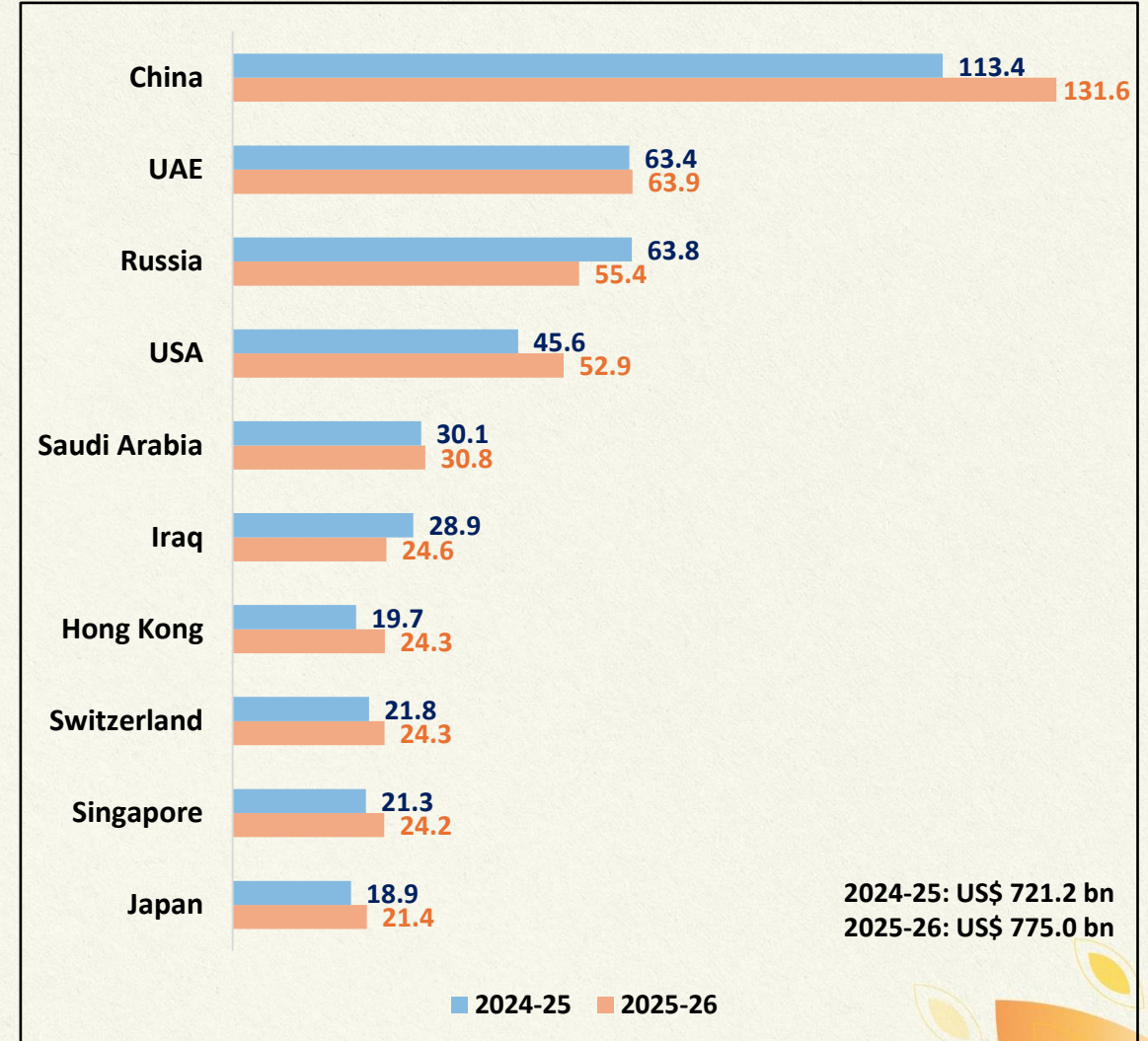
India's Merchandise Trade Direction



Major Export Destinations (US\$ billion)



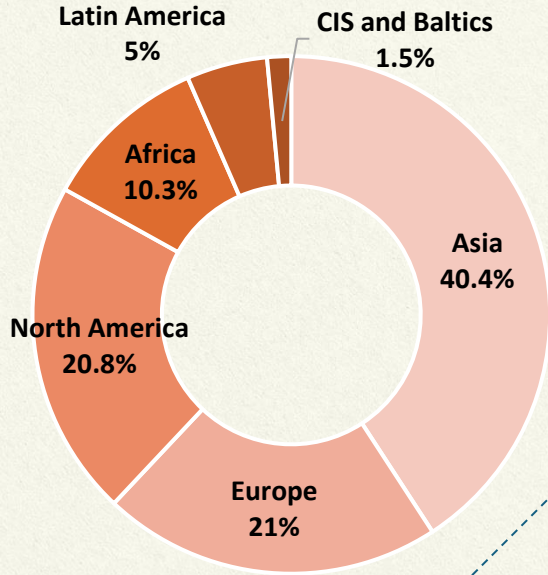
Major Import Sources (US\$ billion)



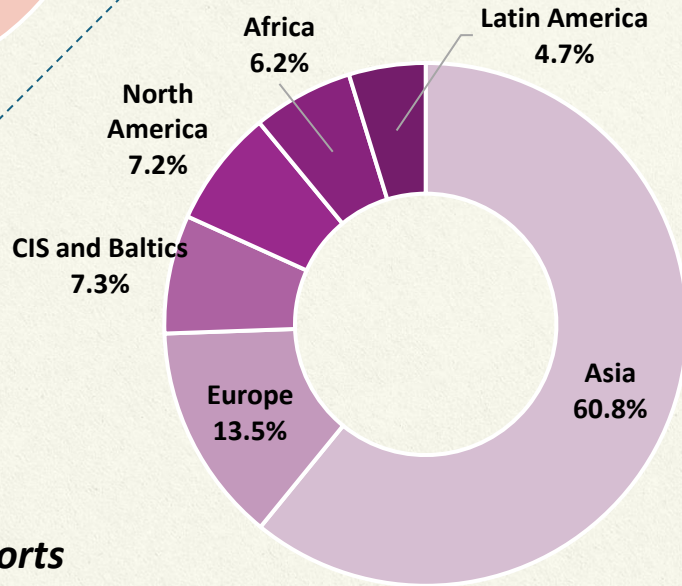
India's Merchandise Trade Direction



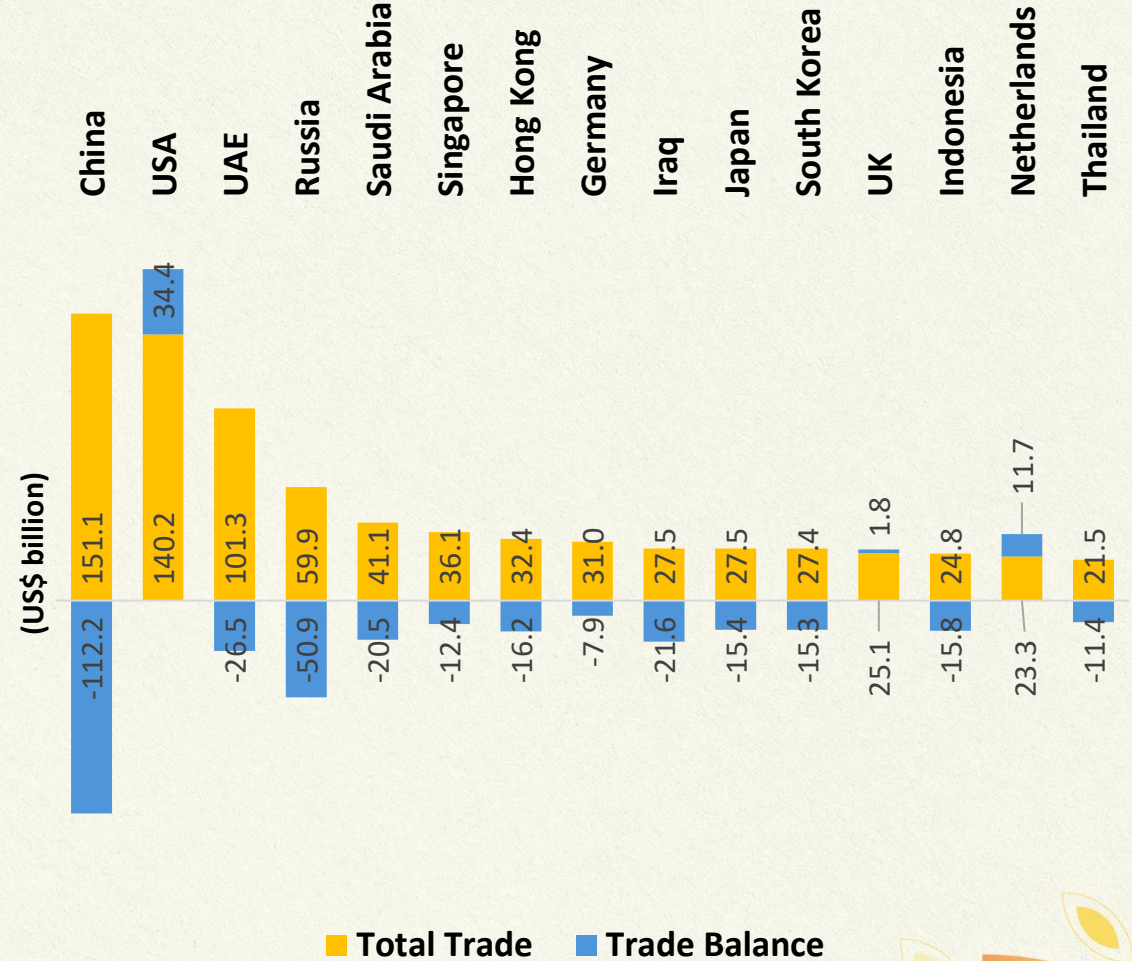
Region-wise Exports



Region-wise Imports



Major Trade Partners



Note: Data for North America does not include Mexico; Mexico has been included in Latin America

Source: MOCI, GoI

India's Share in Global Merchandise Exports

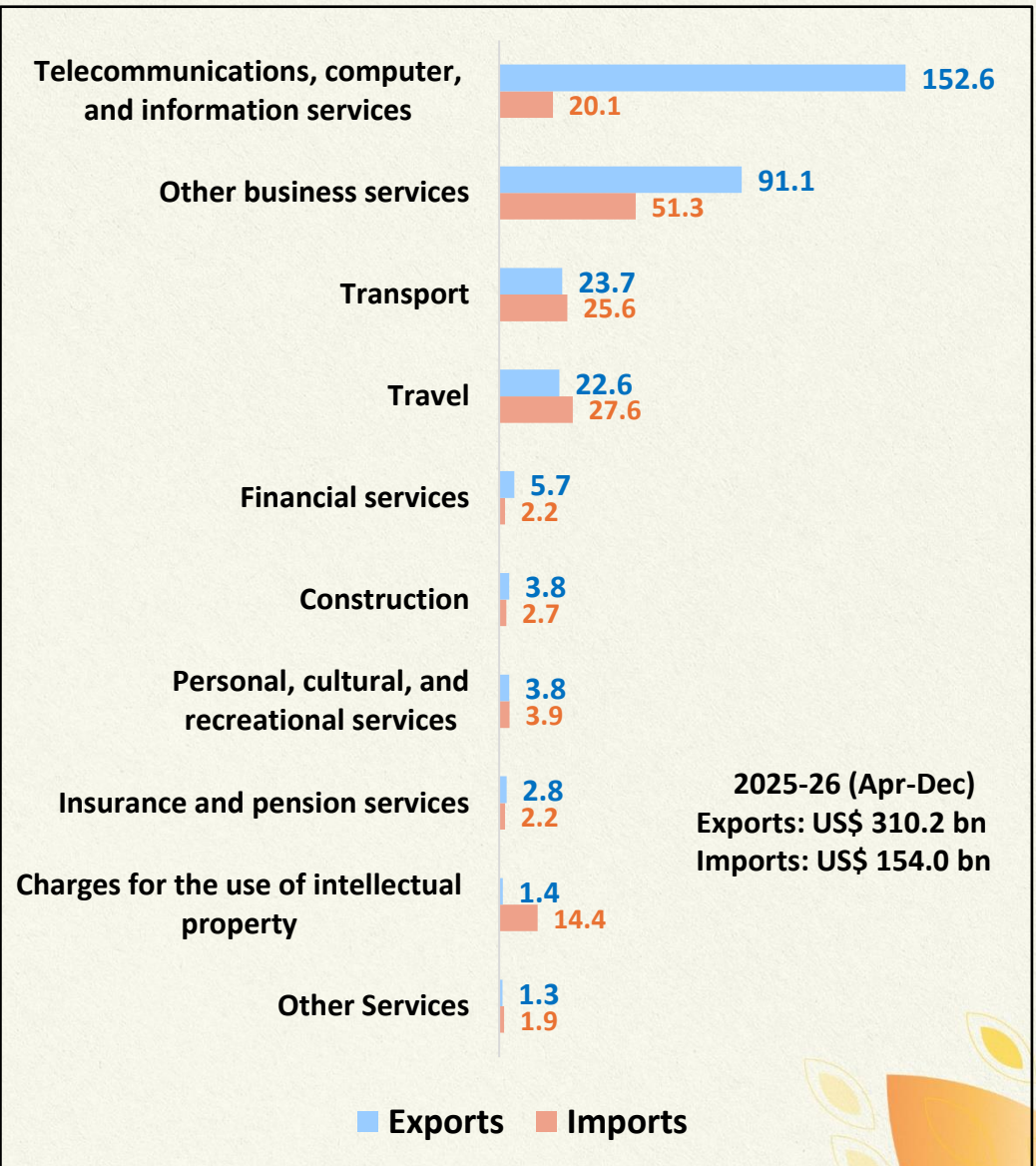
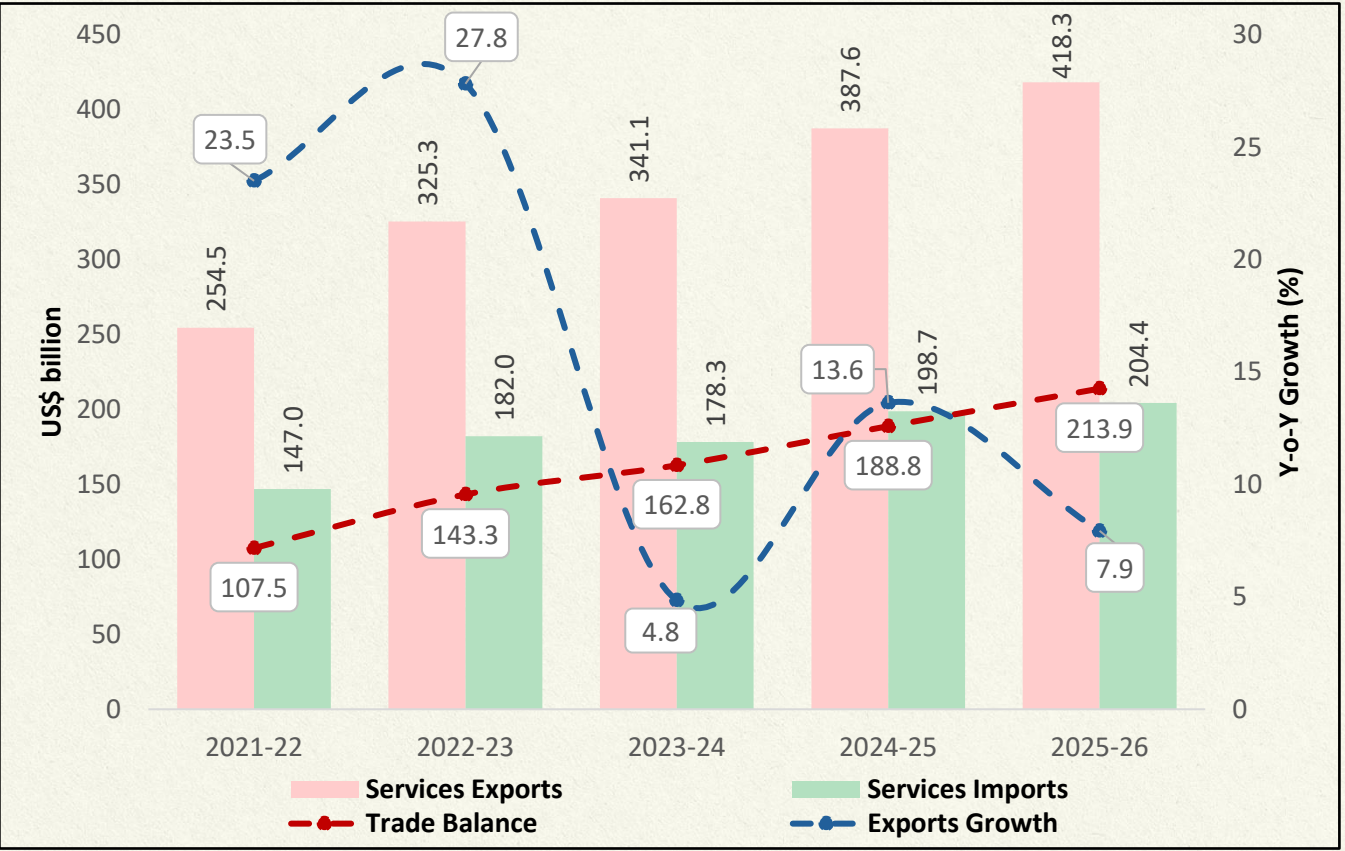


	2015 (% share)	2020 (% share)	2025 (% share)
1	China	13.7 China	14.7 China
2	USA	9.1 USA	8.1 USA
3	Germany	8.0 Germany	7.8 Germany
4	Japan	3.8 Netherlands	3.8 Netherlands
5	Netherlands	3.4 Japan	3.6 Hong Kong
6	Republic of Korea	3.2 Hong Kong	3.1 Japan
7	Hong Kong	3.1 Republic of Korea	2.9 Italy
8	France	3.1 Italy	2.8 Republic of Korea
9	UK	2.8 France	2.8 UAE
10	Italy	2.8 Belgium	2.4 France
11	Canada	2.5 Mexico	2.4 Mexico
12	Belgium	2.4 UK	2.3 Taiwan
13	Mexico	2.3 Canada	2.2 Belgium
14	Singapore	2.1 Singapore	2.1 Singapore
15	Russia	2.1 Taiwan	2.0 UK
16	UAE	1.8 UAE	1.9 Canada
17	Switzerland	1.7 Russia	1.9 Switzerland
18	Taiwan	1.7 Switzerland	1.8 Vietnam
19	Spain	1.7 Spain	1.7 India
20	India	1.6 Vietnam	1.6 Spain
21	Thailand	1.3 India	1.6 Russia
22	Saudi Arabia	1.2 Poland	1.6 Poland
23	Malaysia	1.2 Australia	1.4 Malaysia
24	Poland	1.2 Malaysia	1.3 Brazil
25	Australia	1.1 Thailand	1.3 Thailand
26	Brazil	1.1 Brazil	1.2 Australia
27	Vietnam	1.0 Czech Republic	1.1 Saudi Arabia
28	Czech Republic	1.0 Ireland	1.0 Ireland
29	Austria	0.9 Saudi Arabia	1.0 Czech Republic
30	Türkiye	0.9 Türkiye	1.0 Indonesia

The slide features decorative graphics of stylized leaves in shades of orange and yellow, scattered across the background. One large cluster is in the top-left corner, and another is in the bottom-right corner.

India's Services Trade

India's Services Trade



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.
 (3) Figures for 2025-26 are based on estimates
 Source: BoP Statistics, RBI

India's Share in Global Services Exports



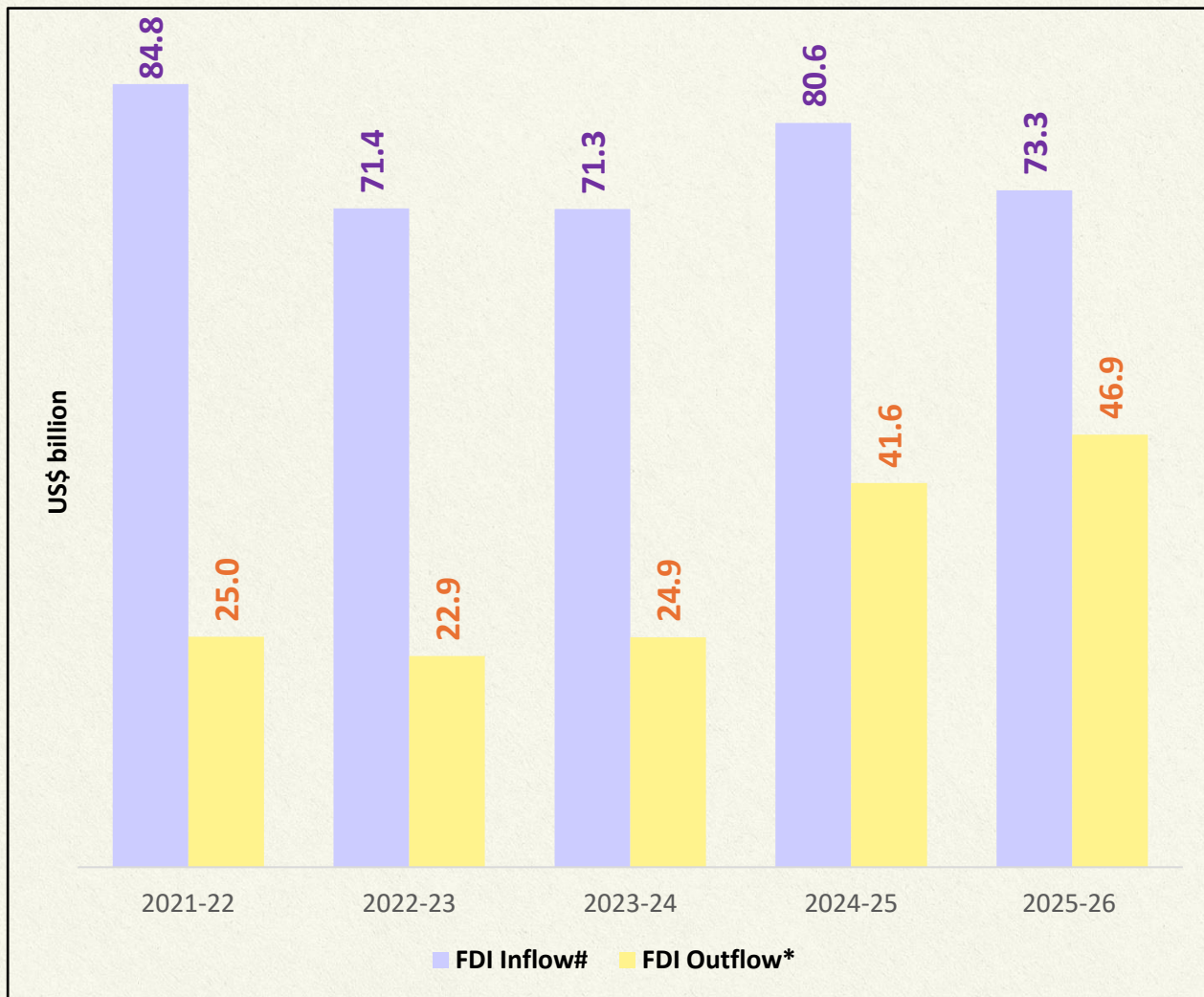
	2015 (% share)		2020 (% share)		2025 (% share)	
1	USA	15.1	USA	13.9	USA	12.8
2	UK	7.6	UK	7.5	UK	7.5
3	Germany	5.6	Germany	6.3	Ireland	5.9
4	France	5.0	Ireland	6.3	China	5.3
5	China	4.5	China	5.3	Germany	5.3
6	Netherlands	3.9	France	4.7	France	4.4
7	Japan	3.2	Netherlands	4.3	Singapore	4.4
8	Ireland	3.2	Singapore	4.1	India	4.3
9	India	3.1	India	3.8	Netherlands	4.0
10	Singapore	3.0	Japan	3.1	Spain	2.6
11	Switzerland	2.5	Luxembourg	2.4	Japan	2.5
12	Spain	2.4	Switzerland	2.2	Switzerland	2.0
13	Belgium	2.1	Belgium	2.2	UAE	2.0
14	Hong Kong	2.1	Canada	1.8	Canada	1.8
15	Italy	1.9	Republic of Korea	1.7	Italy	1.8
16	Republic of Korea	1.9	Spain	1.7	Belgium	1.7
17	Luxembourg	1.8	Italy	1.6	Luxembourg	1.6
18	Canada	1.7	UAE	1.5	Republic of Korea	1.6
19	Sweden	1.4	Denmark	1.4	Sweden	1.4
20	Denmark	1.3	Sweden	1.4	Denmark	1.3
21	Türkiye	1.2	Hong Kong	1.3	Poland	1.3
22	UAE	1.2	Poland	1.2	Türkiye	1.3
23	Austria	1.2	Austria	1.2	Hong Kong	1.2
24	Thailand	1.1	Israel	1.0	Austria	1.1
25	Australia	1.1	Australia	0.9	Australia	0.9
26	Russia	1.0	Russia	0.9	Israel	0.9
27	Poland	0.9	Taiwan	0.8	Thailand	0.8
28	Norway	0.8	Türkiye	0.7	Portugal	0.7
29	Taiwan	0.8	Norway	0.6	Saudi Arabia	0.7
30	Israel	0.7	Philippines	0.6	Malaysia	0.7

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India's Foreign Investment Flows



India's Foreign Investment Inflows



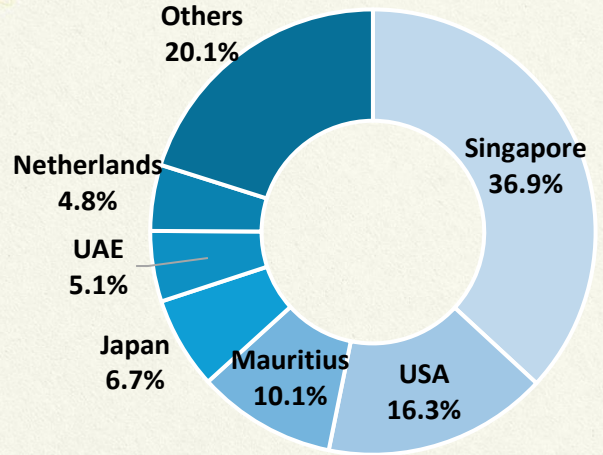
- Global **FDI flows rose 14% in 2025**, reaching an estimated US\$ 1.6 trillion, while India's inflows momentum was driven by services, manufacturing, and supportive policies aimed at integrating India into global supply chains.
- Amid a subdued global environment, India remained attractive for investors, recording **gross FDI inflows of US\$ 73.3 billion** during April-December 2025, meanwhile **FDI outflows** were recorded at **US\$ 46.9 billion** in FY26.
- According to the World Investment Report (2025), India ranked **fourth** globally in **Greenfield investment** announcements in **2024**, with over 1,000 projects and emerged as the largest destination for Greenfield digital investments between 2020-24.

Note: (1) #FDI Inflows include Equity, Re-invested Earnings and other Capital. Inflows data is available for Apr-Dec 2025. (2) *FDI Outflows include Equity, Loans & Guarantees Issued.
Source: RBI and UNCTAD

India's Foreign Direct Investment Flows

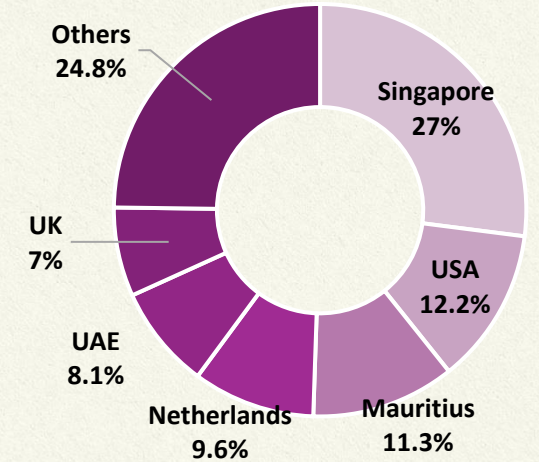


Top FDI Investing Countries in 2024-25#



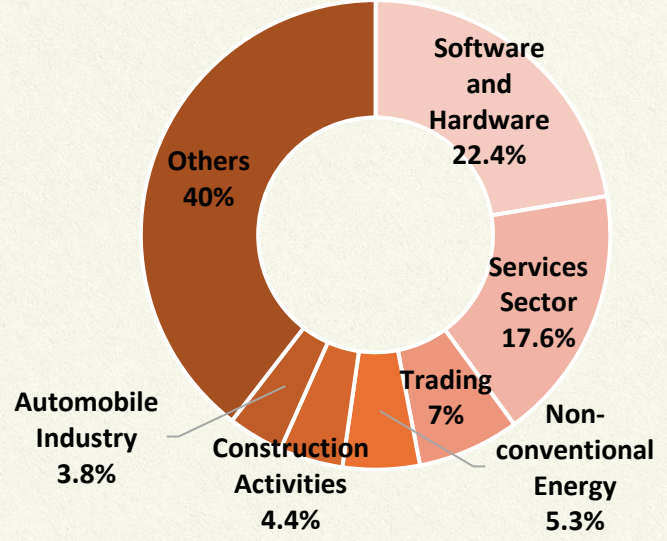
Total FDI Equity Inflows in 2025-26 (Apr-Dec): 47.9 bn

Destination-wise FDI Outflows in 2024-25##



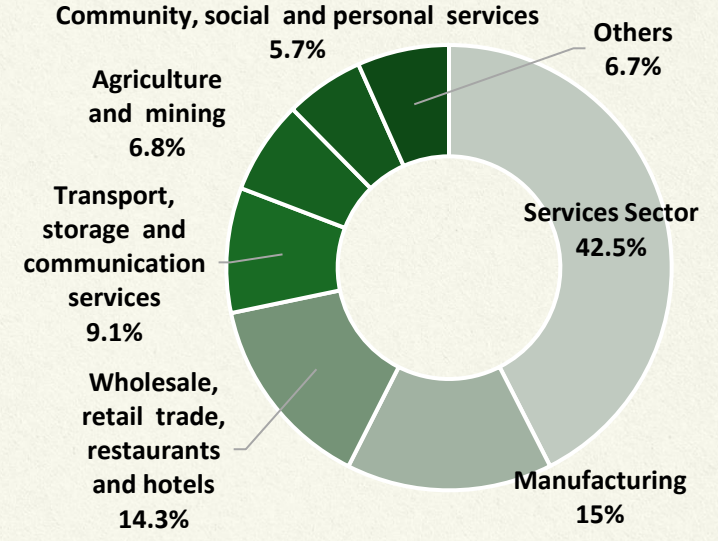
Total FDI outflows in 2025-26: US\$ 46.9 bn

Sector-wise FDI Inflows in 2024-25#



Total FDI Equity Inflows in 2025-26 (Apr-Dec): 47.9 bn

Sector-wise FDI Outflows in 2024-25##



Total FDI outflows in 2025-26: US\$ 46.9 bn

Note: (1) #- data is for FDI equity inflow; (2) ## data for FDI outflow (approved) includes equity, loans & guarantees issued (3) * - Services sector includes Financial, Banking, Insurance, Non-Financial / Business, Outsourcing, R&D, Courier, Tech. Testing and Analysis; Others include construction development, hotel & tourism, power among others
Source: MOCI and RBI



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EMPOWERING GROWTH OF PARTNER COUNTRIES.

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