

Jan trade deficit hits 3-month high as exports remain flat

PICTURE IN CONTRAST. Imports surge 19% y-o-y driven by gold, silver inflows

Amiti Sen

New Delhi

India's goods trade deficit widened to a three-month high of \$34.68 billion in January 2026, driven by a 19.19 per cent surge (year-on-year) in imports to \$71.23 billion fuelled largely by gold and silver inflows.

In contrast, exports remained almost flat growing a marginal 0.61 per cent to \$36.56 billion as manufacturers struggled under a 50 per cent US tariff regime and global volatility.

This deficit is a sharp increase from the \$23.43 billion recorded in January 2025. However, with the US bringing down additional tariffs on Indian exports to 25 per cent on February 6 2026 and set to lower it down further to 18 per cent (probably this week), following an interim trade arrangement, there is optimism amongst policy makers and exporters.

"We expect to be in the vicinity of \$860 billion overall exports in the current fiscal.



WHEN STARS ALIGN. India's goods exports to China in January 2026 shot up by 55.65% to \$1.67 billion, and inbound shipments increased 16.67% to \$12.23 billion ISTOCKPHOTO

And in services we expect to be over \$410 billion," Commerce Secretary Rajesh Agrawal said at a media briefing on Monday. This would mean the government expects goods exports in FY26 to be around \$450 billion.

In FY25, India's combined exports of goods and services were at \$825.3 billion, up 6.1 per cent year-on-year (y-o-y), while exports of goods were almost flat at \$437.42 billion.

India's goods exports in January 2026 were led largely by growth in engineering products (10.37 per cent), petroleum products

(8.55 per cent), marine products (13.29 per cent), drugs & pharmaceuticals (0.96 per cent), electronic goods (0.32 per cent).

"As the US continues to be India's top export destination and Europe remains a major high-value market, the trade agreements (with the two partners) are expected to provide enhanced market access, improved tariff competitiveness and greater regulatory predictability for Indian exporters," said FIEO President S C Ralhan.

EXPORTS TO CHINA

While the US remained In-

dia's top export destination in January 2026, export growth dropped 21.77 per cent to \$6.59 billion. The UAE was at the second spot with India's exports to the country growing 29.27 per cent to \$3.97 billion. India's goods exports to China in January 2026 shot up by 55.65 per cent to \$1.67 billion.

Inbound shipments from China increased 16.67 per cent to \$12.23 billion. Imports from the UAE increased 48.38 per cent to \$7.04 billion. Russian imports dropped 40.48 per cent to \$2.8 billion, following US sanctions on Russian oil companies.

India's gold imports in January 2026 surged 349.22 per cent to \$12.07 billion while silver imports were 127 per cent higher at \$2 billion. "The increase is due to inflated global prices of the precious metals," an official said. Trade deficit during April-January 2025-26 was \$283.23 billion compared to \$247.38 billion during April-January 2024-25.

High Gold Imports Widen Trade Gap

Goods' inbound shipments increase 19% while exports rise merely 0.6% in January

Our Bureau

New Delhi: India's goods trade deficit in January widened to a three-month high of \$34.68 billion from \$23.43 billion a year ago. Imports, driven by gold and silver, rose 19% to \$71.24 billion while exports rose a meagre 0.6% to \$36.56 billion. The previous high for imports was \$76.1 billion in October 2025. India's January exports to the US fell 21.7% to \$6.59 billion from the year before, hit by 50% tariffs that were in place at the time:

They have been reduced to 18%. The trade deficit was \$25 billion in December.

Gold imports in January rose more than fourfold to \$12.07 billion while silver rose 127% to \$2 billion from the year ago.

**TRADE TEAM
HEADING
TO US NEXT
WEEK ►► 5**

Sequentially, exports contracted 5.08% from \$38.51 billion in December. Sixteen of the key 30 export sectors, including the labour-intensive ones of leather, textile, apparel and gems and jewellery, declined. Merchandise imports stood at \$59.77 billion

in January 2025.

Commerce secretary Rajesh Agrawal said merchandise and services exports have remained in positive territory. "There have been lot of positive developments in the last one month," he said. "We will be nearing \$860 billion overall exports in the current fiscal of which above \$410 billion would be in services exports. We hope to be on the same trajectory for the remaining two months."

India's exports "remain northwards," both in goods and services, he said.

Exports of marine items increase 15% in Apr-Jan

SANDIP DAS

New Delhi, February 16

DESPITE BEING HIT by the high US tariffs, India's marine products exports increased by over 15% to \$7.17 billion in April-January 2025-26, due to a huge surge in shipments to several new markets such as Vietnam and the European Union (EU), according to commerce ministry officials.

In December, 2025, India exported marine products valued at \$0.61 billion, an increase of over 13% compared to a year ago, according to an official data released on Monday.

Earlier trade officials had feared that the seafood exports would be hit hard as effective as duties imposed by the US increased to 59.71% which included countervailing (5.76%) and anti-dumping duties (3.96%) along with a 50% tariff announced for India by President Donald Trump in September last year.

While the shipments to the US were still the largest, seafood exports to Vietnam and Belgium rose by 99.9% and 90.3% respectively in the current fiscal year compared to FY25, an official had stated last month.

The seafood export to the US would get a boost with reduction in duties.

Apr-Jan farm, processed food exports rise 3.3%

● Rice exports dip 7.5%, shipments of buffalo meat robust

SANDIP DAS

New Delhi, February 17

INDIA'S EXPORTS OF agricultural and processed food products grew a modest 3.3% year-on-year (YoY) to \$20.99 billion during April-January of the current fiscal, as rice, which has the biggest share in the country's agri-products exports basket, declined due to geopolitical factors.

Exports of rice, including both basmati and non-basmati varieties, fell 7.5% on year to \$9.33 billion during the April-January period of FY26. In January 2026, India — the world's largest rice exporter — shipped rice worth \$1.03 billion, marking a 25% YoY decline.

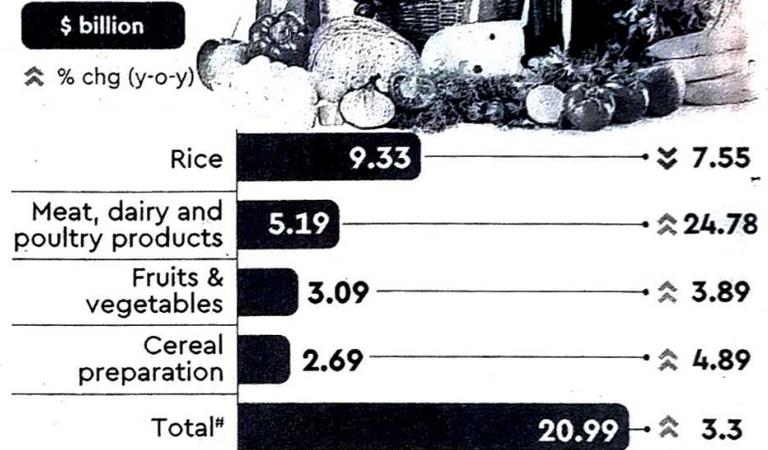
"Amid geopolitical tensions between the US and Iran over the past year, India's rice exports to Iran faced disruptions, although some recovery has been observed recently," Ranjit Singh Jossan, vice president, the basmati rice millers and exporters association, Punjab, told *FE*.

Adding to the pressure, competitor Pakistan has announced duty drawbacks of 9% on basmati and 3% on non-basmati rice, giving its exporters a direct price advantage over Indian suppliers.

In contrast, shipments of buffalo meat, dairy and poultry products rose sharply during the first ten months of FY26. According to data from the Directorate General of Commercial Intelligence and Statistics, exports in this segment increased 25% YoY to \$5.19 billion.

WEATHERING THE STORM

Agri & processed food exports
(April-January 2026)



Source: DGCIS, #including items - cashew, oil meals & other cereals, excluding items - marine, tobacco, coffee & tea

India exported boneless buffalo meat worth \$4.06 billion in FY25. The commodity is the second-largest export item by value in the Agricultural & Processed Food Products Export Development Authority (APEDA) basket, after basmati rice.

Officials said global demand for Indian bovine meat has strengthened due to its quality and nutritional value. India has emerged as the second-largest exporter of buffalo meat, with key destinations including Vietnam, Malaysia, Egypt, Iraq, Saudi Arabia and the UAE.

The APEDA coordinates boneless buffalo meat exports through approved integrated meat plants and these plants are inspected by importing countries.

APEDA coordinates boneless buffalo meat exports through approved integrated meat plants, which are inspected by importing countries.

Exports of fruits and vegetables during April-January of FY26 rose nearly 4% YoY to \$3.09 billion. Shipments of cereal preparations increased more than 4% to \$2.69 billion, while cashew exports grew over 19% to \$344 million during the first ten months of the fiscal.

In FY25, India's agricultural and processed food product exports stood at \$25.14 billion. Products under the APEDA basket account for about 51% of total agricultural exports, with the remainder comprising marine products, tobacco, coffee and tea.

Overall shipment of rice was 20.1 million tonne (MT) during FY25, which was valued at a record \$ 12.95 billion. India shipped rice to 172 countries. India has been the biggest rice — basmati and non-basmati — exporter in the world in the last decade and it has a market share of around 35% to 40% in rice trade.

Cotton imports touch \$1.79 b in April-January

Business Line 18.02.2026

Vishwanath Kulkarni
Bengaluru

India's imports of raw cotton and waste surged by 72 per cent in dollar terms to over \$1.79 billion during the April-January period of the current financial year as mills and the trade, taking advantage of the duty exemption, made record purchases overseas. Imports of cotton raw and waste were \$1.04 billion a year ago.

As per the latest quick estimates released by the Commerce Ministry, cotton imports in rupee value stood at ₹15,857 crore in the April-January period of FY26, an increase of 81 per cent over corresponding last year's ₹8771.96 crore. The import value of cotton during FY25 stood at \$1.21 billion, while the previous high during any financial year was \$1.43 billion in 2022-23.

As per Cotton Association



HIGHEST EVER. The cotton imports in rupee value stood at ₹15,857 crore during the April-January period

of India data, about 35 lakh bales of 170 kg each are estimated to have been imported till January-end 2026 in the ongoing cotton year 2025-26, starting October.

In August, the government exempted cotton from import duty till September end initially and extended the duty-free status till December 31, 2025, to augment supplies and ease the burden of the textiles industry, which had come under severe pressure due to the 50 per cent US tariffs and

enhance their global competitiveness. Cotton imports attract 11 per cent duty in India.

"This is the highest ever imports in value terms," said Atul S Ganatra, former President, CAI. The body estimates imports to touch 50 lakh bales of 170 kg each during 2025-26 cotton year ending September, up from 41 lakh bales in the previous year.

While 35 lakh bales have already come in, another 4-5 lakh bales of extra long staple cotton of above 32

mm are expected to come in the next few months.

Also, another 3 lakh bales of duty free cotton from Australia under the free trade agreement will come in during June-July, and another 3-4 lakh bales from the African countries at lower duty of 5.5 per cent are expected to come into the country, he said.

HIGHER REALISATION

Ramanuj Das Boob, a sourcing agent in Raichur, said cotton is imported from countries such as Brazil, Australia, US and West African countries. The imports of quality cotton were needed to help the textiles sector compete effectively in the overseas market.

Ganatra said spinning mills get a 2-3 per cent higher realisation from imported cotton, while the prices of domestic cotton are higher than international prices by about 8-10 per cent.

Russia's Share in India's Jan Oil Imports Lowest Since Late 2022

New Delhi: Russian crude shipments in January made up the smallest portion of India's oil imports since late 2022, according to data from industry sources, while Middle Eastern supplies rose to their highest share over the same period.

India, the world's third-biggest oil importer and consumer, ramped up purchases of discounted Russian oil shunned by some Western nations in the wake of Moscow's 2022 invasion of Ukraine, with volumes top-

ping 2 million barrels per day in some months.

However, Western sanctions over the war and pressure to clinch a trade deal with the U.S. have forced New Delhi to scale back Russian oil purchases, the data showed. And China has, since November, replaced India as Russia's top buyer of seaborne crude.

India imported about 1.1 mil-

lion barrels per day of Russian crude last month, the lowest since November 2022, with Moscow's share in overall oil imports declining to 21.2%, the smallest share since October 2022, according to the data.

January imports from Russia fell by 23.5% from December and by about a third compared to a year earlier, the data showed.

Import levels are likely to fall

further to an average of 1 million to 1.2 million bpd in February and around 800,000 bpd in March, said Sumit Ritola, lead research analyst, refining and modelling at Kpler. "February numbers may appear slightly lower due to timing, as some end-month cargoes discharge in the following month," he said, adding that Kpler expects Russian flows to India to gradually decline in the medium term rather than stop completely. — Reuters



Oilmeals exports down by 42% in January

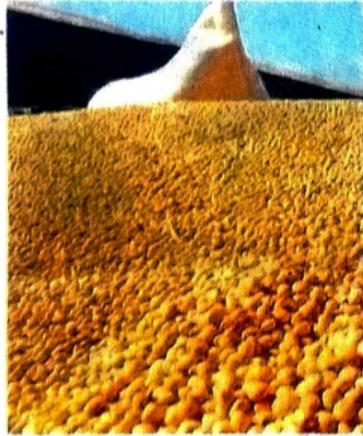
Our Bureau

Mangaluru

India's oilmeals exports declined by 42.5 per cent in January due to a sharp fall in the exports of soybean meal and rapeseed meal.

India exported 2.6 lakh tonnes (lt) of oilmeals during January 2026 against 4.52 lt a year-ago period. In January 2026, India's export of soybean meal declined to 1.32 lt (2.86 lt in January 2025) and rapeseed meal to 64,782 tonnes (1.31 lt).

Total exports of oilmeals declined by 10 per cent at 32.35 lt during April-January 2025-26 against 36.03 lt in



the corresponding period of 2024-25.

BV Mehta, Executive Director of the Solvent Extractors' Association of India (SEA), said rapeseed crushing had declined in the re-

cent days. This had limited its processing into oil and oilmeal until the new crop supplies arrive in February-March.

RAPEMEAL PRICES RISE

Giving the recent average price of Indian rapeseed meal (ex-Kandla), he said it is currently being quoted at ₹20,300 a tonne compared to ₹18,500 a tonne in November and December 2025, and ₹21,617 a tonne in January 2026. Indian rapeseed meal is currently quoted at \$235 a tonne FAS Kandla, while EU-origin rapeseed meal ex-mill Hamburg is quoted at \$276 a tonne.

On the export of soybean

meal, Mehta said the Madhya Pradesh government introduced the 'price deficiency payment scheme' during the kharif season, helping farmers to receive at least the minimum support price (MSP) without physical procurement. This scheme was well received and appreciated by the farmers as well as the industry.

Approximately 16 lt of soybean meal was routed through this scheme during the current kharif season up to December.

MAJOR IMPORTERS

South Korea imported 3.15 lt of oilmeals from India during April-January 2025-26

(5.99 lt in April-January 2024-25). This included 1.35 lt of rapeseed meal, 1.33 lt of castorseed meal and 47,293 tonnes of soybeanmeal. India exported 7.18 lt of oilmeals to China during April-January 2025-26 (31,105 tonnes).

This included 7.1 lt of rapeseed meal and 7,207 tonnes of castorseed meal. Bangladesh imported 3.33 lt oilmeals from India during April-January 2025-26 (6.21 lt). This included 2.12 lt of rapeseed meal and 1.21 lt of soybean meal. During April-January 2025-26, Germany and France imported 1.78 lt and 1.22 lt of soybean meal from India, respectively.

Fall in imports from Russia set to raise India's crude oil costs by \$2-3/barrel: Kpler

Business Line 23.02.2026

Rishi Ranjan Kala

New Delhi

As India begins reducing Russian crude oil imports under pressure from the US, its overall crude oil import bill is expected to increase \$2-3 per barrel, which can be offset by Venezuelan barrels, albeit partially.

Global real time data and analytics provider Kpler said India is not positioned to fully replace Russian barrels without cost from a market structure perspective.

"Russian grades have provided a rare combination of medium sour quality, stable availability and discounted pricing, which have been particularly valuable for complex refiners optimised for sour processing," it pointed out.

OVERALL COSTS

Sumit Ritolia, Kpler's Lead Research Analyst for Refining & Modeling, told *businessline*: "As India reduces Russian barrels, the overall crude cost is expected to go up \$2-3 per barrel. However, cheaper Venezuelan crude buy could partially offset this. Again, Venezuelan crude import will only be at a marginal or supplementary level and cannot replace Russian barrels."

That said, Venezuelan supply is structurally constrained by production limits, logistics and compliance risks. It is unlikely to fully replace Russian volumes, but it can help reduce the cost impact at the margin end if flows continue to build, he added.

RUSSIAN CRUDE

Kpler expects Russian crude imports to India at around 1-1.2 million barrels per day (mb/d) in February 2026, easing towards roughly 800-1,000 thousand b/d (kb/d) next month. "However, we

continue to see this as a short-term stabilisation, rather than a return to the mid-2025 peak, and we expect Russia's share in India's crude slate to gradually stabilise to a lower range in 2026 compared to 2024/2025, as commercial and policy frictions build," Ritolia anticipated.

Last week, ratings agency CareEdge said that "going forward, a compelled shift away from Russian crude towards a blend of Venezuelan, US and Middle Eastern grades is likely to increase the weighted average cost of India's crude oil sourcing by \$1.5-2 per barrel, directly compressing the GRM premium that Indian refiners have enjoyed in recent years".

Hardik Shah, Director, CareEdge Ratings, said Indian downstream oil sector's performance is currently driven by the dual engines of high gross refinery margins and healthy marketing margins.

"As we transition into FY27, the narrative is likely to shift from high GRMs to moderate but sustainable GRMs. While GRMs are expected to moderate from their recent peak levels due to global supply pressures and realignments in crude oil sourcing, they are likely to settle at \$6-8 per barrel, which is accretive to the historical average," he explained.

On favouring Urals over the US or Venezuelan crude, a refinery official explained that refinery margins factor in multiple variables, such as crude differentials, processing yields, product pricing and operational efficiency metrics. Urals, Arab Medium or for that matter Merey (Venezuela), have different API gravity and sulphur content. Each has a different impact on processing costs, product yields and margin realisation.

\$23 Billion Made-in-India iPhones Join World Network

Country's most valuable export last year takes smartphones to top of category list

Financial Express
23.02.2026

Kiran Rathee

New Delhi: Apple's iPhone was the single most valuable export from India in 2025 with as much as \$23 billion of the devices being shipped out from factories in the country, mostly to the US.

Overall, smartphones became India's top export category for the first time, dislodging automotive diesel fuel, clocking a total \$30.13 billion in January-December, with 76% of this accounted for by Apple.

An analysis of product-specific data based on HS codes released by the commerce ministry last week showed automotive diesel fuel was second at exports worth \$16.34 billion, followed by diamonds, medicines for retail and motor gasoline.

Cumulative smartphone exports jumped 47% from \$20.44 billion in 2024. Apple's exports during the same period doubled from \$11.5 billion in 2024.

Apple's India momentum could face a challenge with the abolition of 20% fentanyl tariffs on iPhone exports from China to the US, following the recent US Supreme Court order. This had termed reciprocal and fentanyl tariffs as illegal. Apple didn't respond to queries.

Experts said Apple's success in India can be attributed to three key factors — the commencement of the smartphone production linked incentive scheme; the Cupertino-based giant's ability to expand production by bringing in Indian units such as those of Tata group into its supply chain instead of depending solely on Chinese companies; and the aforementioned 20% fentanyl tariffs on Chinese electronics exports, including iPhones, to the US.

Leader Board

Top exports in January-December 2025

\$30.1b
Smartphones

\$16.3b
Automotive diesel fuel

\$12.5b
Diamonds

\$10.7b
Medicines for retail

\$9.7b
Motor gasoline

\$9.6b
Aviation turbine fuel

Source: Commerce & industry ministry

