ABKI SOLUTIONS

TRADE & MARKET INTELLIGENCE

India's Top Trading Partners in 2025

A country-wise look at how India buys, sells and de-risks — built for foreign businesses, Investment Promotion Agencies and Economic Development Organizations evaluating India.

$1.7T+
TOTAL TRADE, FY25

$824.9B
RECORD EXPORTS

$131.84B
USA — TOP PARTNER

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India's Trade Story: Beyond the Numbers

India's trade relationships in 2025 go well beyond simple buy-and-sell figures — they reflect a country actively repositioning itself amid supply-chain diversification, a strained Russia-West relationship, rising Western protectionism, and India's own manufacturing self-reliance push. With merchandise and services trade crossing **$1.7 trillion** in FY25 (exports near $437 billion and imports near $721 billion of goods trade), India has moved from participant to a genuine driver of global commerce.

The landscape splits into two broad patterns: export-led relationships, like the one with the USA, where India sends out more value than it takes in; and import-driven dependencies, most notably China and the UAE, which supply the energy and electronics that fuel India's domestic growth.

USA is India's largest trading partner, with bilateral trade of $131.84B and exports of $86.51B.

China remains the top import source at $113.4B, critical to electronics, pharma and engineering inputs.

Russia now supplies 35–40% of India's crude oil imports, with bilateral imports at $63.84B.

UAE is India's 3rd-largest partner and a re-export gateway, not just a buyer — exports of $36.64B.

Country-Wise Snapshot (FY25)

Country	Bilateral / Key Trade Value	Primary Role
United States	$131.84B total · $86.51B exports	**Top Export Market**
China	$113.4B imports	**Top Import Source**
Russia	$63.84B imports	**Energy Partner**
UAE	$36.64B exports (2nd-largest export dest.)	**Trade Hub / Gateway**
Singapore	$34.3B total · $13.0B exports	**Finance & Trade Gateway**
Australia	$24.1B total	**FTA-Driven Import Partner**
Vietnam	$15.76B total · India deficit	**ASEAN Manufacturing Partner**
Bangladesh	$13.51B total · $11.46B exports	**Neighbourhood Surplus**
Brazil	$12.20B total	**South American Bridge**
United Kingdom	Stable, FTA nearing completion	**Mature Export Market**
Canada	$8.66B total, evenly split	**Rebuilding Relationship**
Turkey	$8.71B total	**Niche Alternative Supplier**
Iran	$1.24B exports (rice-led)	**Sanctions-Shaped, Food-Led**
Afghanistan	$318.9M exports	**Persistent, Route-Constrained**

The Big Three: China, USA & UAE

IMPORT PARTNER · INDIA CAN'T EASILY REPLACE

China — $113.4B imports

China's scale advantage and deeply integrated supply chains keep it as India's biggest import source, especially for electronics, pharma inputs and engineering goods. India's PLI (Production Linked Incentive) schemes are chipping away at this dependency, but in FY25, China still accounted for roughly **74% of India's Active Pharmaceutical Ingredient (API) supply** — a strategic vulnerability policymakers are actively working to reduce.

HIGH-VALUE EXPORT MARKET

United States — $86.51B exports

The US remains India's largest and highest-quality export destination — a relationship built on compliance and capability rather than cost. Pharmaceuticals are the standout: India supplies roughly 45% of the generic medicines consumed in the US. Section 232 tariffs on steel and aluminium and ongoing WTO disputes create periodic friction, but the size and diversity of the relationship make it resilient rather than fragile.

TRADE HUB & STRATEGIC GATEWAY

UAE — $36.64B exports

The UAE is India's second-largest export destination and far more than a buyer — it's a re-export hub that routes goods from other markets into India (crude oil, gold, diamonds) and channels Indian petroleum products, gems, jewellery, engineering goods and textiles outward.

Energy re-shuffle: Before February 2022, Russia wasn't a top-five trading partner. Today, it's among India's top three import sources, with Russian crude now covering 35–40% of India's total crude imports — a structural shift driven by pricing and availability rather than history.

Stable & Strategic Partners

- **United Kingdom** — a consistent, resilient export market for pharma, apparel, chemicals and refined petroleum; a near-complete FTA is set to sharpen India's price competitiveness.
- **Singapore** — India's single largest source of FDI, functioning as a gateway rather than a typical customer market, with $34.3B in bilateral trade.
- **Australia** — reshaped by the 2022 ECTA; from January 2026, all Indian exports gain zero-duty access, pushing this relationship further in India's favour.
- **Canada** — rebuilding after 2023's diplomatic strain, with CEPA talks underway targeting $50B in trade by 2030.

Emerging & Niche Relationships

- **Vietnam** — India runs a trade deficit here as Vietnam's electronics and manufacturing base scales up, even as it buys more Indian meat and pharma.
- **Bangladesh** — one of India's largest trade surpluses with any single country, powered by cotton yarn, petroleum and fast land-route logistics.
- **Brazil** — a growing South American entry point, with a joint India-MERCOSUR target of $20B in bilateral trade by 2030.
- **Turkey** — a niche steel and machinery supplier that lets India diversify away from total reliance on East Asia.

- **Iran & Afghanistan** — smaller, sanctions- and logistics-constrained relationships kept alive through Chabahar Port, bypassing Pakistan's transit restrictions.

What This Means for Foreign Businesses, IPAs & EDOs

For foreign companies, Investment Promotion Agencies (IPAs) and Economic Development Organizations (EDOs), India's 2025 trade profile maps out where the real openings are. Import exposure is concentrated in industrial inputs — the ~74% API dependency on China, the Russia-driven energy relationship, and the electronics gap filled by Vietnam and China — all pointing to sectors where India is actively courting alternative suppliers and FDI through schemes like PLI. On the export side, India's strength in generic pharma, IT services, refined petroleum and gems & jewellery shows where Indian companies are already competitive and looking for distribution or joint-venture partners abroad. The same data works in reverse too: it helps identify which Indian sectors and companies are cash-rich, globally competitive and actively scouting overseas acquisitions or expansion — useful groundwork for any IPA or EDO courting outbound Indian investment into their own market.

For an IPA or EDO, this becomes a targeting question: which Indian industries are under supply-chain pressure and open to a new sourcing or investment partner? Which countries — UAE, Singapore, the US, the UK — are already trusted gateways worth routing outreach through? Where does an FTA (Australia's ECTA, the UK deal, or CEPA talks with Canada) change the economics of a product line? Trade flow data answers this with numbers, not guesswork.

Beyond the trade numbers, India is worth evaluating as a market in its own right — one of the world's largest and fastest-growing consumer bases, a deep pool of skilled talent, and a growing pull for global capability centres. Foreign companies weighing India shouldn't see it only as a sourcing or investment destination; increasingly, it's the demand-side opportunity itself.

How Abki Solutions Helps

We help foreign businesses, IPAs and EDOs turn trade trends like these into an actionable India strategy — opportunity mapping, identifying the right Indian buyers, suppliers, JV or acquisition partners, compliance and documentation support, and connections to the relevant Indian industry bodies, ministries and trade delegations. We also support on-the-ground market entry through Employer of Record (EOR) and employee hosting services, so you can hire and manage talent in India without first setting up a local entity. If your organization is evaluating India as a sourcing base, export market, talent pool or investment destination, we can help you map where the openings are.

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Frequently Asked Questions

Who is India's largest trading partner in 2025?
The USA, with bilateral trade of $131.84 billion.

What does India export the most to the United States?
Primarily pharmaceuticals, engineering goods, textiles and IT-related services — high-value categories where quality and compliance matter more than cost alone.

Why is the UAE such an important trade partner for India?
Beyond being a direct trading partner, the UAE is a global re-export hub for gold, petroleum and other goods, making it a strategic gateway for Indian trade.

How can foreign businesses, IPAs or EDOs use this trade data?
By reading it as a target list: sectors where India is actively diversifying away from a single supplier (like APIs from China) signal openings for foreign suppliers and investors, while sectors where Indian exporters already lead signal partnership and distribution opportunities abroad.