

# US INDIA BILATERAL TRADE

First 3 Quarters of 2020



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STRATEGIC PARTNERSHIP FORUM

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Below is a snapshot of the latest trends in bilateral trade (based on the data released by the U.S. Census and Bureau of Economic Analysis as of January 2021). The latest 2020 data released for the first three quarters depict expected downward trends due to the COVID impact. Some recovery is visible in Q3 when compared to Q2; however, the negative growth continues in year-on-year comparisons.

Note: Data on Trade in Services is available on quarterly and aggregated basis only

## TRENDS IN U.S. INDIA BILATERAL TRADE IN GOODS & SERVICES: FIRST 9 MONTHS 2020

Goods & Services Trade: The most recent data available for first three quarters (January-September 2020) reflects an overall drop of 20.6% in total bilateral trade including goods and services (\$87.06 billion), with U.S. exports and imports decelerating 24.9% and 17.8%, respectively. The U.S. exported \$33.3 billion worth of goods and services to India in the first three quarters of 2020, down nearly 25% from the corresponding period in the previous year; and the U.S. imported \$53.7 billion worth of goods and services from India, down almost 18% from the previous year's \$65.3 billion level for the corresponding period.

### U.S. INDIA BILATERAL TRADE IN GOODS & SERVICES (\$ BILLIONS)



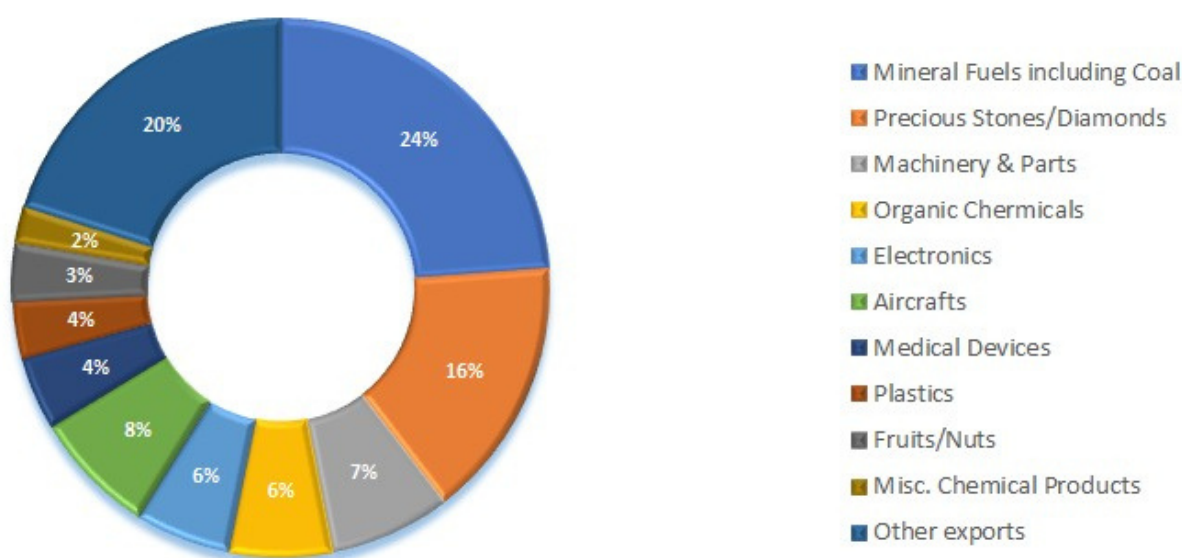
Source: US Census Bureau, Bureau of Economic Analysis

## GOODS TRADE

Two-way trade in goods at \$19.24 billion during Q3 of 2020 contracted 9% from that registered in Q3 of 2019; however, the rate of deceleration was much lesser than that in Q2 (-46%), showing signs of recovery in trade activities during Q3. U.S. goods exports to India in Q3 2020 (July-September 2020) fell 17% to \$6.1 billion from the \$7.3 billion level recorded in Q3 2019, mostly on account of reduced exports of mineral fuels, chemicals and medical devices. Q3 2020 exports were higher than the Q2 2020 (\$4.2 billion) level when the impact of the pandemic-driven lockdowns was severe. U.S. imports of merchandise from India during Q3 2020 were down about 5% to \$13 billion from the \$13.8 billion level registered in Q3 2019; positive growths were recorded for pharmaceuticals, electronics and organics chemicals imports. A closer look at Q3 2020 data indicates that India's export activity started showing signs of recovery from the pandemic impact earlier compared with that of the U.S.

- Cumulative U.S. merchandise exports to India for January-September 2020 decelerated 25% to \$19.3 billion from the corresponding period of 2019. Top 5 U.S. exports to India in the first three quarters of 2020 included Mineral Fuels (\$4.6 bl; down 28%), Precious Stones (\$3 bl; down 38%), Aircrafts (\$1.44 bl; down 22%), Machinery & Parts (\$1.4 bl; down 32%), and Organic Chemicals (\$1.2 bl; down 16%). All major U.S. export items have reflected severe impact of COVID-led lockdown conditions in both economies for the three quarters of 2020.

### U.S. GOOD EXPORTS TO INDIA- JAN-SEP 2020 (\$19.3 BILLIONS)

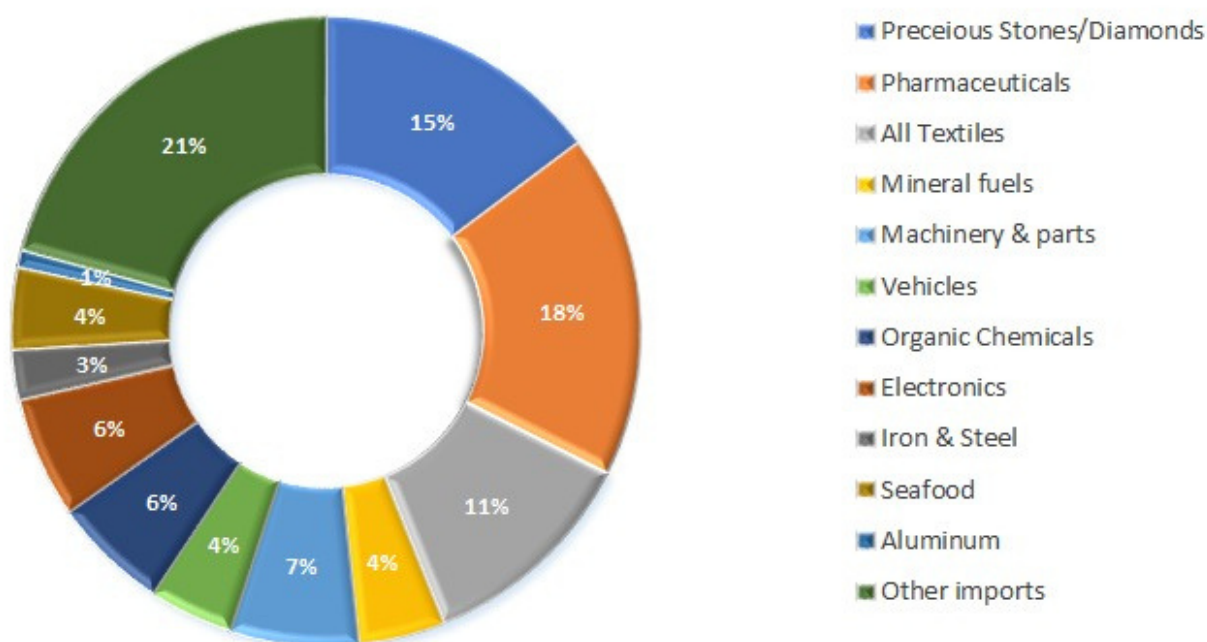


Source: USITCS data

- Cumulative U.S. imports from India for the first three quarters of 2020 were \$35.5 billion, registering a drop of more than 17% from the corresponding period of 2019.

Top 5 items on the U.S. imports side were Pharmaceuticals (\$6.3 bl; up 5%), Precious Stones (\$5.3 bl; down 36%), Textiles (\$4.1 bl; down 25%), Machinery & Parts (\$2.3 bl; down 19%) and Organic Chemicals (\$2.1 bl; down 2%).

## U.S. GOOD IMPORTS FROM INDIA- JAN-SEP 2020 (\$35.5 BILLIONS)



Source: USITCS data

## SERVICE TRADE

Two-way trade in services between the U.S. and India decreased 26% (at \$10.4 billion) during Q3 of 2020 from \$14 billion recorded in Q3 2019. Bilateral services trade declined 31% in Q2 of 2020 with prominent gaps in U.S. exports and imports growth rates; in Q3 2020, the gap between U.S. exports and imports growth rates has narrowed, restoring the balanced service trade trajectory prior to 2020. Total bilateral services trade for Jan-September 2020 between the U.S. and India, at \$32.25 billion, dropped 21% compared with the corresponding period of 2019.