

FY22: US crosses China to become India's biggest trading partner

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US President Joe Biden and Prime Minister Narendra Modi. (Express File)

The US surpassed China to become India's top trading partner in 2021-22, reflecting strengthening economic ties between the two countries.

According to the data of the Commerce Ministry, in 2021-22, the bilateral trade between the US and India stood at \$119.42 billion as against \$80.51 billion in 2020-21. Exports to the US increased to \$76.11 billion in 2021-22 from \$51.62 billion in previous fiscal year, while imports rose to \$43.31 billion as compared to about \$29 billion in 2020-21.

During 2021-22, India's two-way commerce with China aggregated at \$115.42 billion as compared to \$86.4 billion in 2020-21, the data showed.

Exports to China marginally increased to \$21.25 billion last fiscal year from \$21.18 billion in 2020-21, while imports jumped to \$94.16 billion from about \$65.21 billion in 2020-21. Trade gap rose to \$72.91 billion in 2021-22 from \$44 billion in previous fiscal year. Trade experts believe that the trend of increasing bilateral trade with the US will continue in the coming years also as New Delhi and Washington are engaged in further strengthening the economic ties. Federation of Indian Export Organisations Vice President Khalid Khan said India is emerging as a trusted trading partner and global firms are reducing their dependence only on China for their supplies and are diversifying business into other countries like India. In 2021-22, the UAE with \$72.9 billion, was the third largest trading partner of India. It was followed by Saudi Arabia (\$42.85 billion), Iraq (\$34.33 billion) and Singapore (\$30 billion). “In the coming years, the bilateral trade between India and the US will continue to grow. India has joined a US-led initiative to set up an Indo-Pacific Economic Framework and this move would help boost economic ties further,” Khan said. America is one of the few countries with which India has a trade surplus. In 2021-22, India had a trade surplus of \$32.8 billion with the US. —*With PTI*