India Trade-Data Jan 2026

India's Merchandise exports inched up 0.61% YoY in Jan 2026

Executive Summary: India's merchandise trade data for January 2026 reflects a marginal improvement in exports alongside a significant surge in imports, indicating robust domestic demand but increasingly constrained external conditions.

Exports rose by 0.61% YoY to **USD 36.56 billion** in Jan 2026, compared with USD 36.34 billion in Jan 2025. On a cumulative basis, merchandise exports increased by **2.20%** to **USD 366.63 billion** during April–January 2025-26. Export growth was primarily supported by strong performance in Engineering Goods, Petroleum Products, and select Agri-commodities like Coffee and Marine products. However, demand in traditional markets such as the USA, UK, and South Africa remained subdued.

On the import side, **imports expanded by 19.19% YoY** to **USD 71.24 billion** in Jan 2026, up from USD 59.77 billion in Jan 2025. Cumulative merchandise imports rose by **7.21%** during April–January 2025-26, reaching **USD 649.86 billion**. The surge was driven by a massive spike in **gold and silver** inflows alongside steady demand for industrial raw materials like Non-ferrous metals.

Month-on-Month (MoM) Context: Merchandise exports in Jan'26 (**$36.56 bn**) declined sequentially compared to Dec'25 (**$38.51 bn**), indicating seasonal moderation. Conversely, imports rose sharply from Dec'25 (**$63.55 bn**) to Jan'26 (**$71.24 bn**), driven by aggressive inventory restocking in precious metals and industrial inputs.

Merchandise Imports – Key Highlights (Jan 2026) 19.19% YoY growth

- Gold imports surged sharply by +349.22%, reaching USD 12.07 billion.
- Silver imports rose significantly by +127.00%, reflecting high investment demand.
- Sulphur & Unroasted Iron Pyrites grew by +223.08%.
- Non-ferrous metals increased by +32.46%, aligned with infrastructure activity.
- Fruits & vegetables imports rose by +17.94%.
- Machinery (electrical & non-electrical) grew by +14.88%, signalling industrial capex.
- Vegetable oil imports rose by +14.61%, indicating domestic supply-demand gaps.
- Fertilisers (crude & manufactured) increased by +13.18%.
- Electronic goods imports increased by +9.14%.

Sectors with Declining Imports:

- Pulses declined by -46.94%.
- Newsprint fell by -29.33%.
- Chemical material & products decreased by -24.60%.
- Iron & Steel imports fell by -18.77%.

The surge in Gold Imports pushed India's merchandise trade deficit to a three-month high of $34.68 billion in January 2026.

Key Factors for the Surge:

- **Global Geopolitical Volatility:** Ongoing conflicts in the Middle East and Europe, alongside US-Greenland tensions, cemented gold's status as the primary "safe-haven" asset.
- **US Economic Instability:** Specific events like the **US government shutdown (Oct 2025)** and massive **US tariff announcements** (up to 50% on certain goods) drove investors away from the Dollar and toward gold.
- **Currency Depreciation:** A weakening Indian Rupee (averaging ₹85-88) made dollar-denominated gold significantly more expensive to import.
- **Central Bank Diversification:** The RBI and other emerging market central banks aggressively increased gold reserves to reduce reliance on the US Dollar.
- **Shift in Investment Behaviour:** Poor returns in Indian equity markets (equities vs. ~116% returns for gold) led to record inflows into **Gold ETFs** and digital gold.
- **Speculative "Front-Loading":** Bullion dealers increased imports in January 2026 to stock up before the Union Budget, fearing a potential hike in import duties to curb the trade deficit.
- **Leveraged Credit Growth:** A 125% YoY rise in **loans against gold** allowed households to leverage their holdings, keeping gold integrated into the liquid economy.

Overall assessment (Imports): Import growth in January 2026 was exceptionally high, dominated by a monumental surge in gold and silver. This indicates a high propensity for precious metal accumulation and steady industrial restocking, despite the contraction in pulses and newsprint.

Monthly and Cumulative Import Analysis

Commodities – Rising YoY (Jan'26 Vs Jan'25)	Commodities – Falling YoY (Jan'26 Vs Jan'25)
• Gold (+349.22%) • Sulphur & Unroasted Iron Pyrites (+223.08%) • Silver (+127.00%) • Non-ferrous metals (+32.46%) • Fruits & vegetables (+17.94%) • Machinery, electrical & non-Elec. (+14.88%) • Vegetable oil (+14.61%) • Fertilisers (+13.18%) • Cotton raw & waste (+12.33%) • Electronic goods (+9.14%)	• Pulses (-46.94%) • Newsprint (-29.33%) • Chemical material & products (-24.60%) • Iron & Steel (-18.77%) • Coal, coke & Briquettes (-16.56%) • Project goods (-14.78%) • Wood & wood products (-8.35%) • Organic & Inorganic Chemicals (-7.62%) • Transport equipment (-5.27%) • Pearls, precious & Semi-precious stones (-2.64%)

Top Commodities – Rising YoY (Apr'25-Jan'26 Cumulative % change)	Top Commodities – Falling YoY (Apr'25-Jan'26 Cumulative % change)
• Silver (+128.54%) • Cotton raw & waste (+72.36%) • Fertilisers (+65.82%) • Chemical material & products (+35.32%) • Metalliferous ores (+26.38%) • Gold (+20.06%) • Fruits & vegetables (+16.47%) • Electronic goods (+16.14%) • Non-ferrous metals (+15.86%) • Machinery (+14.21%)	• Pulses (-35.61%) • Newsprint (-27.21%) • Coal, coke & Briquettes (-13.87%) • Leather & leather products (-6.64%) • Iron & Steel (-4.89%) • Petroleum, Crude & products (-3.91%) • Wood & wood products (-2.40%) • Organic & Inorganic Chemicals (-2.01%) • Dyeing/tanning/colouring materials (-1.41%) • Transport equipment (-0.86%)

Import Country Performance

Imports - Countries with Rising Imports (Jan'26 Vs Jan'25 YoY % change):

- Switzerland (+836.85%), United Kingdom (+75.38%), UAE (+48.38%), Saudi Arabia (+37.31%), USA (+23.71%), China (+16.67%).

Imports- Countries with Rising Imports (Apr'25-Jan'26 Vs Apr'24-Jan'25 Cumulative % change):

- Hong Kong (+27.02%), Singapore (+14.20%), USA (+13.87%), China (+13.82%), UAE (+12.03%).

Countries with Declining Imports (Jan'26 Monthly YoY % change):

- **Russia (-40.48%)**, **Iraq (-17.39%)**.

Merchandise Exports – Key Highlights (Jan 2026) 0.61% YoY growth

- **Other Cereals** recorded the highest growth at **+88.49%**.
- **Coffee exports** surged **+36.03%**.
- **Iron Ore** rose sharply by **+31.54%**.
- **Meat, dairy & poultry products** grew **+17.92%**.
- **Marine products** rose **+13.29%**.
- **Engineering goods** increased by **+10.37%**.
- **Petroleum Products** rose by **+8.55%**.
- **Drugs & pharmaceuticals** grew by **+0.96%**.

Overall export assessment: Export growth in January 2026 was marginal, sustained primarily by Agri-commodities and Engineering goods. The data shows non-traditional items like other cereals and coffee offsetting significant contractions in traditional segments like Rice (-24.78%), Cashews (-28.83%), and Oil Meals (-45.41%).

Monthly and Cumulative Export Analysis

Commodities – Positive YoY Growth (Jan'26 Vs Jan'25)	Commodities – Negative YoY Growth (Jan'26 Vs Jan'25)
• Other cereals (+88.49%) • Coffee (+36.03%) • Iron ore (+31.54%) • Meat, dairy & poultry products (+17.92%) • Marine products (+13.29%) • Engineering goods (+10.37%) • Petroleum products (+8.55%) • Mica, Coal & other ores (+6.35%) • Fruits & Vegetables (+1.77%) • Drugs & Pharmaceuticals (+0.96%)	• Oil meals (-45.41%) • Cashew (-28.83%) • Rice (-24.78%) • Gems & Jewellery (-22.96%) • Plastic & linoleum (-11.78%) • Spices (-10.20%) • Leather & leather products (-7.71%) • Oil seeds (-7.39%) • Ceramic products & glassware (-0.89%) • Tea (-0.84%)

Commodities – Positive Cumulative Growth (Apr'25-Jan'26 % change)	Commodities – Negative Cumulative Growth (Apr'25-Jan'26 % change)
• Other cereals (+47.07%) • Meat, dairy & poultry products (+24.78%) • Cashew (+19.29%) • Coffee (+18.92%) • Marine products (+15.33%) • Mica, Coal & other ores (+13.70%) • Tea (+12.62%) • Drugs & Pharmaceuticals (+5.82%) • Engineering goods (+4.52%) • Fruits & Vegetables (+3.89%)	• Oil meals (-20.74%) • Petroleum products (-13.42%) • Iron ore (-11.94%) • Rice (-7.55%) • Plastic & linoleum (-5.38%) • Oil seeds (-4.97%) • Gems & Jewellery (-3.53%) • Leather & leather products (-0.99%) • Organic & Inorganic chemicals (-0.50%) • Spices (-0.02%)

Export Country Performance

Exports - Countries with Rising Exports (Jan'26 Vs Jan'25 YoY % change):

- Hong Kong (+98.72%), China (+55.65%), Vietnam (+45.21%), Italy (+32.10%), UAE (+29.27%), Netherlands (+20.47%).

Exports- Countries with Rising Exports (Cumulative Apr'25-Jan'26 % change):

- Spain (+48.39%), China (+38.37%), Hong Kong (+30.72%), Vietnam (+17.78%), UAE (+9.56%), USA (+5.85%).

Exports- Markets Where India Declined (Jan'26 Monthly YoY % change):

- USA (-21.77%), Bangladesh (-20.25%), South Africa (-19.49%), France (-11.20%), UK (-7.88%).

Merchandise Imports – Key Highlights (Jan 2026) 19.19% YoY growth

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• Russia (-40.48%), Iraq (-17.39%)

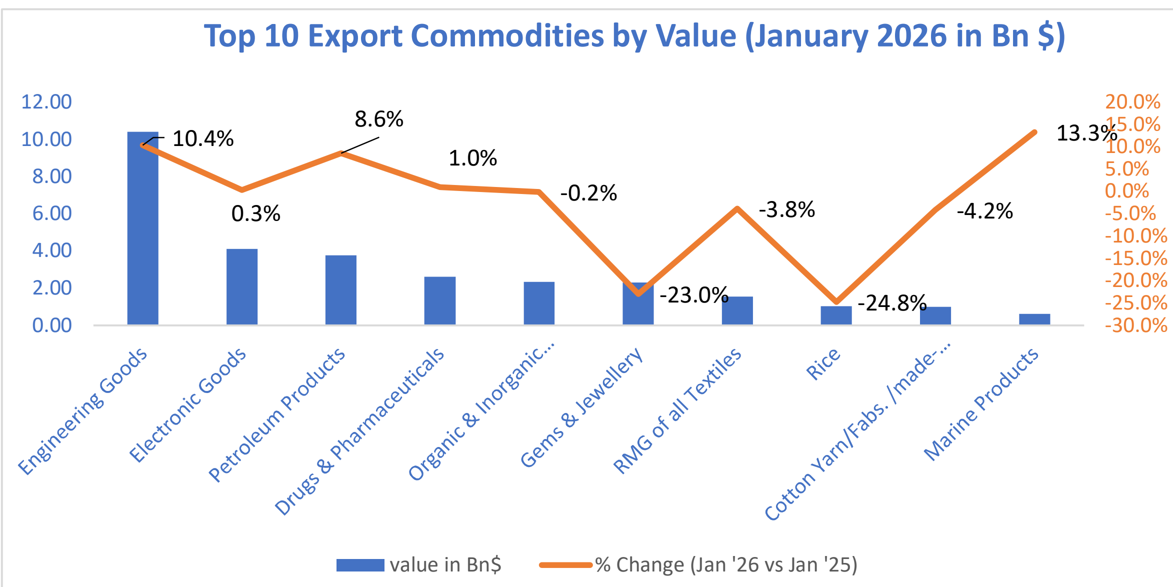
India Services Trade during Jan 2026 (Estimated)

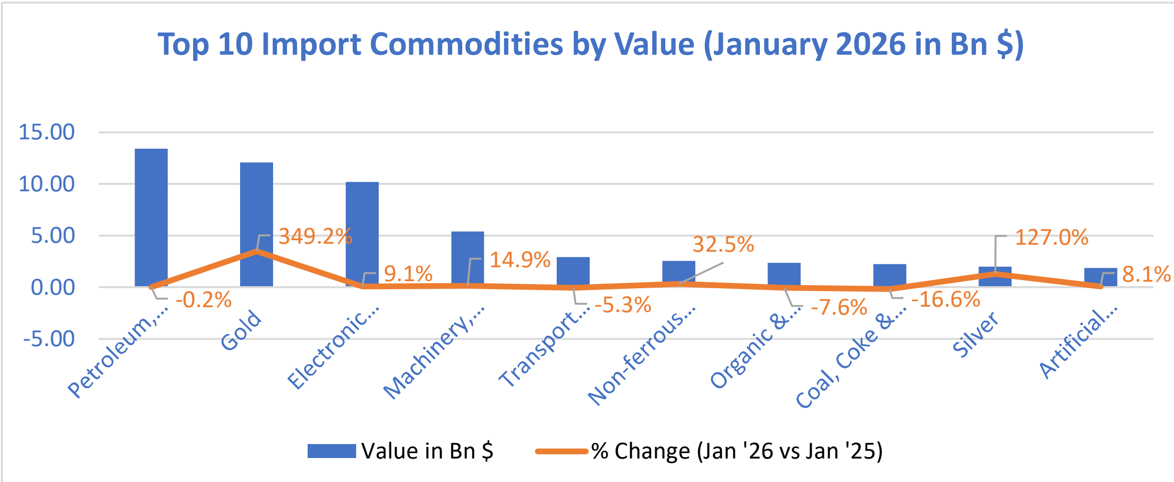
India recorded a services trade surplus of **USD 24.30 billion** in Jan'26. Services exports are estimated at **USD 43.90 billion**, reflecting strong overseas demand for software and software-enabled services. Services imports stood at **USD 19.60 billion**. The cumulative services surplus for April–January 2025-26 reached **USD 180.58 billion**, providing a critical cushion against the merchandise trade deficit.

Trade Balance Analysis

TRADE BALANCE IN MERCHANDISE ($ Bn)	APR-JAN 24-25	APR-JAN 25-26	% CHANGE
MERCHANDISE EXPORTS	358.75	366.63	2.20%
MERCHANDISE IMPORTS	606.13	649.86	7.21%
TRADE BALANCE	-247.38	-283.23	14.49%
GOLD IMPORTS	51.19	61.46	20.06%
IMPORTS EXCLUDING GOLD	554.94	588.40	6.03%
TRADE BALANCE EXCL. GOLD	-196.19	-221.77	13.04%

TRADE BALANCE (MERCHANDISE + SERVICES) ($ Bn)	APR-JAN 24-25	APR-JAN 25-26	% CHANGE
TOTAL EXPORTS (M+S)	679.02	720.76	6.15%
TOTAL IMPORTS (M+S)	772.85	823.41	6.54%
OVERALL TRADE BALANCE	-93.83	-102.65	9.40%





Implications of trade

1.Sluggish External Demand: India's merchandise exports experienced marginal growth of only 0.61% YoY in January 2026, reaching USD 36.56 billion. This minimal growth indicates continued softness in global demand, particularly in traditional markets where exports saw significant contractions, such as the USA (-21.77%) and the UK (-7.88%).

2.Surge in Domestic Demand and Precious Metals: Merchandise imports expanded sharply by 19.19% YoY to USD 71.24 billion. This increase was primarily driven by two factors.

- **Inventory Restocking/Investment:** A monumental 349.22% surge in gold imports (USD 12.07 billion) and a 127% rise in silver imports.
- **Industrial Resilience:** Steady demand for industrial inputs, evidenced by growth in Non-ferrous metals (+32.46%) and Machinery (+14.88%), which signals ongoing domestic infrastructure and capital expenditure activity.

3.Widening Merchandise Trade Deficit: The faster growth of imports relative to exports has led to a widening merchandise trade deficit, which reached **USD 283.23 billion** for the April–January 2025-26 period, compared to USD 247.38 billion in the same period the previous year. This widening gap exerts **sustained pressure on the goods trade balance**, even when excluding the volatile impact of gold.

4.Services Sector as a Critical Stabilizer: The **estimated services trade surplus of USD 24.30 billion** in January 2026 acts as a vital buffer, narrowing the overall trade deficit (Merchandise + Services) to **USD 10.38 billion** for the month. On a cumulative basis, the services surplus grew to **USD 180.58 billion**, providing essential support for India's external sector stability and foreign exchange inflows.

5.Sectoral Trade Realignment: The data reflects a shift in India's export drivers:

- **Growth Drivers:** Engineering Goods (+10.37%), Petroleum Products (+8.55%), and high-growth Agri-commodities like **Other Cereals (+88.49%)** and **Coffee (+36.03%)**.
- **Contracting Segments:** Traditional sectors like **Rice (-24.78%)** and **Gems & Jewellery (-22.96%)** faced significant YoY declines, highlighting a need for market diversification and enhanced competitiveness.

The Changing Tides of Global Trade (2025-2026)

Major Trading Partners: Top 10 Export Destinations vs. Top 10 Import Sources (January 2026)

Rank	Top 10 Exporting Destinations	Export Value (Million USD)	Top 10 Importing Sources	Import Value (Million USD)
1	USA	6,596.11	China P RP	12,231.11
2	UAE	3,971.01	UAE	7,045.67
3	China P RP	1,637.89	USA	4,494.25
4	Netherlands	1,224.58	Switzerland	3,953.90
5	UK	1,075.33	Saudi Arab	2,912.65
6	Saudi Arab	1,036.66	Russia	2,862.26
7	Germany	1,011.99	Singapore	2,150.32
8	Singapore	895.91	Iraq	1,990.07
9	Bangladesh PR	841.92	Hong Kong	1,835.47
10	Italy	799.39	Japan	1,732.19

The Traditional Giants: Analysing Stagnation in the USA and UK

The cooling of demand in the West is perhaps the most significant challenge for Indian exporters in this cycle. Both the USA and the UK are exhibiting signs of market saturation and inventory-related pullbacks.

The USA: The US remains a vital partner with cumulative growth of 5.85% for the April-January period. However, the January 2026 data serves as a stark warning, showing a monthly export decline of -21.77%. Concurrently, imports from the US surged by 23.71% in January, further pressuring the trade balance.

The UK: The United Kingdom's performance is even more subdued. Exports to the UK contracted by -7.88% in January 2026, consistent with a cumulative fiscal year contraction of -7.22%.

Performance Comparison: Established Partners

Country	Jan '26 Export % Change	Apr-Jan '25-26 Cumulative Export % Change
USA	-21.77%	+5.85%
UK	-7.88%	-7.22%

The Emerging Stars: Vietnam, Spain, and Hong Kong

In contrast to the cooling Western demand, three markets have emerged as "explosive" growth centres, driven largely by electronics and high-end engineering.

Hong Kong: Hong Kong saw a massive 98.72% surge in export growth in January 2026. This surge is a direct reflection of the boom in Electronic Goods, which saw a cumulative sector-wide growth of 30.35%.

Spain: Spain has solidified its position as a top-tier destination with a cumulative growth of 48.39%. This performance is underpinned by a trifecta of electronics, engineering goods, and pharmaceuticals. The success of Engineering Goods (growing 10.37% overall in January) has been a primary driver here.

Vietnam: Vietnam is a critical node in the "trade realignment." Exports rose 45.21% in January 2026. While imports from Vietnam surged 31.35% in December 2025, the growth in January 2026 imports moderated to 6.83%, suggesting that while momentum continues, the pace of supply-chain inflow is normalizing. The activity is cantered on the electronics and intermediate goods manufacturing ecosystems.

Comparative Synthesis: High-Growth vs. Established Markets

The current trade environment is a tale of two velocities. Analysts must distinguish between the legacy demand of the West and the manufacturing-led demand of emerging partners.

Feature	Emerging Stars (e.g., Vietnam, Spain, HK)	Traditional Giants (USA, UK)
Growth Velocity	Rapid: Triple-digit or high double-digit growth.	Subdued: Stagnant or sharply declining monthly figures.
Demand Drivers	Specific manufacturing segments (Electronics, Engineering).	Weak global demand; retailer inventory adjustments.
Volatility	High Fluctuations: Massive monthly spikes (e.g., HK's +98%).	Consistent Decline: Steady downward or flat cumulative trends.

Note: Data Source: PIB release, Ministry of Commerce & Industry, Department of Commerce.

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