

Quote by Kanishk Maheshwari, Co-Founder & Managing Director, Primus Partners

Published in The Economics Times

April 21, 2025 | 10:06 AM IST

India's retail industry may gain as Trump's tariffs singe Chinese exports



Authored by Ashish Pandey

Read on: [India's retail industry may gain as Trump's tariffs singe Chinese exports - The Economic Times](#)

Article Content:

Synopsis

India must swiftly leverage the 90-day tariff pause by boosting its exports, securing favourable trade terms, and solidifying its position as a reliable alternative to China in global supply chains, according to experts and industry stakeholders.

Trump's tariffs: If the 90-day tariff pause continues, experts and industry stakeholders believe that India could capitalise on the opportunity to boost its FMCG (fast-moving consumer goods) and retail exports to the US, especially given a higher tax on China (145%). However, the current US tariff policy is creating pressure on the retail sector, both in India and globally, they said.

"The industries such as spice, tea, and cosmetics could be more impacted because tariff rates will increase their cost in the US market, and consumers may shift focus to other alternatives," says Chaudhary Dev Pratap Singh, Founder of FMCG company Univision Foods.

Singh advises India to swiftly leverage the 90-day tariff pause by boosting its exports, securing favourable trade terms, and solidifying its position as a reliable alternative to China in global supply chains. "To turn this temporary window into lasting trade advantages, a focused approach involving strategic diplomacy and close coordination between industry and government will be essential," says Singh.

Ravi Saxena, CEO & Founder of kitchen appliance and cookware brand Wonderchef, agrees with Singh. "India has a timely opportunity to boost its retail exports to the US. But this window is limited to specific products that meet high-quality standards, says Saxena.

“The US market will look to de-risk its overdependence on China, and India must step in to fill that vacuum in categories like packaged foods, wellness products, Ayurveda-based personal care, and spices—areas where we already have global recognition. But scale and consistency are still weak spots. The US buyers demand uninterrupted supply and adherence to the highest global standards—something we must strengthen rapidly,” adds Saxena.

For context, retail exports from India to the US reached \$76,167 million in FY22, nearly \$78,542 million in FY23, and nearly \$77,515 million in FY24, according to the government data.

Need to reposition as a strategic retail partner

To seize the opportunity, India needs to reposition itself as a strategic retail partner by investing in automation, packaging technology, and quality assurance, say experts and stakeholders.

“This window also allows India to strengthen its case for favourable bilateral trade terms and enhances domestic manufacturing competitiveness. Additionally, it offers a chance to diversify export destinations, reducing over-reliance on any single market. However, this short timeframe may drive up freight costs, impacting profit margins, and the temporary nature of the pause adds planning uncertainty. Furthermore, India will face intensified competition from other countries also seeking to leverage the US-China trade dynamics,” says Kanishk Maheshwari, Co-founder & Managing Director, Primus Partners.

Maheshwari notes that Indian exporters may recover faster and gain market share due to the higher tariffs on China, potentially giving India a competitive edge. “With several key free trade agreements (FTAs) on the horizon and the possibility of a bilateral trade deal with the US, India is poised to emerge stronger and more globally integrated despite the initial hurdles,” adds Maheshwari.