GLOBAL
TRADE
OBSERVATORY

INDIA COUNTRY REPORT

2026

DP WORLD
CHANGE WHAT'S POSSIBLE

CONTENTS

COUNTRY TRADE PROFILE

TOP EXPORT DESTINATIONS	TOP IMPORT ORIGINS	TOP EXPORTS	TOP IMPORTS
USA	China	Mineral fuels & oils	Mineral fuels & oils
UAE	UAE	Electrical machinery	Pearls & precious stones
Netherlands	Russia	Nuclear reactors	Electrical machinery
China	USA	Pearls & precious stones	Nuclear reactors
United Kingdom	Saudi Arabia	Pharmaceutical	Organic chemicals

2026 GDP growth forecast[1]:
7.0%

Trade growth expectations for 2026[2]:
19%
of executives surveyed expect similar, 79% expect faster than last year

Policy uncertainty[3]:
60%
reported high or very high

Goods exports (2025)[4]:
$445.0
billion (18th globally)

Goods imports (2025)[4]:
$755.3
billion (7th globally)

International Monetary Fund (IMF, 2026)[1]
DP World Global Trade Observatory Executive Survey (2025)[2]
Idem[3]
Government of India, Ministry of Commerce and Industry | Data reported in annual terms up to Q2 2026; Govt of India (2026)[4]

EXECUTIVE SUMMARY

Indian supply chain and logistics executives reported the strongest expectations for trade growth in the DP World's Global Trade Observatory survey, with 79% expecting it to accelerate in 2026 (compared with 54% globally), despite 60% anticipating high or very high policy uncertainty (53% globally). Subsequent trade-policy developments in 2026 have reinforced these findings. In a time of heightened political tensions and trade disruptions, new opportunities for trade have been negotiated as part of the recent India–UK Free Trade Agreement and the India-Europe Free Trade Agreements.

Supply chain restructuring was the main response to dealing with uncertainty. Priorities include supplier diversification (identified by 70%) and inventory building (59%), both above global averages. These strategies are not only supporting growth ambitions but are also strengthening resilience against supply chain disruptions, geopolitical risks and policy volatility. These strategies are driven by new technology and expansion into new export markets.

India's import profile reflects growth in energy demand and advanced manufacturing capacity. For compliance-heavy and high-value imports, Free Trade & Warehousing Zones (FTWZs), such as those in Nhava Sheva, Chennai and Cochin, can ease customs clearance and working capital pressures.

Beyond efficiency gains, FTWZs also provide businesses with greater flexibility to adapt sourcing strategies, manage inventory buffers and respond more effectively to trade disruptions.

Digitalisation exceeds survey averages but remains uneven: full digitalisation ranges from 53% in customer-facing services to 36% in warehousing and fulfilment. Cybersecurity risk is the main barrier to further progress. In a more volatile trade environment, digital visibility, supply chain transparency and cybersecurity capabilities are increasingly becoming resilience tools rather than solely efficiency measures. Platforms such as the India-UAE Master Application for International Trade and Regulatory Interface (MAITRI) – a tool which integrates national customs documents and trade-related information - further demonstrate how digital trade ecosystems can help businesses maintain visibility and connectivity across international markets.

Executives' key policy priorities are free trade agreements (FTAs), digitalisation support and trade facilitation. Road networks and warehousing are the most urgent infrastructure investment needs. Together, these priorities will be critical to India's ability to strengthen competitiveness and capture opportunities arising from global supply chain diversification.

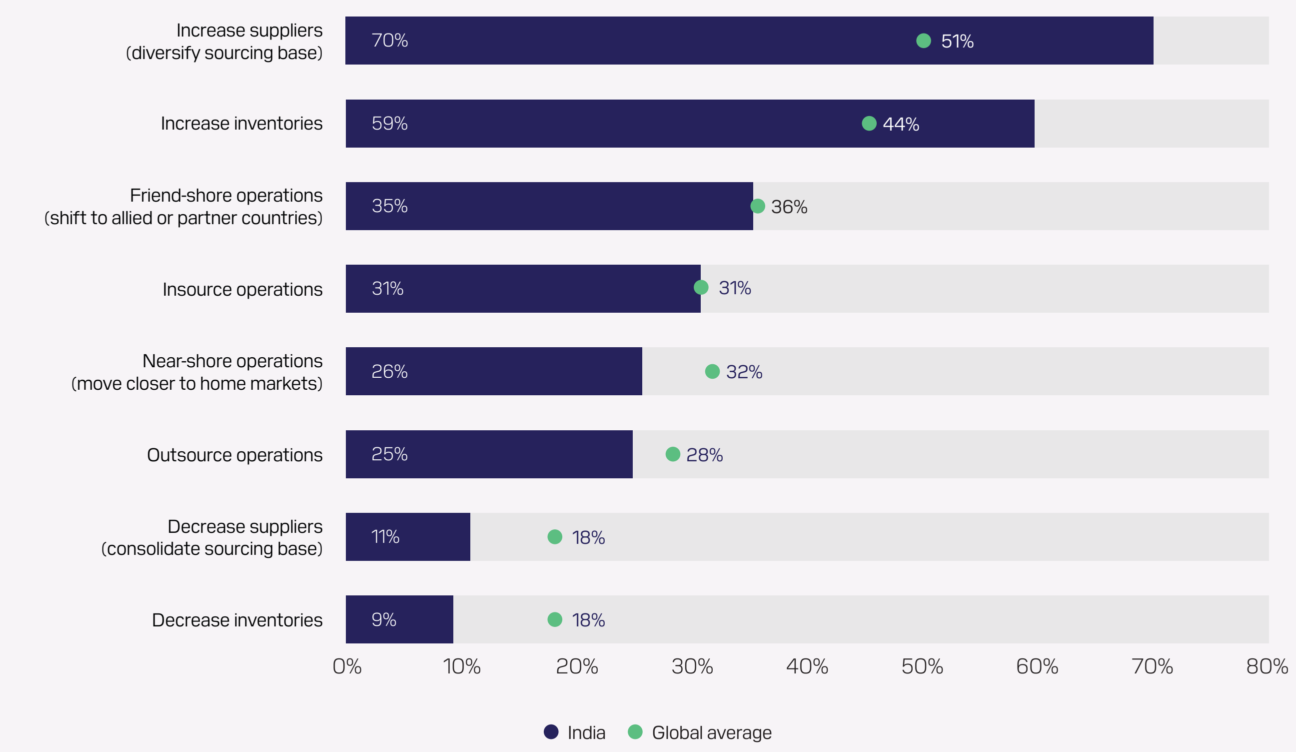
FLEXIBILITY THROUGH RESTRUCTURING

As they reconfigure supply chains in response to disruption, Indian executives are prioritising breadth over consolidation: 70% say supplier diversification is a strategic priority, well ahead of the 51% global average. The government is supporting the widening of the domestic manufacturing supplier base, for example, through the Production-Linked Incentive scheme, which aims, among other objectives, to strengthen national supply chains.

Inventory building follows at 59%, above the global average of 44%: in an environment of policy uncertainty, holding more stock is a form of operational insurance. Friend-shoring (35%) is broadly in line with the global figure (36%) and reflects how the government has been deepening its bilateral trade and investment partnerships. Since 2022, the government has concluded agreements with the United Arab Emirates, Australia, United Kingdom, European Free Trade Association (EFTA) states, Oman, and New Zealand, and most recently a landmark deal with the European Union in January 2026. Further negotiations with the Gulf Cooperation Council (GCC) and Israel have been launched since.

Taken together, these top three strategies point to a supply base that is being expanded and redistributed, not contracted. The combination of supplier diversification at scale and inventory accumulation indicates a business community aiming to proactively prepare for disruption, instead of waiting it out. Indian executives point to new technology adoption and new market entry as the main drivers of these strategies (42% and 36% respectively for supplier diversification, and 30% and 31% for inventory increase).

[FIGURE: Strategic supply chain changes, India vs. Global average. Supply chain executives were asked: What are the top three strategic supply chain changes your company plans to make in 2026? Select three.]



India›s supply-chain response to disruption is broad-based and outward-looking. Near-shoring is a priority for a smaller percentage of Indian businesses (26%) than the global average (32%). The country's large size and the structure of its industrial sector make proximity-based strategies less attractive than in smaller countries and those with more integrated industrial bases.

The adjustment of supply chain strategies in India is supported by initiatives including Free Trade Warehousing Zones (FTWZs), such as those at Nhava Sheva, Chennai, and Cochin. They illustrate how the main barriers to efficient supply chains – such as disruptions, multi-step customs clearance processes and the increasing need for working capital – can be reduced in practice.

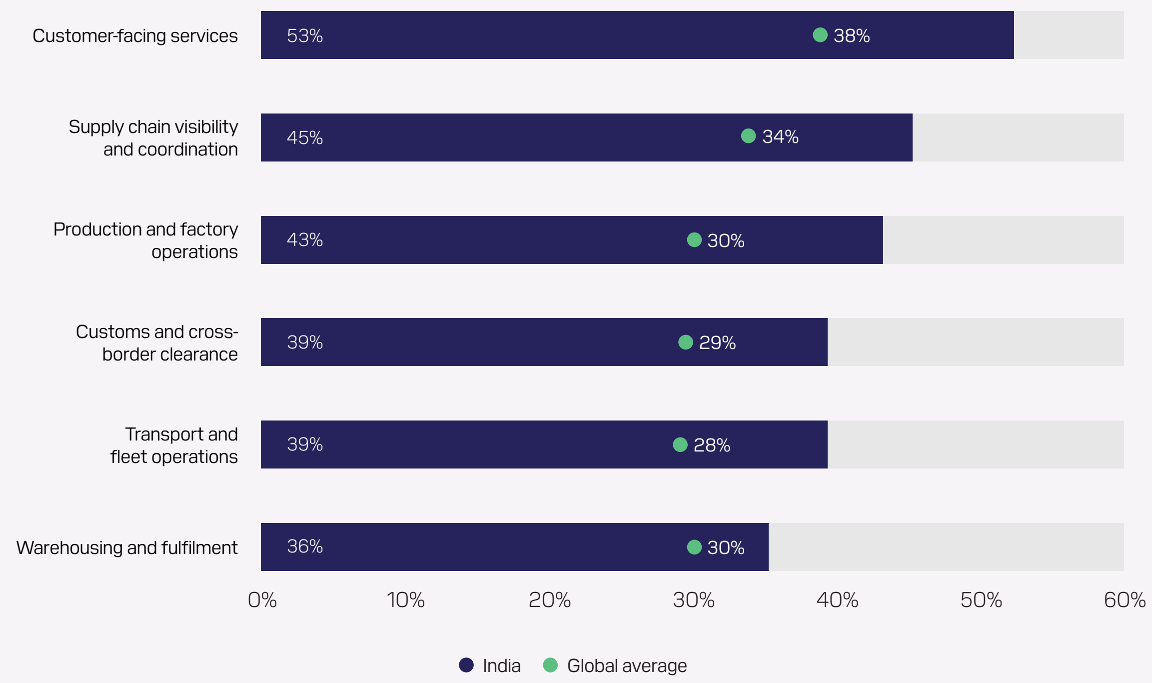
Goods entering FTWZs are treated as being in the import process rather than cleared, which decouples physical receipt from customs duty payment. This means that companies can store, process, and re-export stock without being exposed to liability on locally unsold inventory, reducing cash tied up at the border. The zones also authorise value-added services such as quality control and kitting to be completed without duties being triggered. Alongside DP World's $5 billion investment commitment to India›s trade infrastructure in addition to the $3 bn already invested, and the strengthening of India-Middle East corridor capacity, FTWZs represent the kind of end-to-end integration that translates supplier diversification from intent into operational viability.

TECHNOLOGY ENABLES RESILIENCE

India's businesses are more digitalised than those in other countries represented in the survey: for example, 53% of Indian respondents (compared with 38% globally) said customer-facing services are fully digitalised compared with 38% in China and 46% in Indonesia. This mirrors the widespread and rapid adoption of digital payments by customers, notably through the Unified Payments Interface, alongside universal mobile network coverage (99.1% of the population is covered by 4G).

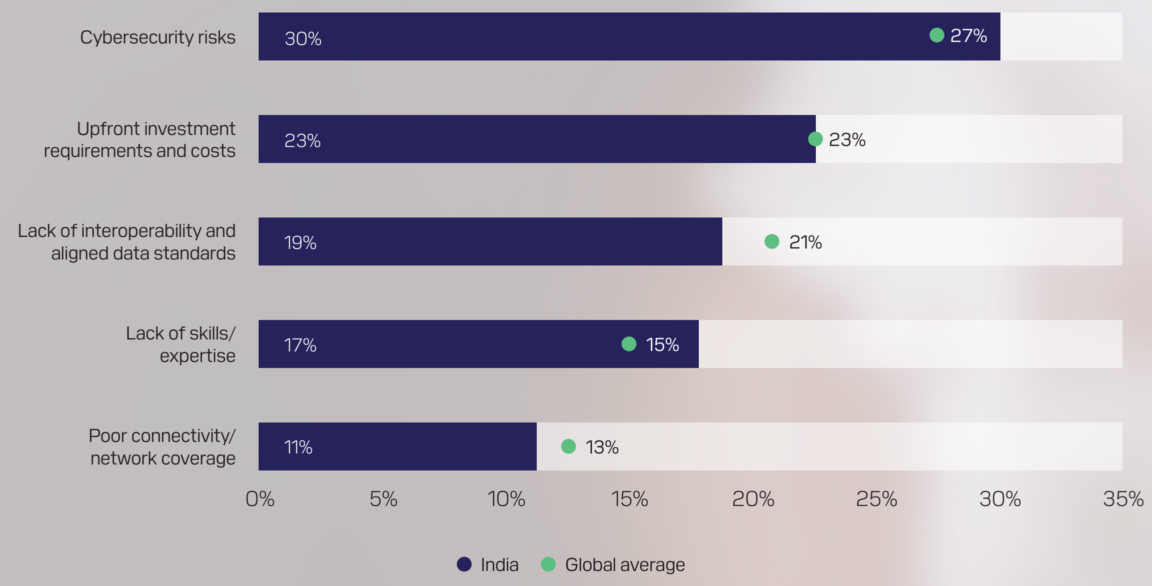
High levels of digitalisation of core operational functions such as supply chain visibility and coordination (45% fully digitalised, versus 34% globally) or production and factory operations (43%, versus 30% globally) demonstrate that Indian businesses have embedded digital tools deeply into core commercial and operational functions. The resilience gain is direct: real-time visibility across a diversified, geographically spread supply base gives businesses the signals they need to reroute, restock, or switch suppliers before a shock is compounded. Even in India's least fully digitalised area, warehousing and fulfilment, more businesses have fully digitalised (36%) than the global average (30%). Advancing digitalisation in this area would support supply chain resilience in India in light of businesses' interest in increasing inventories as a hedging strategy against disruption.

[FIGURE: Digitalisation by operational area, India. Respondents were asked: To what extent are different areas of your company's operations digitalised? Select one option for each area of operation.]



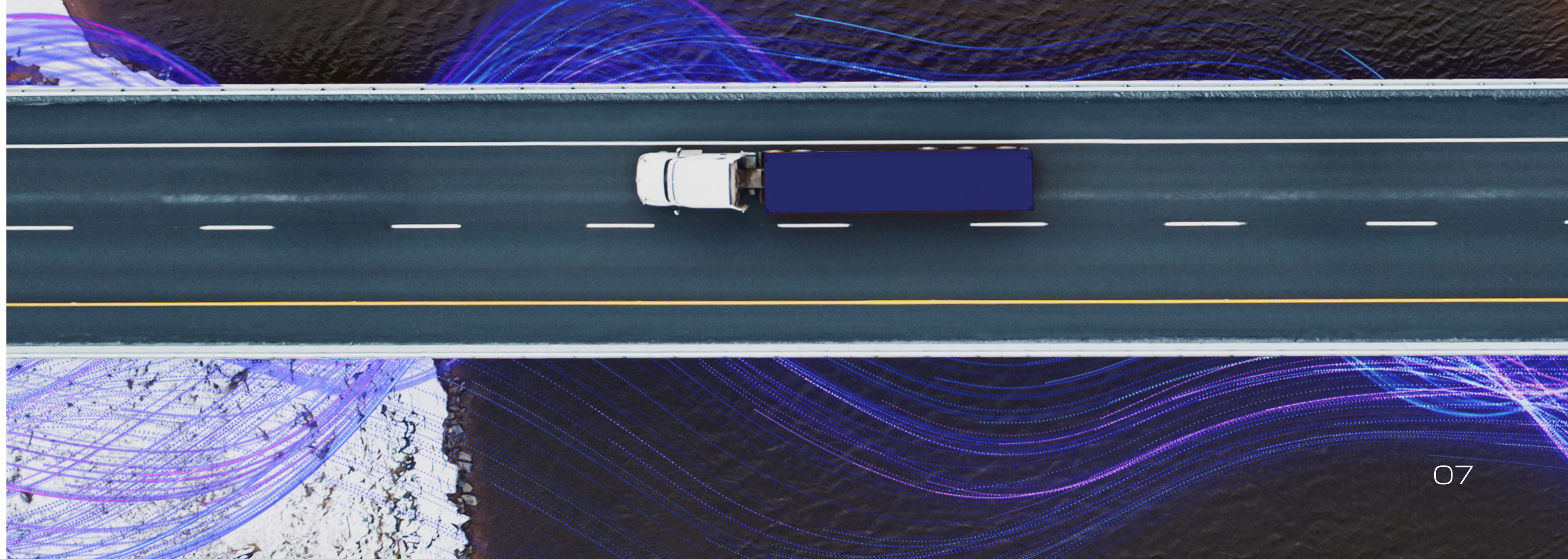
Further digitalisation will benefit the country's businesses in an uncertain global trade environment. The barriers to digitalisation are led by cybersecurity risk, cited by 30% of Indian executives – slightly above the global average of 27%. This reflects limited awareness of cyber threats, as well as skills shortages and limited cybersecurity resources in Indian businesses. Upfront investment (23%, in line with the global figure), interoperability challenges (19% vs 21% globally) and skills gaps (17% vs 15% globally) are the next most significant constraints. Business leaders also suggest that better connectivity would support further digitalisation (11% vs 13% globally), reflecting mainly infrastructure bottlenecks that limit connection speeds.

[FIGURE: Barriers to digitalisation, India vs. Global average. Executives were asked: What is the biggest barrier that prevents operations from being fully digitalised? Select one option.]



Overall, artificial intelligence (AI) adoption among Indian businesses is widespread and executives report that it is generating gains across many operational areas, consistent with early-stage but broad-based impact. The highest positive impact is reported in terms of improved reliability of route and network optimisation (29%), time savings when preparing documentation (26%), and cost savings in customs procedures (25%). These are meaningful operational improvements, but they reflect AI working at the margins of existing processes rather than transforming them – a finding that mirrors the global picture, where between 93% and 96% of executives report using AI across operational areas yet describe its impact as targeted rather than enterprise-wide.

India's logistics costs are estimated at around 8% of GDP, roughly double the share estimated in advanced economies. Technology will be key to reducing these costs and realising the resulting trade opportunities for Indian companies. To advance its trade ambitions, foundational challenges such as limited connectivity infrastructure will have to be addressed.



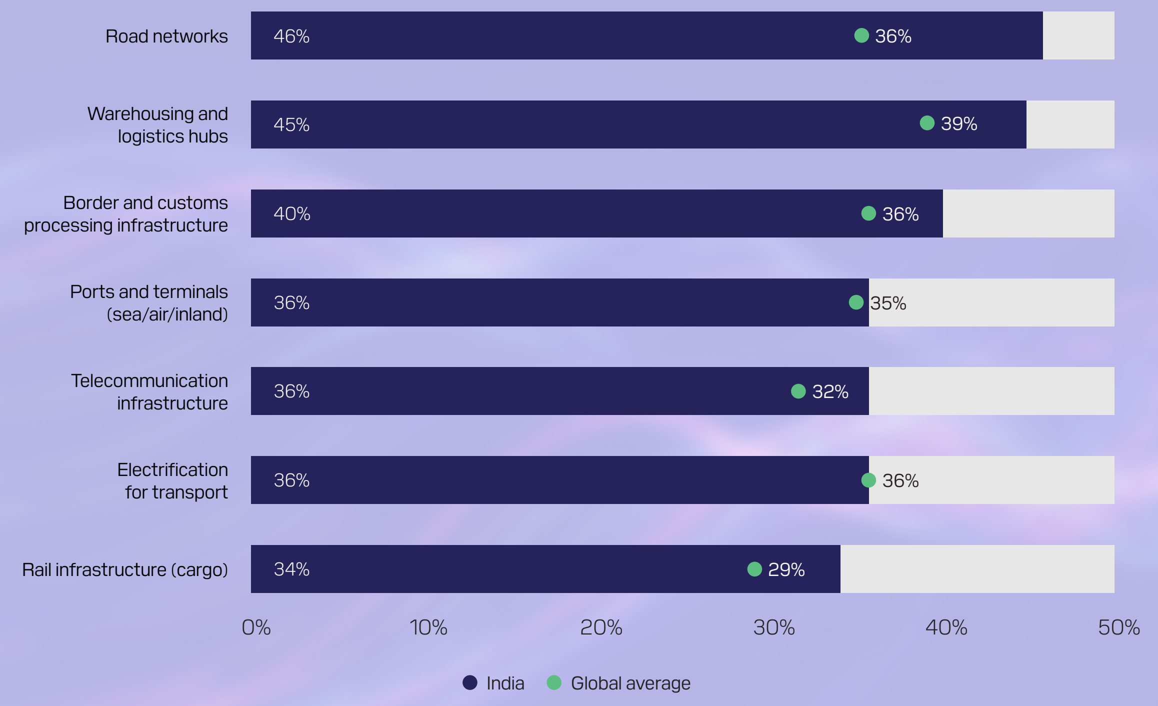
TRADE FACILITATION AND THE INFRASTRUCTURE GAP

Indian executives are clear about their top policy priorities to unlock further trade growth. FTAs lead the agenda (47%), followed by support for digitalisation (39%) and trade facilitation (37%). At the same time, customs clearance stands out as the most important cause of delays, cited by 54% of respondents. These priorities are related: faster customs procedures depend on digitalisation and help companies leverage market access under FTAs.

India's trade finance environment is a relative strength: 57% of Indian executives report that trade finance is readily available at reasonable terms, well above the global average (39%). Access to affordable finance is what makes it possible for businesses to absorb the costs of supply chain restructuring and diversify into new sourcing corridors. Access to trade finance is therefore a core competitive advantage for Indian businesses in comparison with other emerging markets, where it is often a challenge.

Indian logistics executives identify road networks (46% vs 36% globally) as the top infrastructure investment need. India's roads carry around 70% of freight, but face chronic congestion on key corridors. Other investment priorities include warehousing and logistics hubs (45% vs 39% globally), and border and customs infrastructure (40% vs 36% globally). For businesses operating in or routing through the country, these figures reflect practical constraints. The short-term implication is to structure supply chains around infrastructure that already works. Port-adjacent zones, bonded warehousing, and FTWZ arrangements reduce exposure to road network constraints and customs friction while longer-term investment helps close the gaps. India's trade ambitions are well-founded, and delivering on them will depend on supply chain professionals strengthening operational resilience in the face of remaining bottlenecks.

[FIGURE: Infrastructure investment needs, India vs. global average. Logistics executives were asked: In your markets [India], what are the top infrastructure investments needed to support trade and logistics? Select up to three areas per country.]



CONCLUSION

India's trade expansion expectations are high, supported by an ambitious trade policy agenda that allows businesses to gain access to key markets including the EU, GCC and the UK through FTAs. The fairly advanced – albeit not friction-free – digitalisation of business operations, accessible trade finance and an increasingly diversified supplier base are key strengths that Indian businesses should continue to build on.

At the same time, executives see a gap between ambition and the operational conditions needed to realise it. Challenges are related to unmet infrastructure investment needs, particularly in roads, and in more numerous and digitalised warehouses and logistics hubs as well as border and customs infrastructure, with customs processes being a major cause of delays.

Ongoing trade-policy shifts, geopolitical uncertainty and continued supply chain disruption have increased the importance of resilience, agility and operational flexibility. At the same time, progress on trade agreements such as the India–UK FTA demonstrates that businesses that are prepared to adapt can benefit from emerging opportunities even in an uncertain environment.

The strategic implication for businesses operating in India is not to wait for systemic conditions to improve, but to structure operations around infrastructure that already performs reliably. Port-adjacent FTWZs reduce customs friction and defer duty liability, making inventory buffers more financially viable in sectors where compliance requirements extend border dwell time. Road network constraints and warehousing digitalisation gaps are not uniform; structuring operations around existing logistics nodes rather than waiting for systemic improvement is the more reliable short-term approach. At the same time, targeted, tangible investments can reduce exposure to the friction points that Indian executives identify as the most persistent. Last but not least, parallel long-term investments in better infrastructure are crucial.

The opportunity for India is clear: as global supply chains diversify and new trade corridors emerge, businesses that combine supplier diversification, digital visibility, resilient inventory strategies and agile trade infrastructure will be best positioned to capture growth. Business leaders and policymakers are encouraged to accelerate investments across trade facilitation, digitalisation, logistics infrastructure and supply chain resilience today, ensuring that India can convert favourable trade-policy momentum into sustained competitive advantage tomorrow.

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