



RLA Market Insights – Thursday, 31 July 2025

India-US Trade Deal Impact on Chemicals Trade

US President Donald Trump has imposed a 25% tariff on Indian imports effective August 1, citing frustration over stalled trade talks and India's continued oil and arms purchases from Russia. Trump criticized India's high tariffs and stringent non-monetary trade barriers, calling them among the most restrictive globally. He also announced an additional penalty on India for its strong trade ties with Russia, especially in energy and defence, which he said undermines global efforts to halt the war in Ukraine. Trump's administration, including economic adviser Kevin Hassett, believes the tariffs will push India toward a more favourable deal for the US.

Trump imposed a blanket 25% tariff on Indian goods (including chemicals) effective August 1, 2025, alongside an additional penalty tied to India's purchases of Russian energy and arms. The newly imposed 25% U.S. tariffs are set to raise the cost of Indian chemical exports, undermining their competitiveness in a key growth market. Unlike pharmaceuticals, chemical products lack exemption clarity, making them highly vulnerable. Exporters, especially in Gujarat, warn of margin pressure and potential loss of orders to non-tariffed rivals. Ongoing trade uncertainty could also hinder demand and delay investments. With the chemical sector contributing over 7% to India's GDP and supporting MSMEs and employment, any disruption may have widespread economic effects. India's Finance Ministry has flagged these tariffs as a significant risk to near-term export growth.

Sector	Exposure / Risk Factors
Gems & Jewellery	US is India's largest market → now more expensive, less competitive
Pharmaceuticals	India is a Major generic/API supplier → price hikes, potential shortages
Electronics & Hardware	iPhones, components now taxed → price rise, supply delays
Textiles / Furniture etc.	India's labour-intensive goods lose edge vs Vietnam, China
Auto Components & Engineering	\$2.2B auto part exports now taxed → value chain disruption
IT Services (indirect)	Client budgets and demand may shrink, impacting service delivery



SHORT TERM OUTLOOK – OIL TANKER MARKET

A monthly report covering the next four months and including trends in oil supply, demand and trade, tanker demand and supply, spot, and time charter rates for MRs up to VLCCs, comparisons with FFAs plus the latest news on developments impacting the oil and tanker sectors.

MEDIUM TERM OUTLOOK – OIL TANKER MARKET

Concise analyses of topical issues, consistent market data series and views on future trends in tanker charter rates. The report covers Oil Prices; Economic Developments; Oil Demand and Supply; Trade; Tanker Demand, Supply and Rates. Sent to clients around January, April, July and October each year

SHORT TERM OUTLOOK – VLGC MARKET

A monthly report looking four months ahead at likely trends in the VLGC Spot Market with the latest on key LPG carrier trades, benchmark LPG prices, arbitrage developments, a comparison with FFAs and recent news

MEDIUM TERM OUTLOOK – LPG CARRIER MARKET

A quarterly series of regular reviews, analyses and forecasts of the LPG Carrier Market. The report covers Economic Developments; LPG production, consumption and pricing; LPG, chemical gases and ammonia trade, LPG Carrier Demand, Supply and Rates for Fully Ref, Semi-Ref and Pressurised Ships. Reports sent to clients around January, April, July and October each year.

CHEMICAL CARRIER WORLD SERVICE

An annual consultancy service currently providing Clients with an Annual Fundamentals Report, a Forecast Update, two quarterly Market Monitors, Monthly Commodity Trade Bulletins for key countries, an annual presentation on the market outlook and access to RLA's consultant's and analysts to discuss issues arising from these reports.



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