


Make in India, For the World: The Great Indian Export Opportunity



The world is undergoing a fundamental shift in how and where goods are made. With evolving geopolitical dynamics, supply chain disruptions and the drive toward diversification, India has emerged as a serious contender in the global manufacturing landscape. At this defining moment, the phrase "Make in India for the World" is a strategic vision, one that presents a significant opportunity for Indian industry. We are witnessing a growing global appetite for quality, reliability, and alternate sourcing—an appetite that India is uniquely positioned to fulfill.

A new Manufacturing Momentum

India's push toward self-reliance through the 'Atmanirbhar Bharat' vision and the Make in India initiative has set the stage. The cornerstone of this industrial shift has been the Production Linked Incentive (PLI) schemes, launched to encourage investment in manufacturing, create jobs, and build scale.

Over US\$ 18.72 billion has been invested under the PLI program, generating production and sales worth US\$ 162.84 billion reported till November 2024. These schemes are expected to generate US\$ 180 billion in production by FY 2024–25, while creating direct and indirect employment for over 1.1 million people.

From electronics and telecom equipment to processed foods and pharmaceuticals, the PLI scheme has reshaped India's export basket. In FY 2024, exports from these sectors surpassed US\$ 61.76 billion, showcasing how India is moving up the value chain—from raw materials to high-value, high-tech products.

India's Evolving Export Story

India's total exports (merchandise and services) crossed US\$ 820 billion in FY25, increasing by nearly 6% over FY24 despite global economic uncertainties showing resilience among Indian exporters.

Historically, India's exports have been concentrated in low value-add sectors such as textiles and primary commodities. But today, a transformation is underway. We are exporting smartphones, large-scale electronics, specialty chemicals and advanced pharmaceutical products. India has become one of the top mobile phone exporters globally and is a global leader in generics within the pharma industry.

Sectors like telecom equipment, space technology, semiconductors, electric vehicles, and medical devices are also gaining prominence. These emerging industries, backed by proactive government policies and strong domestic capabilities, are helping India integrate into global supply chains.

The government has also recently approved a US\$ 2.68 billion PLI scheme specifically for electronic component manufacturing—including batteries, camera modules, and printed circuit boards (PCBs)—to strengthen local supply chains and reduce import dependency.

This shift is not just about exports; it's about resilience. By building deeper domestic capacity, we reduce our exposure to global shocks and improve our ability to serve the world more reliably.

Tariff Headwinds

Even as we push forward, global trade is becoming more complex. In April 2025, the United States imposed 26% reciprocal tariffs on certain Indian imports. Although a 90-day suspension of new tariffs is in place pending bilateral negotiations, the risk of renewed trade barriers remains a key external vulnerability with early estimates suggesting lowering of Indian exports to the U.S. by US\$7-8 billion if the tariffs materialize. However, a successful US-India trade agreement could flip current headwinds into tailwinds, opening up new market access and energizing exports.

The Indian government is engaging actively in diplomatic and trade negotiations to minimize the damage. India and the UK in this stride signed a forward-looking free trade agreement which opens export opportunities for various industries, including the labor-intensive segments such as textiles, marine products, leather, footwear, toys.

Meanwhile, India's exporters must view this as a wake-up call to diversify markets and reduce over-dependence on any single trading partner.

It's also a reminder of the importance of value differentiation. When we export products that are critical, high-tech, and globally competitive, they become less vulnerable to tariffs and trade tensions.

India's time is Now

India's export story is evolving—from low-margin bulk commodities to high-impact innovation and manufacturing excellence. Despite tariff challenges, policy tailwinds and market diversification give us the tools to succeed.

If we stay focused on quality, scale, and global integration, India can become a US\$1 trillion export powerhouse in the coming years. Let's make in India—not just for ourselves—but for the world.

Source: Bloomberg & HSBC MF estimates as on May 28, 2025 or as latest available.

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HSBC Mutual Fund, 9-11th Floor, NESCO - IT Park Bldg. 3, Nesco Complex, Western Express Highway, Goregaon East, Mumbai 400063. Maharashtra.

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