

dun & bradstreet

# D&B. Insider

Dun & Bradstreet India's Bulletin on  
Data & Economic Insights

---

VOL. IV

---



## Middle East Spillovers to India's Trade: What Dun & Bradstreet Data Reveals

Rising geopolitical tensions in the Middle East – particularly disruptions around the Strait of Hormuz – are beginning to transmit into India's trade ecosystem.

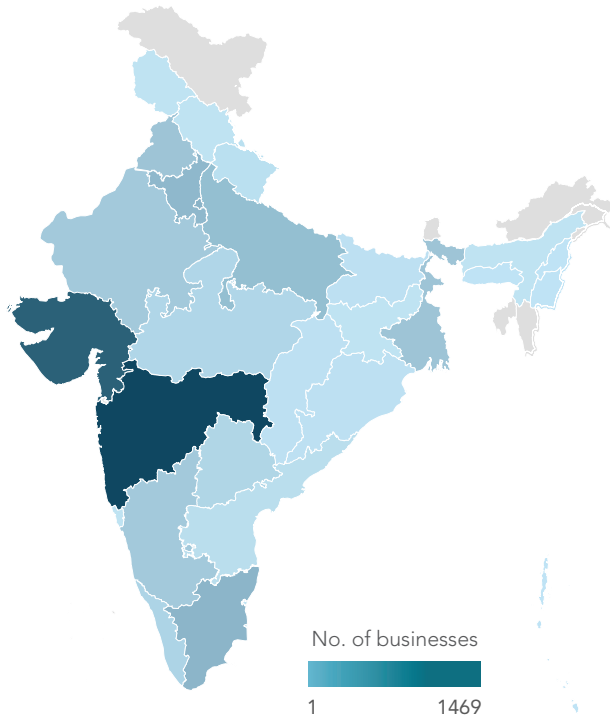
Dun & Bradstreet data indicates over 4,500 exporters and 1,800 importers in India are linked to trade flows through this corridor,

making them directly exposed to supply chain disruptions, cost escalations, and delays.

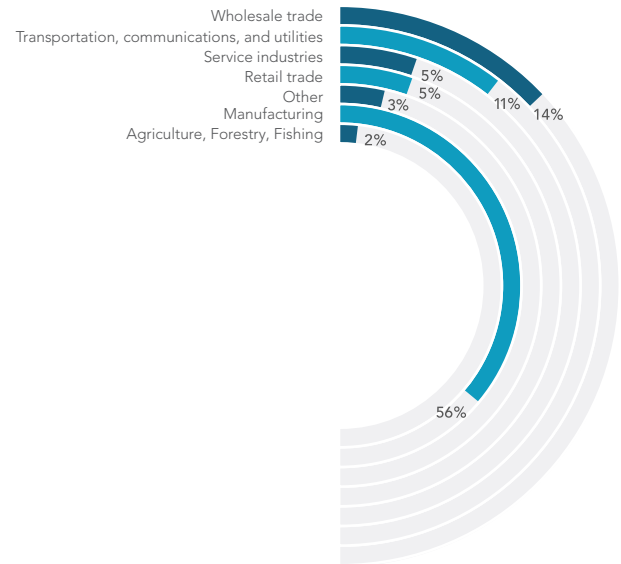
The following analysis maps how this exposure is distributed across states, sectors, firm size, and firm maturity – helping identify where the impact is likely to surface first and most intensively.

# Distribution of Businesses

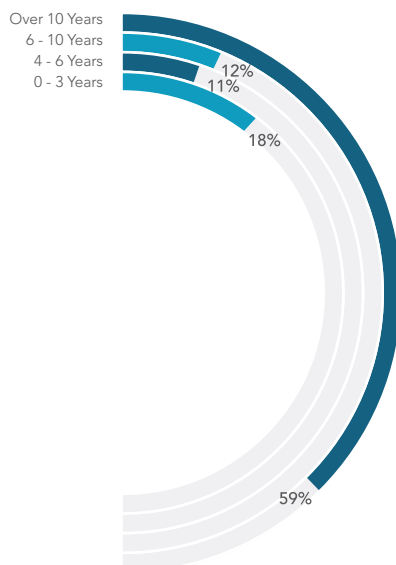
**State-wise:** Exposure is concentrated in major export-oriented states, particularly Maharashtra, Gujarat, and NCR regions



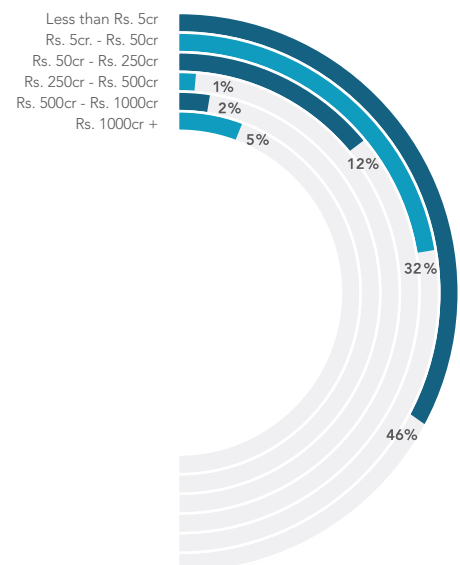
**Sector-wise:** Manufacturing dominates exposure, reflecting deep integration into global supply chains



**Age-wise:** A significant share of firms are mature – but younger firms face greater disruption risk



**Size-wise:** A large share of firms operate at smaller scales, limiting their ability to absorb cost shocks





Escalation in the Middle East involving the United States, Israel, and Iran was initially expected to be swift and contained. By March, however, it had metastasized into a far more consequential crisis for the global economy when Iran closed the Strait of Hormuz, one of the world’s most vital chokepoints for energy and commercial transit. The effects were especially severe for the Gulf Levant-11 (GL-11) economies, where the conflict has become a major macroeconomic shock, disrupting trade and sharply raising logistics and financing costs, and eroding emerging service sectors. The spillovers have been felt sharply across Asia, with India foremost among the exposed economies.

As per Dun & Bradstreet’s data, more than 4,500 Indian exporters and 1,800 importers relied on the Strait of Hormuz in 2025. With

more than half of the firms concentrated in manufacturing, the sector is likely to bear the heaviest burden. Manufacturing is broad, input- and labour-intensive, and depends on intermediate goods; disruption at any stage can strain the entire production chain and ripple immediately into other industries. Deep industrial linkages also make it hard to switch suppliers or buyers quickly, especially critical as India seeks to scale manufacturing further. Wholesale trade is the next vulnerability: with limited capacity to absorb cost shocks, wholesalers rapidly pass higher freight, insurance, and delay-related risk premia through prices, shifting the burden to downstream businesses and consumers. Other sectors may see sharp firm-level impacts, but broader spillovers are likely to be more limited on average.

The disruption would not be confined to major metros; it would reverberate through secondary industrial centres, export clusters, and sweep into Tier-II and Tier-III markets. Although exposure may look balanced across tiers, it is far from uniform within them. In Tier-I, over 60.0% of firms are clustered in just three cities - Mumbai, New Delhi, and Ahmedabad. The shock's earliest and sharpest effects would surface here first, where supplier interdependence and common market exposure would accelerate adjustment. Adjustment would occur through either margin compression or rapid pass-through, depending on how long firms expect the crisis to last. In Tier-II, pressure centres on Rajkot's engineering cluster, Ludhiana's knitwear industry, and the engineering-goods hubs of Thane, Navi Mumbai, and Gurugram. In Tier-III, Morbi, Kutch, and Panipat emerge as key hotspots. This concentration could quickly weigh down local business momentum and confidence.

Firm demographics indicate structural vulnerability. Dun & Bradstreet's data show that more than half of firms have operated for more than a decade, based on mature supplier-buyer-labour ecosystems where shocks can transmit at scale and more rapidly through highly integrated value chains. Yet many have navigated prior disruptions; COVID era inventory and operating lessons could, if applied, limit damage. Fragility is greatest among younger firms. Around one-fourth of exporters and nearly one-third of importers are under six years old, often with weaker buyer-supplier relationships that make network rebuilding costly, delay breakeven, and increase working-capital needs. Thin buffers further increase the risk: 44.5% of

exporters and 51.3% of importers earn below Rs 5 crore. Individually, their impact is limited; collectively, their sheer number makes the risk material. Vulnerability is most acute where youth and low scale overlap - 44.7% of sub Rs 5 crore firms are under six years old, raising the likelihood of exits and loss of operational capacity, particularly in manufacturing. Uncertainty further dampens confidence, prompting firms to hoard cash and inventory and delay expansion.

Understanding how risk propagates across firms, sectors, and geographies is critical in today's interconnected trade environment. Dun & Bradstreet's proprietary data and analytical depth provide decision-makers with a differentiated view of exposure, resilience, and emerging inflection points. This enables businesses not just to respond to disruption, but to proactively reposition – mitigating risk while unlocking new avenues for growth in an increasingly volatile global economy.

**In this context, Dun & Bradstreet can support organisations in:**

- **Mapping exposure and vulnerability across their ecosystem:** Gaining visibility into supplier, customer, and geographic dependencies using firm-level data.
- **Enhancing risk mitigation and portfolio resilience:** Assessing counterparty risk and identifying early warning signals to safeguard operations.
- **Unlocking opportunities in shifting trade corridors:** Identifying emerging markets, alternative partners, and growth pockets amid global disruptions.

<sup>1</sup>This group comprises Bahrain, Iran, Iraq, Israel, Jordan, Kuwait, Lebanon, Oman, Qatar, Saudi Arabia, and the United Arab Emirates.

For further insights, reach out to your Dun & Bradstreet account manager or connect with one of our experts through the contact details below.

 +91 86579 43769  india@dnb.com  www.dnb.co.in

dun & bradstreet

This insight is proprietary to Dun & Bradstreet Information Services India Private Limited (“Dun & Bradstreet”) and may not be resold, repackaged, or disseminated without Dun & Bradstreet’s written consent. Dun & Bradstreet disclaims all liability for any loss or damage arising out of or in any way related to the contents of this insight. Dun & Bradstreet provides no advice or endorsement of any kind through this insight. The availability of data in this insight does not constitute a recommendation by Dun & Bradstreet to enter into any transaction or follow any course of action. All decisions made by the recipient must be based solely on the recipient’s evaluation of the circumstances and objectives. Dun & Bradstreet recommends that the recipient independently verify the current accuracy of any data made available in this insight, upon which the recipient intends to rely. The recipient acknowledges that every business decision, to some degree or the other, represents the assumption of risk and that Dun & Bradstreet, in furnishing this insight, does not and cannot underwrite or assume the recipient’s risk, in any manner whatsoever.

© Dun & Bradstreet, Inc. 2026. All rights reserved.