

Trade deficit rises to \$26.18 billion in June as imports of oil, coal, gold soar

Exports surge 23.52% to \$40.13 billion; imports swell 57.55% to \$66.31 billion

OUR BUREAU

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The country's goods exports in June increased 23.52 per cent (year-on-year) to \$40.13 billion propelled by export of items such as petroleum products, gems & jewellery, readymade garments and rice.

Trade deficit expanded to a record \$26.18 billion in June, compared to \$9.6 billion in June 2021, as imports during the month increased 57.55 per cent to \$66.31 billion, per figures released by Commerce & Industry Ministry on Thursday.

The sharp increase in imports is largely due to doubling of oil imports and spike in inflow of shipments of coal, gold, electronic goods and chemicals.

Export of items which declined in June included iron ore, handicraft, carpets, plastics, cotton yarn & fabrics and cashew.

Non-petroleum and non-gems & jewellery exports posted an 8.65 per cent increase to \$27.94 billion. This indicates that while growth in exports was not restricted to the petroleum and gems & jewellery sector, the increase recorded in other sectors was not as robust.

Slowdown in world trade

Some exporters have started expressing concerns over the effect of the slowdown in world trade on Indian exporters. "The slowdown in the world economy has started reflecting on trade and engineering exports from India moderated (3 per cent



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growth) in June. There are apprehensions of many advanced economies going into slowdown mode and in that case trade would certainly be impacted. The extent of the impact on the engineering export sector would depend on how long the global uncertainties continue," said Mahesh Desai, Chairman, EEPC India.

Increase in non-petroleum, non-gems & jewellery

(gold, silver & precious metals) imports was recorded at 38.30 per cent to \$38.53 billion in June.

Total exports in April-June rose by 24.51 per cent to \$118.96 billion, while imports increased 49.47 per cent to \$189.76 billion. Trade deficit during the first three months of this fiscal more than doubled to \$70.80 billion from \$31.42 billion in the same period last year.