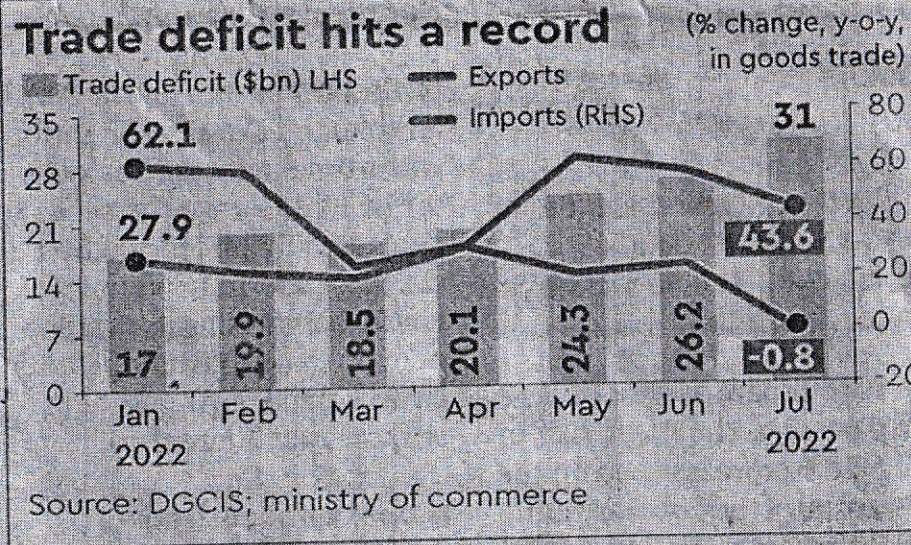


Merchandise exports dip in July, after 17 months

FE BUREAU
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MERCHANDISE EXPORTS IN July dropped 0.8% from a year before, albeit on an unfavourable base, to \$35.2 billion, the first monthly decline since February 2021 and compared with a 23.5% year-on-year jump recorded in June, showed the preliminary data released by the commerce ministry on Tuesday.

Imports, however, surged 43.6% in July to \$66.3 billion, driving up the trade deficit to a fresh monthly peak of \$31 billion. Sequentially, exports in July were down close to 12% from the June level.



Briefing reporters, commerce secretary BVR Subrahmanyam said the export curbs on a range of products in recent months — including elevated

export duties on select steel products and iron ore, a windfall tax on petroleum products and restrictions on wheat exports — dragged down outbound

despatches of goods. “These were necessary steps to rein in domestic inflation but these also contributed to the static exports in July,” he said. “Without these steps, exports would have recorded decent growth in July.”

The supply chain disruptions in the wake of the Ukraine war and the interest rate tightening by key central banks played their part, too. Exports of petroleum products dipped 7% on year in July to \$5.8 billion; such exports had grown 119% in June. Sequentially, these exports crashed almost 33% July from the June level, reflecting the impact of the windfall tax that was introduced from July 1, the data showed.