

ROBUST GROWTH LIKELY IN MARCH

Merchandise exports may contract in FY24

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Merchandise exports from India for the financial year 2023-24 (FY24) may show a contraction of around 1-1.5 per cent after two consecutive years of growth, even as March is likely to witness robust double-digit growth, according to initial trade data estimates. The final data is still being compiled and will be released by the commerce department on April 15.

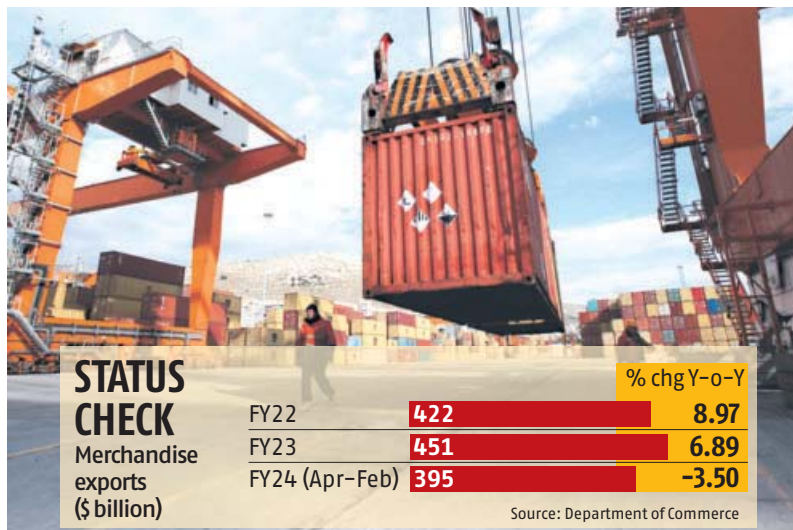
“During FY23, India exported goods worth \$451 billion and FY24 is expected to see a small dip on a cumulative basis. The demand for Indian goods, in terms of volumes, is expected to grow. The contraction can be attributed mainly to the falling commodity prices,” an official told *Business Standard*.

On a cumulative basis, during the April-February 2023-24 period, merchandise exports stood at \$395 billion, which is 3.5 per cent lower than during the same period a year earlier. During the 11 months — April to February — six months saw contraction and exports largely hovered around \$33-\$34 billion. The sustained uptick started only in December onwards.

India’s merchandise exports grew at the fastest pace in 20 months at 11.9 per cent in February, despite the disruption due to the Red Sea crisis. Goods worth \$41.4 billion were exported. The momentum is expected to continue in March, said the person cited above.

“...We have surpassed all predictions. March figures should also be very good. It shows resilience in the export sector. The 2024-25 financial year will also be very good,” commerce secretary Sunil Barthwal told reporters in a briefing last month.

A 1-1.5 per cent contraction in merchandise exports will mean that outbound shipments will hover around \$50 billion in March, surpassing the FY22 figure of nearly \$45 billion. If overall exports – goods



and services – are taken into account for FY23, the growth is expected to be positive. During the April-February period, services exports stood at \$314.82 billion, as compared to \$294.89 billion during the same period a year earlier.

Last week, commerce and industry minister Piyush Goyal said in FY24, India’s exports are expected to be ‘flat or a little bit on the positive side’, despite the Israel-Hamas war and the Red Sea-related disruptions. “Goods and services together will continue to be positive despite two wars and the Red Sea crisis. We will be doing \$2 trillion of exports by 2030 and I have no doubt in my mind,” Goyal said at the Business Standard Manthan event.

According to the United Nations Conference on Trade and Development (Unctad), international trade is expected to rebound in the calendar year 2024, reversing last year’s downturn, amid lingering geopolitical uncertainties. However, it warned that the logistical challenges such as shipping disruptions in the

Govt eyes \$12 bn seafood exports in next two years

The government is aiming to expand its seafood exports to around \$12 billion in the next two years from \$8 billion currently, mainly by focusing on high-end markets including the United States and Europe, two government officials said on Wednesday. India has emerged as the biggest supplier of seafood, particularly frozen shrimps, to the United States, with exports doubling over eight years to \$2.6 billion in FY23, one of the officials at the Commerce Ministry told a small group of reporters.

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Red Sea, Black Sea, and Panama Canal cast shadows over the optimistic outlook, and can raise costs and disrupt supply chains.