

Export reliance on US grows despite diversification push

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Notwithstanding India's efforts to diversify its merchandise exports, the country's dependence on the US for its outbound shipments has increased over the past 13 years by 7.6 percentage point, reaching a 17.7 per cent share in 2023-24 (FY24).

The share of the US in India's total exports continuously declined from a high of 21.7 per cent in 1998-99 to a low of 10.1 per cent in 2010-11, according to India's Department of Commerce data.

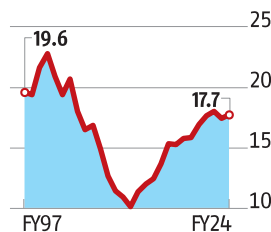
During the pandemic-impacted year of 2021-22, the export share of the US was even higher than the FY24 levels at 18 per cent. In 2022-23 (FY23), the US share was at 17.4 per cent.

The increase in the US share in FY24 from FY23 was despite India's exports to the US contracting 1.3 per cent, in sync with overall merchandise exports declining 3.1 per cent during the year.

The rise in the US share was driven by sunrise sectors like electronic component (50.6 per cent share), telecommunications instrument (33.73 per cent), drug formulation and biologicals (36.91 per cent), and electronic instrument (29.25

TRADE TIES

US' share in India's total exports in %



Commodity-wise breakup (in %)

Items	FY14	FY24
Electronic components	14.0	50.6
Cotton fabrics, madeups etc	24.6	39.4
Drug formulations, biologicals	22.9	36.9
Pearl, precious, semi-precious stones	31.9	34.8
Marine products	25.3	33.9
Telecom instruments	5.8	33.7
Aircraft, spacecraft, and parts	9.2	32.3
Electronics instruments	18.9	29.3
Products of iron and steel	19.5	28.1
Auto components/parts	20.3	24.2

Source: Commerce department

per cent).

Delhi-based think tank Global Trade Research Initiative in a report said India's total outbound shipments to its free trade agreement (FTA) partners grew at a slower pace compared to total merchandise exports. Exports from FTA nations increased by 14.48 per



April palm oil imports up 34 %

The country's palm oil imports registered a 34.11 per cent jump year-on-year in April to 684,000 tonnes, buoyed by a fall in global prices, the Solvent Extractors' Association of India (SEA) said on Tuesday. Palm oil accounted for 52 per cent of total edible oil imports of 1,304,409 tonnes in April.

PTI

policy of market diversification that has stood India in good stead during the global economic downturn will continue to be a key determinant of the country's trade policy, together with product diversification.

"To put exports on a high-growth trajectory, India needs a market diversification strategy based on the changing dynamics of growth in the world economy. So far, India's bilateral trade engagement has been mainly with the industrial powers. In future engagements, India will engage with regions and countries that are not only promising markets but are also major suppliers of critical inputs and have complementarities with the Indian economy," it added.

cent to \$122.72 billion in five years from 2018-19 to FY24, while total exports saw 32 per cent growth at \$437 billion during the same period.

In its vision statement released during the mid-term review of the 2015-2020 foreign trade policy in 2017, the Ministry of Commerce said the