

Goods exports down 3.1% in FY24; prospects mixed

MUKESH JAGOTA
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INDIA'S MERCHANDISE EXPORTS contracted 3.1% year on year in 2023-24 while imports shrank 5.3%, though the later months of the year saw a pick-up in the two-way shipments. The contraction in goods trade with other countries came after two successive years of positive growth on the low base created by the pandemic-induced slump in FY20-FY21.

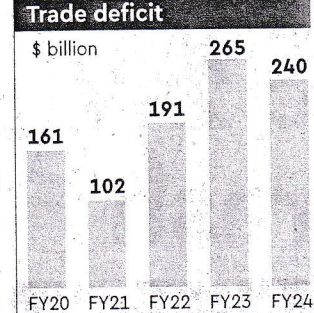
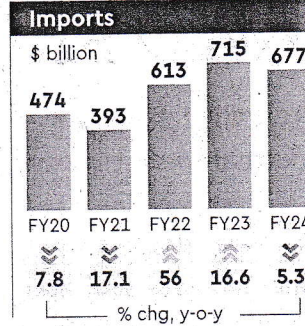
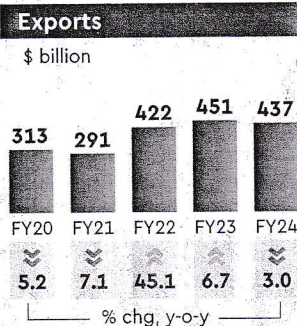
This meant India's foreign performance in the last year was in line with the global trend – as per the World Trade Organization (WTO), global demand for traded goods shrank 1.2% in 2023.

Last week, the WTO revised its projection for the merchandise trade volume growth in 2024 to 2.6% from 3.3% seen earlier. However, Delhi-based Global Trade Research Initiative (GTRI) forecasts a 1.2% drop in world merchandise trade values in 2024, compared with 2023.

According to official data released on Monday, merchandise exports in FY24 were \$437.06 billion. This compares with \$450.6 billion worth of exports in the previous year. Import of goods in FY24 stood at \$677.4 billion, down from \$715.3 billion in the previous year.

Services sector earnings from overseas markets grew 4.39% on

PERFORMANCE IN LINE WITH GLOBAL TREND



year to \$339.62 billion in FY24. Including this, India's overall exports were \$776.68 billion in FY24, a flat YoY growth of 0.04%.

"It was an extremely difficult year from the point of view of world trade. The Russia-Ukraine conflict continued. There was a huge issue with respect to the Red Sea. Then there were recessionary trends," commerce secretary Sunil Barthwal said.

Merchandise trade deficit in FY24 was down 9.33% on year to \$240.17 billion. Overall trade deficit fell 35.77% to \$78.12 billion.

March saw the largest monthly exports in FY24 at \$41.68 billion, though they were 0.67% lower than last year. Imports in March were down 5.98% to \$57.28 billion. Services exports contracted 6.25% in

March to \$28.14 billion and imports were down 6.57% to \$15.84 billion.

With the WTO and United Nations Conference on Trade and Development (UNCTAD) also forecasting world merchandise exports growing in 2024 after a 5% contraction in 2023, India's performance in recent months gives hope.

"In merchandise exports, we have moved into a positive cycle of growth from this (calendar) year onwards. Globally, things are looking up and we are also looking up," Barthwal said.

In January-March this year, merchandise exports were up 4% to \$208.3 billion. "In March, exports were the highest during the year. Merchandise exports in dollar

terms are increasing every month," the secretary said.

Under merchandise exports, 17 of the 30 key sectors exhibited a positive growth during FY24. Under merchandise imports, 16 of the 30 key sectors exhibited negative growth.

Engineering goods that account for 24% of total exports grew 10.66% to \$109.3 billion in FY24. Electronic product exports were up 23.64% to \$29.1 billion while exports of drugs and pharmaceuticals were up 9.67% to \$27.8 billion.

Under merchandise imports, 16 of the 30 key sectors exhibited negative growth in FY24. The maximum decline was seen in petroleum crude, coal, gems and jewellery, fertilisers and chemicals.