

Exports fall 12.7% in April; trade gap at 20-month low

Demand scenario not 'very optimistic': DGFT

SHREYA NANDI

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Merchandise exports fell to a six-month low and imports did their worst in 20 months -- both in value terms — in April as sluggish demand for Indian goods due to an economic downturn in key destinations and easing commodity prices weighed on India's trade basket.

The data released by the commerce department showed outbound shipments from India witnessed a sharp 12.7 per cent contraction at \$34.66 billion during the first month of the fiscal year while those inbound saw a sharper decline at 14 per cent to \$49.9 billion, leading to a 20-month-low trade deficit at \$15.24 billion. This is the third and fourth consecutive month of a contraction in exports and imports, respectively.

Director General of Foreign Trade (DGFT) Santosh Kumar Sarangi said the demand scenario did not look "very optimistic" for the next two-three months though the situation was expected to improve September onwards.

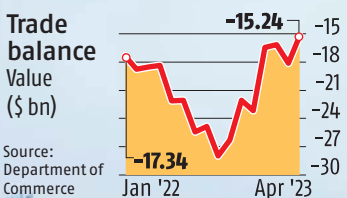
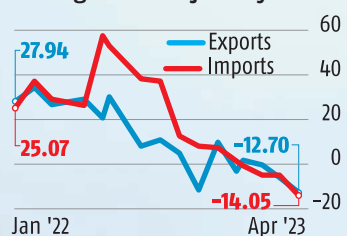
Demand has not been good from the United States and Europe, some of India's biggest export markets.

"Recession in some of the developed economies, as well as the lingering impact of the Russia-Ukraine conflict, is now making a very active impact and, combined with this, some cooling of commodity prices. Petroleum prices have been relatively cooling and the impact is visible both on imports and exports," Sarangi told reporters on Monday.

While the value of goods exported has been slowing since July, the sharp decline in imports in April was mainly due to cooling commodity prices as well as reduced demand for items such as gems and jewellery. Turn to Page 6 ▶

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Trade growth trajectory %YoY



Source: Department of Commerce



WPI inflation enters negative zone, at its lowest in 34 months

The wholesale price index (WPI)-based inflation entered negative territory in April, falling to a 34-month low at -0.92 per cent from 1.34 per cent in March, due to a higher base effect and continuing contraction in the prices of manufactured products.

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decade ago — for the sport's promotion and development. Chander Mohan Bhatia, a retired naval commander who heads an ethics and legal commission of the JAI, admits shortage of equipment, coaches and referees currently in India. "As an organisation, our basic intent was not to hurt aspirants by making it expensive, and we have tried to run JAI on a no-profit, no-loss basis," he says.

Exports fall...

Aditi Nayar, chief economist, ICRA, said the year-on-year decline in the merchandise trade deficit in April was driven primarily by non-oil items, with the fall in crude oil prices partly absorbed by higher volumes.

On a sequential basis, the contraction in imports and exports in April was sharper at 17.2 per cent and 16.8 per cent, respectively.

Exports of non-petroleum products and non-gems and

jewellery contracted 9.2 per cent in April to \$25.76 billion. Their imports also declined 12.5 per cent to \$31.49 billion.

Rajani Sinha, chief economist at Care Ratings, said given the weak global growth outlook, she expected overall merchandise exports to contract by 5 per cent in FY24.

"However, what is worrisome is that non-oil and non-gold imports, which are a reflection of domestic demand, have contracted on a y-o-y basis for the fourth consecutive month. The trade deficit is expected to narrow further, and we expect the current account deficit to reduce to 1.6 per cent of GDP in FY24 from an estimated 2.1 per cent in FY23.

India's merchandise exports witnessed a contraction in 19 out of 30 sectors in April. Merchandise imports contracted in 23 out of 30 items including coal (-28.5 per cent) and crude petroleum (-13.95 per cent).