

# Trade gap widens in 'tariff tantrum' month

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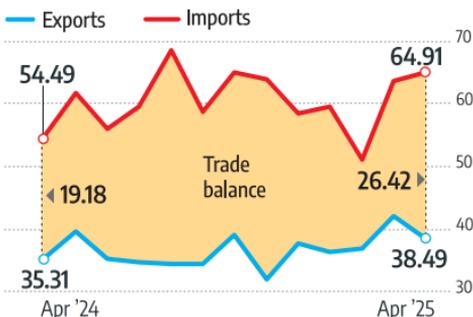
India's merchandise trade deficit widened significantly to \$26.42 billion in April from \$21.5 billion in March, as a 9 per cent year-on-year uptick in exports was outweighed by a far sharper surge in imports that hit their third-highest tally in a month that US President Donald Trump's tariff tantrums upended global trade dynamics.

While April's exports stood at \$38.5 billion, a tad lower than the \$41.97 billion recorded in March, imports rose to \$64.91 billion, 19.1 per cent higher than a year ago and 2.2 per cent over March's influx, according to quick trade estimates released by the Commerce Ministry on Thursday. The goods trade deficit stood at \$19.2 billion in April 2024.

April's exports were driven by a 27 per cent rise in shipments to the US valued at \$8.42 billion as exporters frontloaded shipments to take advantage of differential tariffs vis-à-vis China. The US administration had imposed a 145 per cent tariff on China

## Exports surge 9% Y-o-Y

Merchandise trade (\$ bn)



Source: Department of Commerce

while Indian exporters had to bear a 10 per cent baseline tariff, after the Trump regime paused higher tariff plans on several countries' products for 90 days.

However, imports from China shot up 27 per cent to \$9.91 billion in April, contributing significantly to the spike in the import bill.

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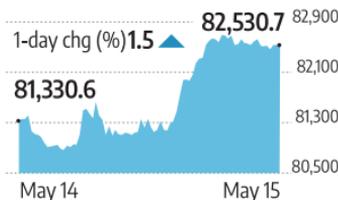
### Benchmark indices rally, Nifty reclaims 25,000 after 7 months

Benchmark indices on Thursday gained amid hopes that the reciprocal tariffs imposed by US will be minimal after Donald Trump said India had offered a zero-tariff trade deal. The BSE Sensex settled

at 82,531, up 1.5 per cent. The Nifty 50 closed above 25,000 after seven months, ending the session at 25,062, with a gain of 1.6 per cent.

■ Equity MF cash levels soar for 5th month

### Sensex



### Nifty 50

Date	Nifty 50 Value	1-day chg (%)
May 14	24,666.9	
May 15	25,062.1	1.6 ▲

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# Oil imports up 25.6%

Commerce secretary Sunil Barthwal said April's exports provide optimism India will maintain the momentum in FY26. "Exports seem resilient. This should be a good year for us. External factors are not in our hands," he remarked.

Aditi Nayar, chief economist at Icra, said April's goods trade deficit exceeded expectations despite a healthy growth in exports, partly on account of a front-loading of crude oil imports amid softer prices, as well as a sharp increase in electronic goods' inflows. "With this, the absolute size of the current account deficit for Q1 FY26 appears set to widen to \$14-16 billion," she concluded. Imports of petro-

leum products jumped 25.6 per cent in April to \$20.71 billion, almost a third of the overall import bill. Exports of petroleum products grew at a much milder pace of 4.7 per cent to \$7.3 billion.

Electronics goods imports grew 31.2 per cent to \$9.2 billion, while gold imports saw a more subdued uptick of 4.9 per cent to touch \$3.1 billion. Electronics goods exports jumped 39.5 per cent to nearly \$3.7 billion, while gems and jewellery shipments' value rose 10.7 per cent to cross \$2.5 billion.

However, imports of vegetable oils fell 8.1 per cent, along with coal (-12.3 per cent) and transport equipment, which dropped 3.2 per cent.