

Goods exports rise 2.6% to \$35.2 billion in June

WIDENING GAP. A sharp 4.9% jump in imports pushes trade deficit to \$20.98 billion

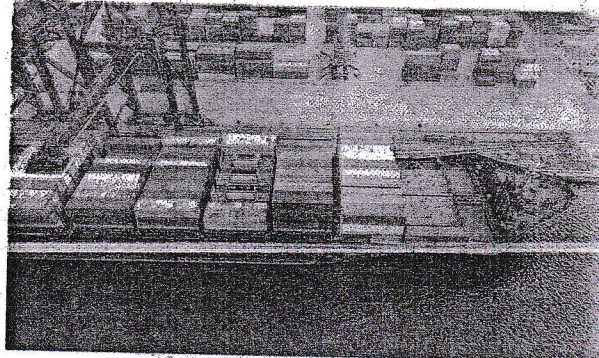
Our Bureau
New Delhi

India's goods exports inched upwards in June growing 2.6 per cent (year-on-year) to \$35.2 billion, fuelled by sectors such as engineering goods, electronics, chemicals and pharmaceuticals as global conditions supporting trade showed some improvement.

Imports in June increased by a higher 4.9 per cent to \$56.18 billion, generating a trade deficit of \$20.98 billion, which was a tad higher than the trade deficit of \$19.19 billion in June 2023, but lower than the previous month's \$23.8 billion.

"If you look at various global forecasts, there is positive global growth and inflation is also getting down. If growth sustains globally, India's exports will also sustain." However, there are a lot of ifs and buts due to geopolitical conflicts. Going by the ongoing situation, we will be crossing \$800 billion total (goods and services) exports during the current financial year," Commerce Secretary Sunil Barthwal said at a media briefing on Monday.

While goods exports increased in June for the third consecutive month, there



was a slowdown in the rate of growth compared to May 2024 when exports posted a rise of 9.1 per cent (year-on-year) to \$38.13 billion.

Q1 EXPORTS UP

In the April-June 2024 period, goods exports rose 5.84 per cent to \$109.96 billion, while imports grew 7.6 per cent to \$172.23 billion. Trade deficit during April-June 2024 widened to \$62.26 billion compared to \$56.16 billion in the same period last year.

"I am very confident, given the current trend of Q1 (April to June) in which we have crossed \$200 billion in exports (of goods and services), we will be able to cross \$800 billion of total exports (in the fiscal)," the Commerce Secretary said.

The country's import

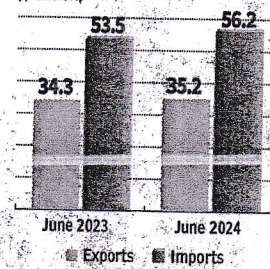
growth in June was driven by items such as petroleum products, electronic goods, iron and steel, non-ferrous metals and chemicals. Oil imports increased by 19.62 per cent to \$15 billion in June 2024 while gold imports declined by 38.66 per cent to \$3 billion during the month.

Top five import sources in June in terms of growth were the UAE, China, Russia, Indonesia and the US.

SECTORS IN FOCUS

Barthwal said the Commerce Ministry was focusing on six major sectors (engineering, textiles and apparel, electronics, pharmaceuticals, chemicals and plastics, and agriculture) and 20 countries to give exports a further push. "The need of the hour is to take steps on the liquid-

Merchandise trade
(\$ billion)



ity front with deeper interest subvention support and extension of the interest equalisation scheme for five years," said Ashwani Kumar, President, Federation of Indian Export Organisations.

The government also needs to ensure availability of containers, marine insurance and a rational increase in freight charges to address the challenges arising from the Middle East geopolitical situation and the Red Sea crisis, he added.

TOP EXPORT HUB

The top five export destinations for India in June in terms of growth included the US, the UAE, Malaysia, Bangladesh and Tanzania.

In 2023-24, exports declined 3.11 per cent to \$437 billion partly due to the global slowdown.