

Low demand for goods from China, others sinks imports

SHREYA NANDI

New Delhi, 16 February

A decline in demand from six of India's top 10 import partners — China, Saudi Arabia, Iraq, South Korea, Australia, and Singapore — resulted in imports hitting a 17-month low of \$50.6 billion in January, showed the data compiled by the department of commerce.

Shipments from South Korea, Australia, and Singapore declined by 14.1 per cent, 26.7 per cent, and 9.8 per cent, respectively.

Among the 10, growth in inbound shipment was seen only in the case of the United Arab Emirates (12.1 per cent), the US (27.4 per cent), Russia (297.4 per cent), and Indonesia (22.9 per cent).

These 10 countries account for over 60 per cent of India's merchandise imports, according to the data reviewed by *Business Standard*.

Imports from Russia grew at the fastest pace — nearly four times — at \$4.48 billion in January as compared to a year ago, ahead of the US and the United Arab Emirates.

This sharp jump was mainly due to the discounted crude oil India buys from Russia. In terms of value, Russia was the second-largest import partner in January, followed by China.

Interestingly, China, which has remained India's biggest import partner for several years, witnessed a 13 per cent decline in January.

While the government is still compiling product-wise data from China and other countries, a drop in imports could be due to the impact of Covid-19 as well as weak domestic demand.

Import from India's key crude oil suppliers — Saudi Arabia and Iraq — contracted 14.3 per cent and 11.2 per cent, respectively.

The January trade data, released on Wednesday, showed imports contracted 3.6 per cent year-on-year and the decline was sharper on a sequential basis at 13 per cent.

This was due to a combination of factors such as the gov-



JAN TRADE BOOK

Top 10 export partners

Country	Value (\$ mn)	% chg YoY
US	5,705	-12.1
UAE	2,396	3.7
Netherlands	1,545	33.3
China	1,161	-8.9
Singapore	767	-6.6
Bangladesh	804	-59.8
UK	926	8.1
Saudi Arabia	936	77.2
Brazil	556	-9.8
Germany	800	-10.7

Share of top 10 as % of total exports



Total Jan exports \$32,914 million

6.6 % chg YoY

Source: Department of Commerce

Top 10 import partners

Country	Value (\$ mn)	% chg YoY
China	7,887	-13.0
UAE	3,528	12.1
US	3,952	27.4
Russia	4,489	297.4
Saudi Arabia	3,045	-14.3
Iraq	2,230	-11.2
Indonesia	1,582	22.9
Singapore	1,554	-9.8
South Korea	1,379	-14.1
Australia	1,030	-26.7

Share of top 10 as % of total imports



Total Jan imports \$50,657 million

-3.6 % chg YoY

January gold imports at 32-mnth low

India's January gold imports plunged 76 per cent from a year earlier to a 32-month low on subdued demand after domestic prices rallied to record highs and as jewellers postponed purchases, hoping for a reduction in import duty, a government source said. The country imported 11 tonnes of gold in January, compared with 45 tonnes a year earlier, the source said. In value terms, January imports dropped to \$697 million from \$2.38 billion a year earlier.

Lower imports by the world's second-biggest bullion consumer could weigh on benchmark gold prices, but the fall may help in bringing down India's trade deficit and support the ailing rupee.

REUTERS

ernment's curbs on non-essential imports such as gold, weak domestic demand, and easing commodity prices. A senior government official said the drop in imports indicated the "Make in India" programme was succeeding.

However, on a cumulative basis, import growth was nearly 22 per cent at \$602.19 billion during April-January, as the value of inbound shipment remained elevated due to high commodity prices triggered by the conflict between Russia and Ukraine.

As many as 17 sectors, such

as organic and inorganic chemicals, plastics, pearls, precious and semi-precious stones, machinery, electronic goods, among others, witnessed a contraction in imports.

As far as exports are concerned, six of India's top 10 export partners — the US, China, Singapore, Bangladesh, Brazil, and Germany — witnessed a contraction in January, leading to 6.5 per cent reduction in overall exports.

These 10 nations have a share of 47.4 per cent in India's exports. India's merchandise exports contracted 6.5 per cent

year-on-year in January to \$32.91 billion due to slowdown in demand from key markets because of monetary tightening by central banks. On a sequential basis, the decline was 4.5 per cent.

The US, which has been India's largest export market for a decade, saw a dip in its value of exports by 12.1 per cent to \$5.7 billion in January. On a sequential basis, at \$1.16 billion, the contraction was 11.3 per cent in the case of China, which is India's second-largest trade partner and fourth-largest export partner.