

Feb goods exports dip a tad to \$36.61 b, but trade deficit doubles to \$27 b on import surge

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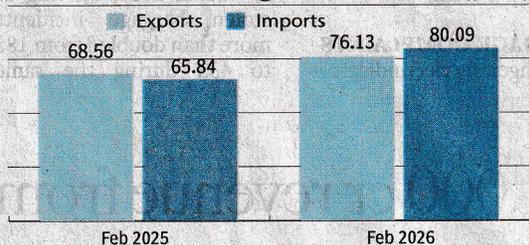
Goods exports declined a marginal 0.81 per cent year-on-year in February to \$36.61 billion amid global uncertainties, but March is set to be even more challenging due to the West Asia crisis and logistical bottlenecks, according to the Commerce Department.

Imports increased 24.11 per cent to \$63.71 billion in February, which widened the trade deficit to \$27.1 billion, almost double of \$14 billion in February 2025.

But the trade deficit was lower than \$34.68 billion in January, according to the Commerce Department data.

Despite the increased geopolitical turmoil following the US-Israel attack on Iran in February-end, the government is hopeful that annual exports of goods will remain in the positive territory in

Total trade during Feb 2026* (\$ billion)



India's total exports during April-February 2025-26 are estimated at \$ 790.86 billion registering a positive growth of 5.79 per cent. Total imports 2025-26* are estimated at \$ 900.51 billion registering a growth of 7.37 per cent

FY26 with efforts on to help exporters deal with the West Asia crisis and also increase shipments to other parts of the world, Commerce Secretary Rajesh Agrawal said.

GREATER CHALLENGE

"On the trade front, we are facing one challenge after another... March will pose a greater challenge (due to the West Asia problems)... Whatever exports we lose from that part of the world, we will try and make up with more exports to other markets. We would like to be in

positive territory versus last year on merchandise exports by the end of this fiscal," Agrawal said.

The government will unveil a support package within a week to assist exporters struggling with the West Asia trade disruptions, the Secretary said.

India's goods exports stood at \$402.93 billion in April-February 2025-26, which is about 1.84 per cent higher than \$395.66 billion in the same period last fiscal year.

A drop in performance in

March due to the Iran war could upset the math but the government is working against that.

In April-February 2025-26, imports also increased 8.53 per cent to \$713.53 billion.

The Commerce Secretary explained that the decline in exports in February was largely due to a fall in petroleum shipments, which slumped 40 per cent to \$3.42 billion, while the higher trade deficit was due to an increase in imports of gold and silver.

Apart from petroleum, export of readymade garments, leather and leather products, iron ore and plastic also declined.

Exports to the US, India's largest market, declined 12.88 per cent to \$6.88 billion in February as a fallout of the 50 per cent reciprocal and penal tariffs, which were subsequently removed and replaced with a 10 per cent short-term global tariff.