

Exports saw sharp fall on decline in US, UAE share

Shipments to six of top 10 markets witnessed a drop in April

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Exports to India's key markets — the US, the United Arab Emirates, China, Singapore, Bangladesh and Germany — witnessed a sharp decline, resulting in a 12.69 per cent contraction in outbound shipments during the first month of the current financial year, commerce department data showed.

India's biggest export market — the US — with 17 per cent share witnessed 17.16 per cent contraction at \$5.9 billion in April. This was followed by the United Arab Emirates (UAE) that saw 22.09 per cent decline at \$2.23 billion exports. These two countries exported goods worth \$8.13 billion, indicating a share of over 23 per cent in April.

While these six countries out of India's top ten export destinations saw contraction, shipments to Saudi Arabia, the Netherlands, United Kingdom (UK) and Italy saw 8.38 per cent, 23 per cent, 20.69 per cent and 3.59 per cent, growth respectively. These 10 countries comprise 48 per cent of the value of goods exported in April.

Exports to the UAE contracted even as the West Asian and India have signed a free trade agreement. This is because many consumer goods for which the UAE acts as a channel for commonwealth of independent states (CIS) and Gulf nations have got impacted resulting in lower imports, government officials said. Apart from that, deflationary pressure on petroleum prices resulted in lower value oil imports, which has also affected re-exports of the commodity.

On Monday, Director General of Foreign Trade (DGFT) Santosh Kumar Sarangi had 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 US and Europe, some of India's biggest export markets.

The sharp contraction in exports has been mainly due to an economic downturn in key destinations, easing commodity prices, as well as the lingering impact of the Russia-Ukraine conflict, which according to the government was now making a "very active impact".

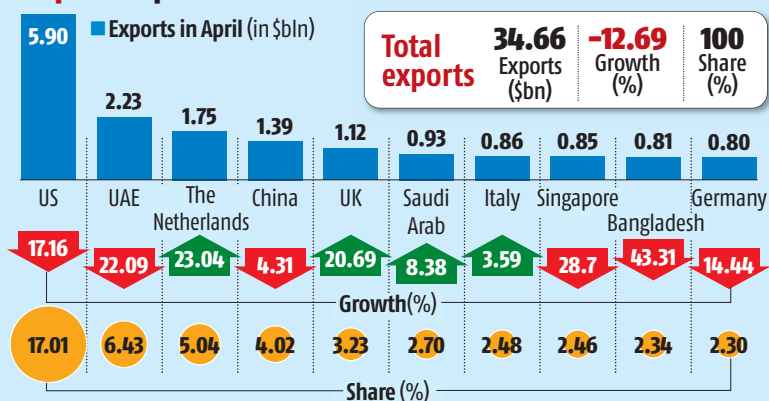
Country-wise imports

Of India's top 10 merchandise import destinations in April, only shipments from Russia and Japan grew, as the same declined to a 20-month low at \$49.9 billion, down 14 per cent, the data showed. Imports from the two nations saw 200 per

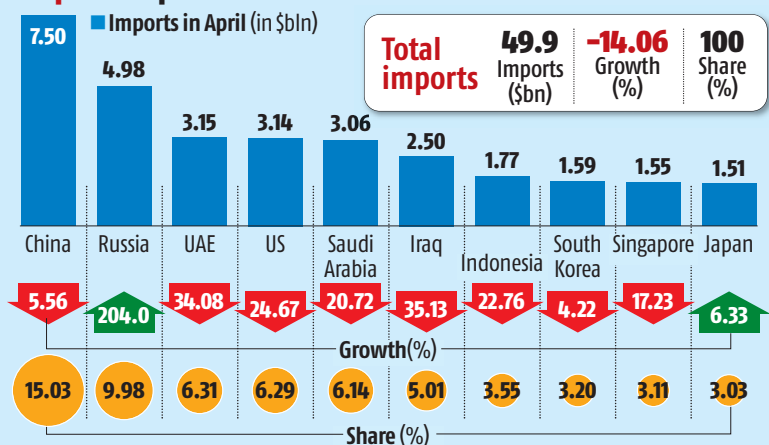


TRADE PICTURE

Top 10 export destinations



Top 10 import destinations



Source: Department of Commerce

cent and 6.33 per cent rise, respectively.

The remaining eight nations that saw contraction include China (-5.56 per cent), the UAE (-34.08 per cent), the US (-24.67 per cent), Saudi Arabia (-20.72 per cent), Iraq (-35.13), Indonesia (-22.76 per cent), Singapore (-17.23 per cent), and South Korea (-4.22 per cent).

These 10 countries comprise 61.64 per cent of the value of goods imported in April. China remained the top import destination, although the country's share of imports from the neighbouring nation rose to 15.03 per cent in April from 13.68 per cent during the same period a year ago.