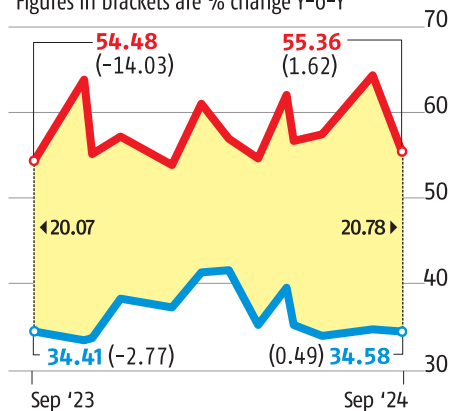


# Trade deficit eased in Sep to 5-month low

## EXPORTS UP

— Imports — Exports (\$ billion)

Figures in brackets are % change Y-o-Y



Source: Department of Commerce

**SHREYA NANDI**

New Delhi, 16 October

India's merchandise trade deficit narrowed to a five-month low of \$20.78 billion in September as imports grew at the slowest pace in six months and exports rose marginally after two months of decline, the official data showed on Wednesday.

The trade deficit, or the gap between imports and exports, had widened to a 10-month high of \$29.65 billion in August.

Goods worth \$55.36 billion were imported last month, up 1.62 per cent compared to the year-ago period, amid softening global petroleum prices.

Gold imports grew 6.9 per cent year-on-year (Y-o-Y) in September, to \$4.39 billion, but contracted 56 per cent sequentially. Gold imports had risen 3 per cent Y-o-Y to touch \$10 billion in August due to factors such as stocking ahead of the festive season and the import duty cut from 15 per cent to 6 per cent in July.

Imports of petroleum products contracted 10 per cent to \$10.51 billion last month, the data released by the commerce department showed.

In September, exports rose by 0.5 per cent to \$34.58 billion due to muted global demand amid geopolitical challenges, according to the data.

Turn to Page 6 ▶

# Non-petroleum & non-gems, jewellery exports grew 9.6%

Outbound shipments of petroleum products, which make up nearly 14 per cent of India's exports, contracted by over a fourth to \$4.73 billion in September. Gems and jewellery exports also contracted in this period – by 11.5 per cent to \$2.82 billion.

Commerce Secretary Sunil Barthwal said India was doing better than the global average. Despite the challenges, merchandise exports did well in the first half of the current fiscal year, he said.

Exports grew 1 per cent, at \$213 billion, while imports saw 6 per cent growth at \$350.66 billion in April-September.

On the brighter side, non-petroleum and non-gems and jewellery exports, an indication of a clearer parameter of exports' health, grew 9.6 per cent to \$27 billion in September. Sectors that saw growth were engineering goods (10.55 per cent), electronic goods (7.89 per cent), drugs and pharmaceuticals (7.22 per cent), and ready-made garments (17.3 per cent).

Federation of Indian Export Organisations (FIEO) President

Ashwani Kumar said the ongoing international trade disruptions, along with the volatility in crude and metal prices, had played a key role in bringing down the value of exports to some extent.

“Rising tensions between Israel and Iran led to logistical challenges with regard to international trade, as most of our trade to Europe, Africa, CIS, and the Gulf region happened through the Red Sea route or the Gulf region...In spite of so much hard work by the exporting community, the challenges with regard to trade finance remain the key for MSMEs as it is impacting the competitiveness of Indian products in the global markets,” he said.

Services exports saw 7.7 per cent growth at \$30.61 billion in September, while services imports witnessed an 11 per cent rise to \$16.32 billion, resulting in a surplus of \$14.29 billion. The services trade data for September, however, is an “estimate”, which will be revised based on the Reserve Bank of India's subsequent release.