

Merchandise trade crosses \$1 trn in 2022

SHREYA NANDI

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India's merchandise trade crossed the \$1-trillion mark in calendar year 2022 with the share of exports at \$450 billion and imports at \$723 billion. This comes amid growing uncertainty on the external front.

Outbound shipments grew 13.7 per cent year-on-year (YoY) in 2022, while imports rose by 21 per cent, commerce and industry ministry's data showed.

Exports witnessed a robust double-digit growth in the range of 34-20 per cent during the first six months of the year. Thereafter, the growth started falling to single digits July onwards, closing the year at a 12 per cent contraction. This comes as recession fears in developed economies weighed on exports from India.

The sustained growth in exports

GOING STRONG				
	EXPORTS		IMPORTS	
Year	Value (\$bn)	Growth (%)	Value (\$bn)	Growth (%)
CY 22	449.72	13.7	723.23	21
CY21	395.47	43.04	573.17	53.33
CY20	276.46	-14.74	373.28	-23.18
CY19	324.26	-0.18	485.94	-5.56

Source: Department of Commerce

can be attributed to the pent-up demand factor due to the opening up of most developed economies in 2021, with the easing of Covid restrictions.

Besides, India saw a significant jump in exports to developed markets such as the US, Singapore, Hong Kong and European nations such as the Netherlands, the UK, Belgium and Germany, among others.

Before this, over the last decade, merchandise exports from India hovered around \$260-330 billion, with the highest being \$330 billion in fiscal year 2018-19.

Around this time, a substantial amount of goods were being exported to neighbouring countries, predominantly the ASEAN nations.

According to a report published by

Global Trade Research Initiative (GTRI), the \$1 trillion total merchandise trade has been achieved despite gloomy conditions worldwide.

"This also prepares us for a tough year ahead as GDP (gross domestic product) growth in major economies slows down to less than 3 per cent in 2023," said the report, authored by former Indian Trade Service officer Ajay Srivastava.

Of the total merchandise imports of \$723 billion in 2022, two-thirds comprised five items — crude oil (\$270 billion), coal (\$80 billion), gold and diamond (\$80 billion), electronics (\$72 billion) and machinery (\$55 billion), the report said.

On the other hand, exports have been dominated by engineering goods, gems and jewellery, drugs and pharmaceuticals as well as electronic goods.