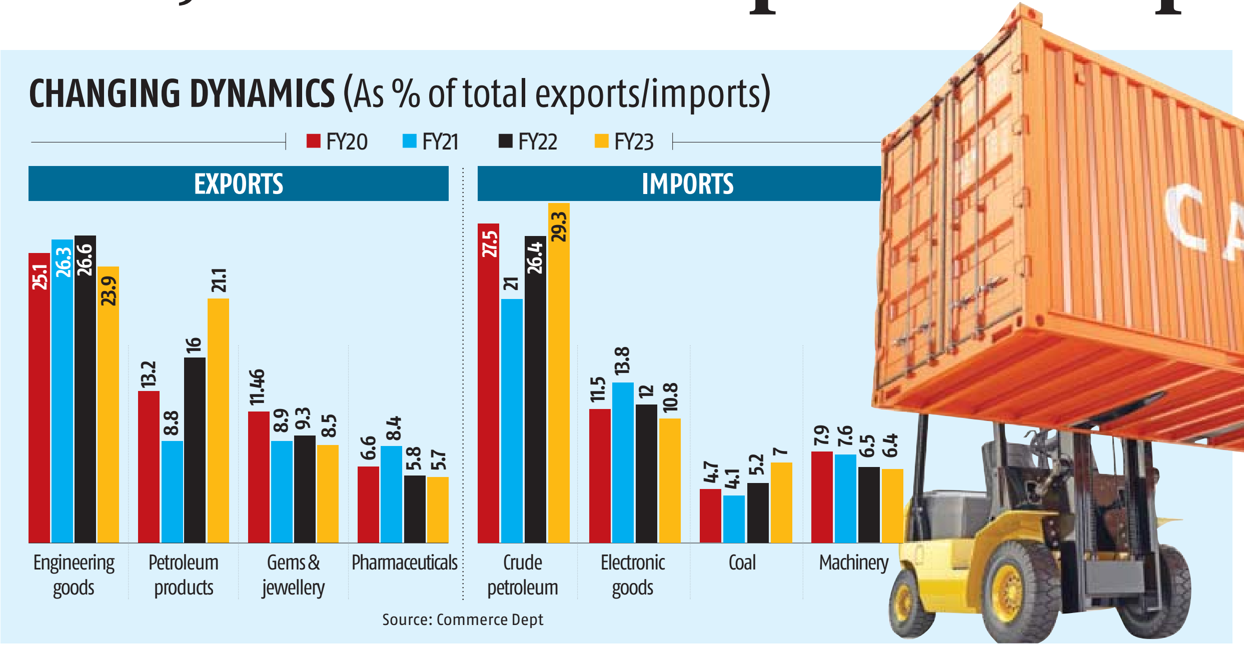
Fuel, electronics exports lead post-pandemic trade basket rejig



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The share of petroleum and electronic goods exports in the post-pandemic world has increased at the cost of outbound shipments of labour-intensive sectors such as gems and jewellery, engineering goods, and readymade garments.

Commerce ministry data analysed by *Business Standard* shows that boosted by cheaper crude imports from Russia, the share of petroleum exports in India's total exports went up from 13.2 per cent in FY20 to 21.1 per cent in FY23. The share of electronics goods exports, rose from 3.7 per cent in FY20 to 5.3 per cent in FY23 due to rising shipments of smartphones from companies such as Apple and Samsung.

However, the share of gems and jewellery exports fell from 11.5 per cent in FY20 to 8.5 per cent in FY23 and the share of engineering goods exports also declined from 25.1 per cent in FY20 to 23.9 per cent in FY23. The share of pharma exports stands below pre-pandemic level (5.7 per cent in FY23), after gaining significant share in the exports basket, touching a high of 8.4 per cent in FY21.

Among import items, expectedly crude petroleum exports gained significant share in the imports basket — from 27.5 per cent in FY20 to 29.3 per cent in FY23, as India ramped up cheaper crude imports from Russia in FY23, after the Ukraine war broke out. However, as India discouraged non-essential imports with rising headwinds for exports, share of inbound shipments of electronic goods (from 11.5 per cent in FY20 to 10.8 per cent in FY23) and gold (from 5.9 per cent in FY20 to 4.9 per cent in FY23) fell. Share of coal imports shot up significantly — from 4.7 per cent in FY20 to 7 per cent in FY23 — as power demand surged due to recovery in industrial activity following the easing of coronavirus-related restrictions and an intense heatwave in 2022.

However, the share of machinery (from 7.9 per cent in FY20 to 6.4 per cent in FY23) and transport equipment (5.3 per cent in FY20 to 4.1 per cent in FY23) imports eased significantly in FY23, signalling that industrial activity in the country still remains under stress.

For FY23, merchandise exports grew 6 per cent to $447 billion, mainly due to robust growth during the first six months of FY23. The impact of global headwinds such as a slowdown in demand from developed economies due to high inflation, monetary policy tightening, and a moderation in commodity prices became visible October onwards. Imports, on the other hand, grew 16.5 per cent to $714 billion during FY23 led by jump in crude and fertiliser imports.