

Russia, Switzerland outliers amid contracting imports

Imports from Russia second-largest in April–August period, shows data

SHREYA NANDI

New Delhi, 18 September

Even as merchandise imports into the country decreased 12 per cent during the first five months this financial year, among the top 10 sources there was growth in supply only from Russia and Switzerland, according to the data compiled by the commerce department.

Imports from Russia have been rising for over a year. The increase is being driven by India's growing dependence on crude oil from the country.

During April to August, India imported goods worth \$25.69 billion, up 86.56 per cent year-on-year. The share of Russia in India's imports increased to 9.45 per cent in April to August from 4.45 per cent during the same period a year earlier.

In terms of value, Russia was the second-largest import partner during April to August, followed by China.

In the case of Switzerland, the rise was mainly due to higher demand for gold. Government officials said gold imports had increased since July primarily due to the onset of the festival season.

Switzerland's share in imports grew to 3.08 per cent in April–August from 2.16 per cent during the same period a year earlier.

While the disaggregated country-specific trade data for July and August is not yet available, a 171 per cent rise in discounted crude oil imports pushed up inbound shipment from Russia during the April–June period.

A 30 per cent rise in gold shipment led to an increase in imports from Switzerland during the same period.

Among India's top 10 import partners, a decrease was observed from China (-4.37 per cent), the United States (-17.61 per cent), the United Arab Emirates (-23.43 per cent), Saudi Arabia (-28.44 per cent), Iraq (-34.77 per cent), Indonesia (-32.5 per cent), Singapore (-8.93 per cent), and South Korea (-0.83 per cent per cent). These 10 countries account for over 59.3 per cent of India's merchandise imports.

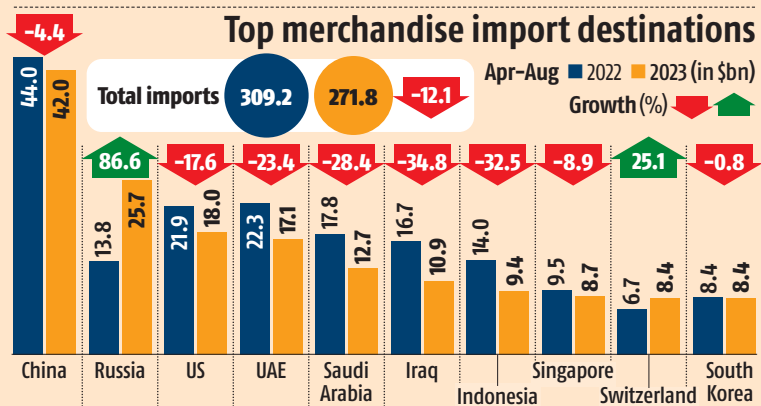
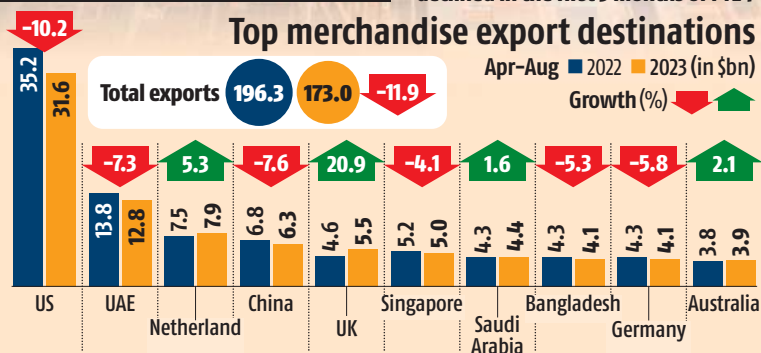
Exports

The US, the United Arab Emirates, China, Singapore, Bangladesh, and Germany — six of India's top 10 export partners — witnessed a decrease during the first five months this financial year, leading to a 2



FEW BRIGHT SPOTS

Total imports and exports have declined in the first 5 months of FY24



Source: Department of Commerce

per cent contraction in exports.

The Netherlands, the UK, Saudi Arabia, and Australia — the remaining four — saw growth.

These 10 nations make up 49 per cent of India's exports.

India's merchandise exports have been contracting since the beginning of the year due to a slowdown in demand from key markets, driven by monetary policy tightening by central banks and inflation,

resulting in weak external demand.

The US, which has been India's largest export market for a decade, saw a dip in the value of exports by 10.24 per cent to \$31.55 billion in April to August. The country's share of exports also fell to 17.9 per cent from 18.24 per cent a year earlier.

China, which is India's second-largest trade partner and fourth-largest export partner, saw exports decrease by 7.62 per cent to \$6.3 billion.