

Exports to China fall at faster clip than to other partners

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Amid a massive slowdown in China, India's exports to the neighbouring country contracted at a faster pace in comparison to the exports to the rest of the world.

India's exports to China witnessed 22.44 per cent contraction to \$1 billion, while overall exports declined 9 per cent at \$34.7 billion in August, commerce department data showed. China is India's fifth-largest export market.

On the other hand, import dependency on China continued, with the country being India's largest import partner. According to the data, inbound shipments from China stood at \$10.8 billion, up 15.5 per cent year-on-year (Y-o-Y).

While the disaggregated data for the month of August wasn't immediately available, trends over the last few months showed that exports to China were dominated by items such as iron ore, marine products, copper, and food items, among others.

On Tuesday, Commerce Secretary Sunil Barthwal had said that other than muted demand, geopolitical and logistics-related challenges, another key factor that is impacting merchandise exports is a huge slowdown in China that has

WIDENING GAP

Export

Country	Growth(%)
US	-6.29
United Arab Emirates	-2.39
Netherlands	28.92
United Kingdom	14.57
China	-22.44

Import

Country	Growth(%)
China	15.55
Russia	-39.9
United Arab Emirates	72.7
US	-6.3
Iraq	-31.18

Source: Department of Commerce

hardware, and organic chemicals, among others.

Top 10 export-import destinations

During August, exports to six out of India's top 10 markets witnessed contraction — the US (6.29 per cent), the UAE (2.39 per cent), China (22.44 per cent), Singapore (-39.25 per cent), Bangladesh (27.85 per cent), and Australia (-24.05 per cent).

The top 10 countries comprised 68 per cent of India's total value of goods exported during August. The US continued to remain India's largest export market, followed by the UAE, the Netherlands and the UK, Barring Russia, the US, Iraq, Saudi Arabia, Singapore, and Indonesia, inbound shipments from the rest of the top 10 import

partners witnessed growth during August, the data showed. To be sure, India relies on crude oil imports from most of these countries and a contraction in imports is mainly due to falling petroleum prices.

India's overall imports grew 3 per cent Y-o-Y to \$64.3 billion in August. The record high imports was mainly due to doubling of gold imports during the month. As a result, imports from Switzerland, which is mainly driven by gold imports, witnessed 80 per cent growth to \$3.9 billion.



also led to a decline in petroleum prices.

As far as imports are concerned, top inbound shipments from China include electronic components, industrial machinery, IT