

# Key India peers see sharper growth in services trade

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A number of countries have recorded faster growth in services exports than India.

India's services exports increased by 14 per cent between the third quarter of 2022 and Q3 of 2023, according to the Global Trade Update by the United Nations Conference on Trade and Development (Unctad) released recently. The growth in imports was 5 per cent.

Brazil and South Africa among emerging markets and Japan among advanced ones recorded higher growth in services exports at 16 per cent each. Next was India, followed by the United States (9 per cent) and European Union (5 per cent).

China, on the other hand, recorded a decline of 16 per cent, while its service imports increased by 13 per cent (chart 1).

In Q323, India's service exports were flat quarter-on-quarter. A similar trend was seen globally, suggesting limited growth.

"Quarterly growth in Q3 2023 has been more varied compared to the annual averages, signaling that the positive trend in trade in

services may have plateaued," the report mentioned. A different story emerges from the goods trade. India's merchandise imports and exports declined year-on-year by 7 per cent and 6 per cent, respectively. Other economies followed a similar pattern.

China's goods exports and imports declined by 5 per cent each.

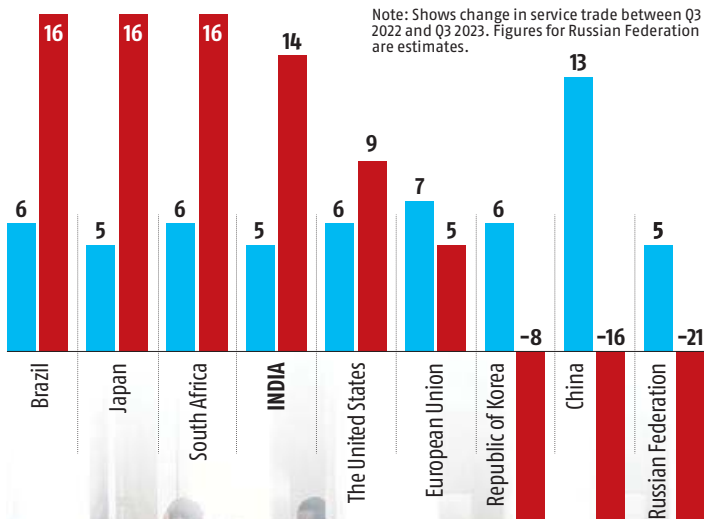
Only three economies — the Republic of Korea, Brazil, and the European Union — recorded an increase in merchandise exports compared to the previous year. Except for Russia, all other countries' goods imports declined. Their exports declined by 27 per cent because of energy markets, according to the report (chart 2).

The quarter-on-quarter trend for goods trade was more positive for India. In Q42023, India's goods imports increased by 3 per cent and exports by 5 per cent.

The global trade outlook remains uncertain, according to the report. "Persistent geopolitical tensions, rising shipping costs, and high levels of debt weighing on economic activity in many countries may still exert negative influences on global trade."

## FLAT SERVICES EXPORTS

Annual growth in services trade (%) Imports Exports



## GOODS EXPORTS DOWN

Annual growth in goods trade (%) Imports Exports

