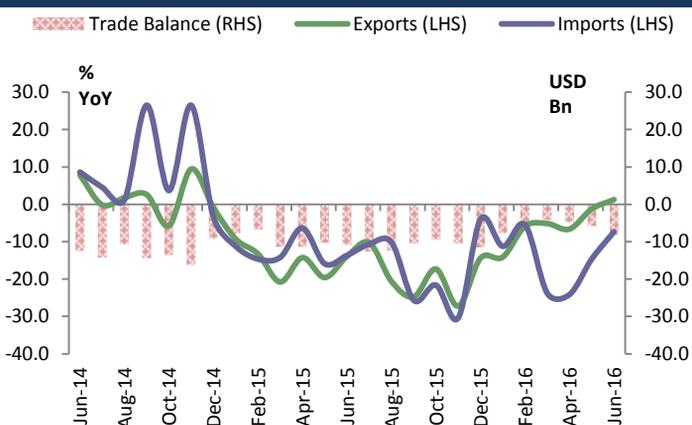


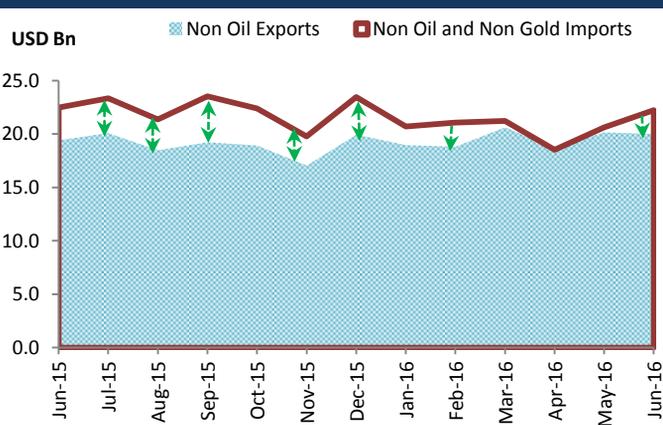
Trade deficit stood at USD 8.1 billion in June 2016

- ❖ India's trade deficit stood at USD 8.1 billion in June 2016 vis-à-vis USD 10.8 billion in the corresponding period previous year.
- ❖ Merchandise exports posted a recovery, registering 1.3 percent growth in June 2016 vis-à-vis (-) 14.0 percent growth noticed in the same month previous year. Overall exports were valued at USD 22.6 billion in June 2016. Oil exports continued to contract, declining by 10.8 percent during the month. Non-oil exports, on the other hand, reported a growth of 3.1 percent in June 2016 vis-à-vis a fall of 4.4 percent in the same month last year.
- ❖ Total imports for the month of June 2016 declined by 7.3 percent and stood at USD 30.7 billion vis-à-vis USD 33.1 billion noted in June 2015. Oil imports fell by 16.4 percent while non-oil imports noted a decline of 4.1 percent in June 2016. Gold imports continued to shrink in June 2016 and were valued at USD 1.2 billion which was 38.6 percent lower than the imports reported in the corresponding period previous year.

Trend in India's Merchandise Trade



Non Oil exports vis-à-vis Non Oil & Non Gold Imports

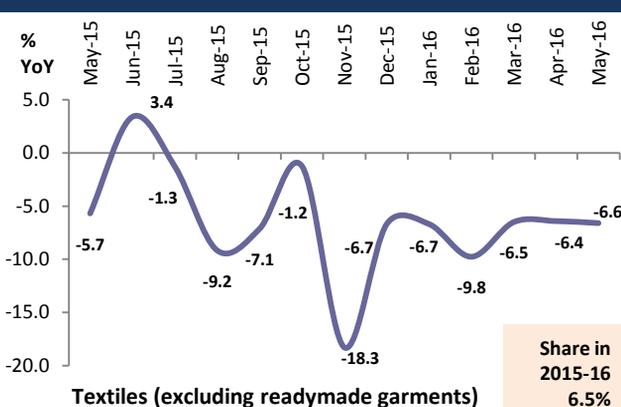


India's merchandise exports reported a recovery in June 2016 after contracting for eighteen consecutive months. Engineering exports, the biggest commodity in India's export basket (22 percent of total exports) recorded 0.9 percent growth in June 2016. This was the second straight month when the segment witnessed growth after noticing sharp decline in growth for nine consecutive months.

The government has taken several initiatives to boost exports and the turnaround noticed in June 2016 indicates that the measures have started yielding results. Recently announced steps to boost textile exports, which have been on a downtrend, augurs well for the sector's performance, going forward. Furthermore, efforts towards ease of doing business must continue in order to improve competitiveness and provide a thrust to overall trade.

India's Major Export Items (% YoY)

	% share Jun-16	Jun-15	May-16	Jun-16
Engineering goods	22.8	-0.1	5.3	0.9
Gems & jewellery	15.6	5.5	16.0	-0.5
Readymade garments	7.0	11.1	-5.3	-0.8
Drugs, pharmaceuticals & fine chemicals	6.3	10.3	-14.0	0.1
Inorganic/organic/agro chemicals	5.4	46.1	-5.4	14.4
Plastic & linoleum products	2.4	23.2	9.6	10.6
Electronic goods	2.3	-19.4	2.2	9.9
Marine products	2.1	-19.6	11.2	43.2
Handicrafts excl handmade carpets	1.1	9.2	32.4	92.0



Source: Ministry of Commerce and Industry, Economic outlook CMIE and FICCI Research