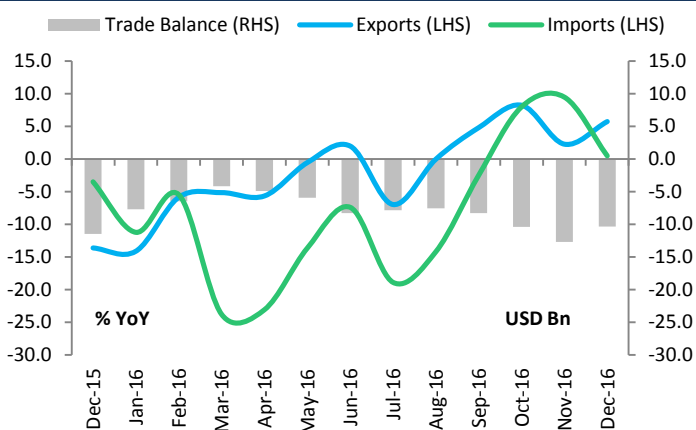


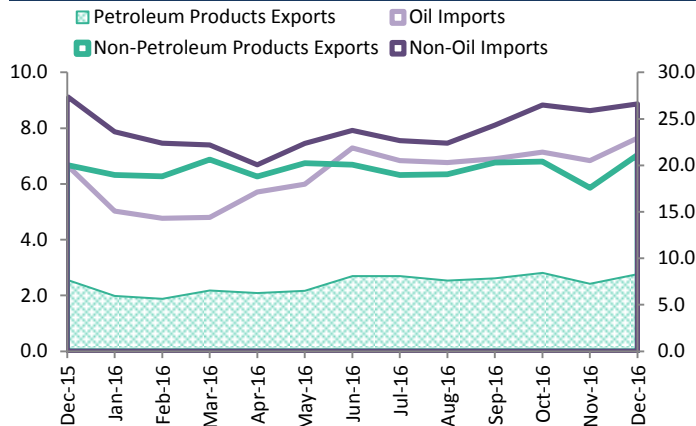
Trade deficit stood at USD 10.4 billion in December 2016

- ❖ India's trade deficit stood at USD 10.4 billion in December 2016 vis-à-vis USD 11.5 billion in December 2015.
- ❖ Total merchandise exports registered a growth of 5.7 percent in the month of December 2016 as compared to a decline of 13.6 percent noted in the same month previous year. In terms of value, merchandise exports stood at USD 23.9 billion in December 2016. Exports of petroleum products witnessed a growth of 8.2 percent while non-petroleum products exports reported 5.4 percent growth during the month.
- ❖ Overall imports for the month of December 2016 stood at USD 34.3 billion, which is 0.5 percent higher than USD 34.1 billion worth of imports in December 2015. Oil imports witnessed a growth of 14.6 percent while non-oil imports contracted by 3.0 percent during the month. Gold imports were seen contracting by 48.5 percent in December 2016 as against a growth of 179.1 percent noted in the corresponding month previous year.

Trend in India's Merchandise Trade



Oil- Non Oil Trade (in USD Billion)

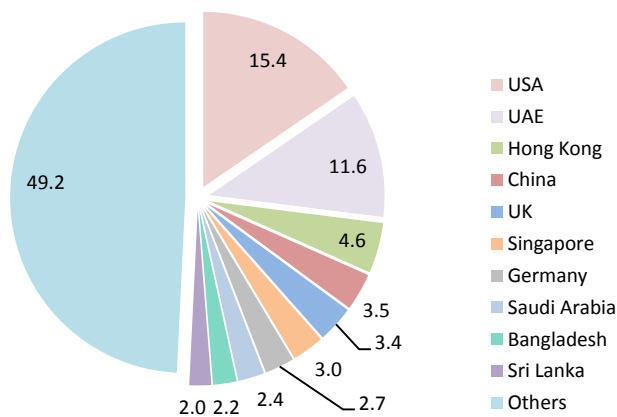


December was the fourth consecutive month when merchandise exports reported growth. The recovery in exports has been broad based with most of the major export commodities (such as engineering goods, drugs & pharmaceuticals, gems & jewellery, petroleum products and marine products) registering growth in December 2016.

In 2015-16, the top six export items accounted for around three fourths of India's export basket. In addition, the top ten export destinations constituted for more than half of India's outbound shipments. However, given the recent political developments influencing trade and investments scenario, there is a growing need for India to further diversify its export basket as well as export markets.

It has become necessary to work on measures to enhance India's competitiveness in the global market. The forthcoming Union Budget can include measures to boost the exports performance of MSME sector, especially through additional benefits for marketing and financial assistance.

India's Top Ten Export Destinations in 2015-16



Top Six Export Items in 2015-16	% Share
Engineering goods	21.9
Gems & jewellery	15.1
Chemicals & related products	12.5
Petroleum products	11.6
Textiles (excluding RMG)	6.5
Readymade garments (RMG)	6.5

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