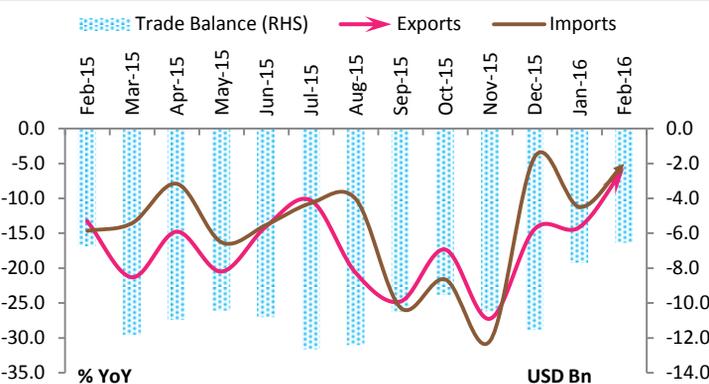


Trade deficit narrows to USD 6.5 billion in February 2016

- ❖ India's trade deficit was curtailed to USD 6.5 billion in February 2016 vis-à-vis USD 7.7 billion noted in the previous month. On a cumulative basis, trade deficit stood at USD 113.1 billion during April-February 2015-16 as against USD 126.1 billion recorded in the corresponding period of previous fiscal year.
- ❖ Overall exports in February 2016 were valued at USD 20.7 billion, 5.7 percent lower than the level of USD 21.9 billion recorded in the corresponding month of the previous fiscal year. Oil exports declined by 28.3 percent while non-oil exports witnessed a contraction of 2.7 percent during the month. Cumulatively, India's exports stood at USD 238.3 billion at the end of eleven months of the current fiscal as against USD 286.2 billion noticed in the corresponding period previous fiscal year.
- ❖ Total imports for the month of February 2016 declined by 5.0 percent and stood at USD 27.3 billion vis-à-vis USD 28.7 billion noted in February 2015. Oil imports contracted by 21.9 percent while non-oil imports contracted by 0.5 percent in February 2016. Gold imports were valued at USD 1.4 billion during February 2016 which was 29.5 percent lower than the imports noted in February 2015.

Trend in India's Merchandise Trade



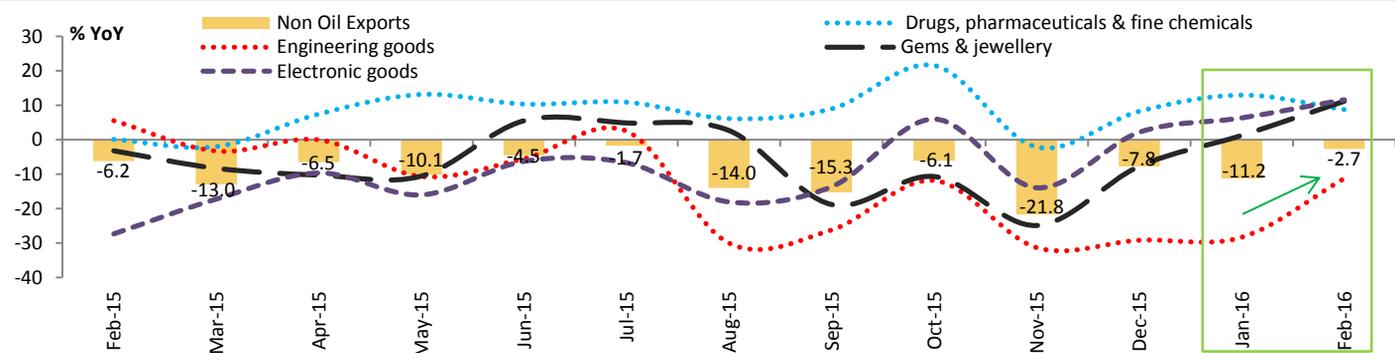
Trend in India's Services Trade

	Services receipts (Exports)		Services payments (Imports)	
	USD million	Y-o-Y % change	USD million	Y-o-Y % change
Jan-15	14.3	2.3	7.8	7.2
Nov-15	12.0	-3.6	5.7	-7.6
Dec-15	14.0	-1.9	7.2	-0.7
Jan-16	12.6	-11.8	6.8	-12.2

Though merchandise exports noticed contraction for the fifteenth consecutive month ending February 2016, it was the lowest in last thirteen months. However, some export items such as drugs, pharmaceuticals and fine chemicals (8.8 percent), inorganic and agro chemicals (4.5 percent), electronic goods (11.6 percent), carpets (15.4 percent), handicrafts (33.5 percent) and jute manufacturing (113.2 percent) have performed well over the last twelve months.

Forecast for global trade in 2016 remain low with WTO cutting the growth estimates to 2.8 percent from 3.9 percent predicted earlier. Given the weak global demand scenario, it becomes imperative to give policy push India's exports. Some of the thrust areas identified at the recent Board of Trade meeting include reviving SEZs and according priority sector status to export credit, promoting organic produce, MSMEs, involving missions and embassies to promote trade and removing issues of EXIM bank and Export Credit Guarantee Corporation (ECGC).

Trend in Major Export Items and Total Non-oil Exports



As per data released on March 15, 2016

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