

India's merchandise exports reach 38.9 billion in May 2022

India's Merchandise Trade (in USD Billion)

Month	Exports			Imports			Trade Balance
	Total	Petroleum products	Non-petroleum products	Total	Crude oil and petroleum products	Non-crude oil and petroleum products	
May-21	32.3	5.3	27.0	38.8	9.5	29.4	-6.5
Jan-22	35.2	4.6	30.6	52.5	12.4	40.1	-17.3
Feb-22	37.1	6.9	30.3	55.8	15.8	40.1	-18.7
Mar-22	44.5	9.8	34.7	63.0	21.1	41.8	-18.5
Apr-22	39.8	7.9	31.9	60.2	20.1	40.1	-20.4
May-22	38.9	8.5	30.4	63.2	19.2	44.0	-24.3

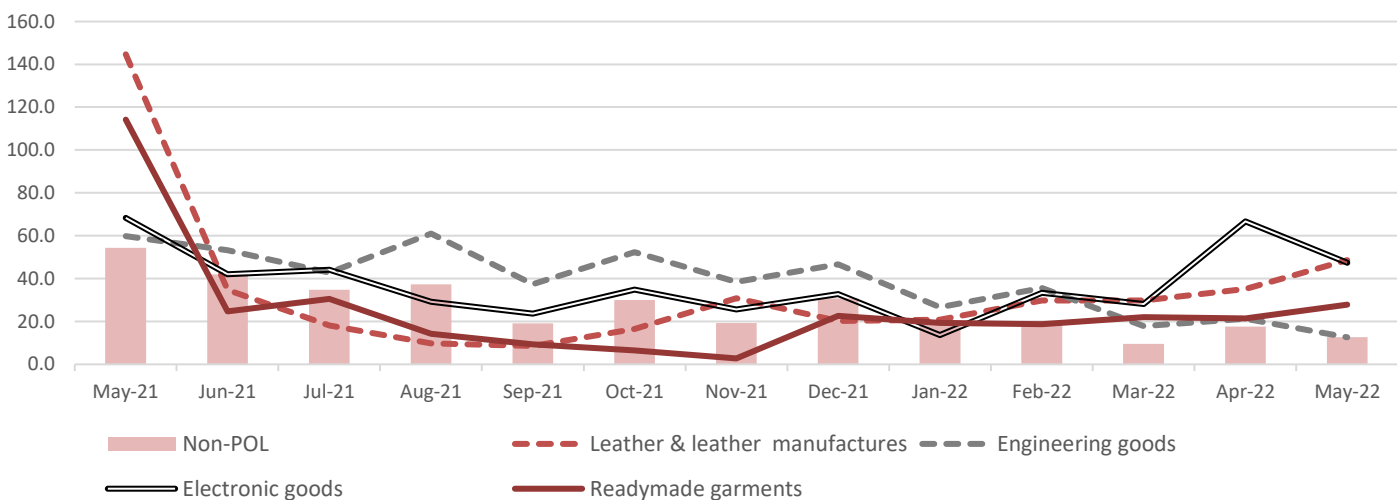
Source: CMIE

India's merchandise exports declined marginally and stood at USD 38.9 billion in May 2022, as compared to USD 39.8 billion exports registered in April 2022. The y-o-y growth in exports in May 2022 was reported at 20.6 percent, vis-à-vis 29.4 percent in April 2022. The top five items that drove India's exports in the month of May 2022 included petroleum products, coffee, leather & leather products, and electronic goods. Exports of petroleum products grew by 60.4 percent y-o-y to USD 8.5 billion in May 2022 from USD 5.3 billion in the same month last year. Non-petroleum exports, on the other hand, were recorded at USD 30.4 billion in May 2022 reporting a growth of 12.6 percent on a y-o-y basis.

Total merchandise imports for the month of May 2022 amounted to USD 63.2 billion, 62.8 percent higher y-o-y from USD 38.8 billion in May 2021. Crude oil imports witnessed a y-o-y growth of 102.7 percent, whereas non-crude imports grew by approximately 50 percent in May 2022. Increase in gold and silver imports have been majorly driving the growth in non-oil imports. While gold imports registered a y-o-y growth 789.2 percent, silver imports grew at 2800.1 percent y-o-y in the month of May 2022. The increase in gold and silver imports was on back of high jewellery demand – especially for gold during Akshaya Tritiya festivities in May. Among the other import drivers were Coal, Coke & Briquettes, Petroleum, Crude & products, and Cotton Raw & Waste.

The steady growth in imports is also widening the trade deficit. Trade deficit for the month of May 2022 amounted to USD 24.3 billion, up from USD 20.4 billion recorded in April 2022. This is also significantly higher as compared to the deficit of USD 6.5 billion in May 2021.

Trend in Major Export Categories of Non-Oil Exports (Y-o-Y change in %)



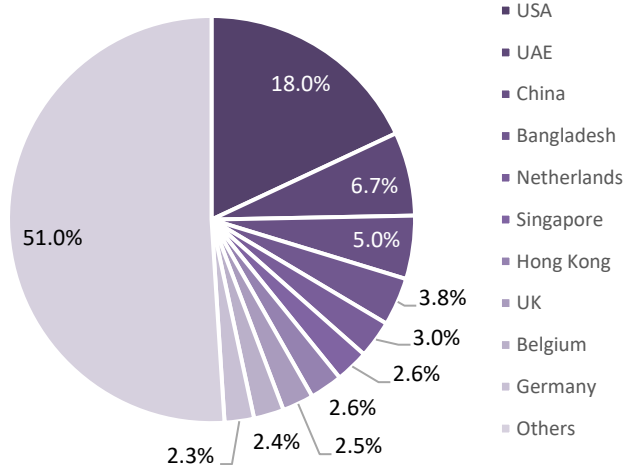
Source: CMIE

Major Export Items				Major Import Items			
Commodities	May 2021 (in USD Million)	May 2022 (in USD Million)	Y-o-Y % change	Commodities	May 2021 (in USD Million)	May 2022 (in USD Million)	Y-o-Y % change
Petroleum Products	5313.3	8547.6	60.9	Silver	15.4	446.3	2800.1
Coffee	72.8	111.1	52.7	Gold	677.7	6025.8	789.2
Leather & leather products	271.1	402.6	48.5	Coal, Coke & Briquettes, etc.	1992.3	5420.9	172.1
Electronic Goods	946.7	1395.1	47.4	Petroleum, Crude & products	9469.0	19195.8	102.7
Oil Meals	68.0	98.6	45.1	Cotton Raw & Waste	53.5	96.3	80.1
Cereal preparations & miscellaneous processed items	165.4	238.0	43.9	Leather & leather products	56.9	86.3	51.7
RMG of all Textiles	1107.0	1415.3	27.9	Textile yarn Fabric, made-up articles	150.2	213.7	42.3
Jute Mfg. including Floor Covering	35.4	42.9	21.4	Pulses	37.0	52.6	42.2
Organic & Inorganic Chemicals	2182.9	2561.7	17.4	Fertilisers, Crude & manufactured	661.5	929.9	40.6
Tobacco	80.7	94.1	16.6	Metaliferrous ores & other minerals	658.2	920.6	39.9

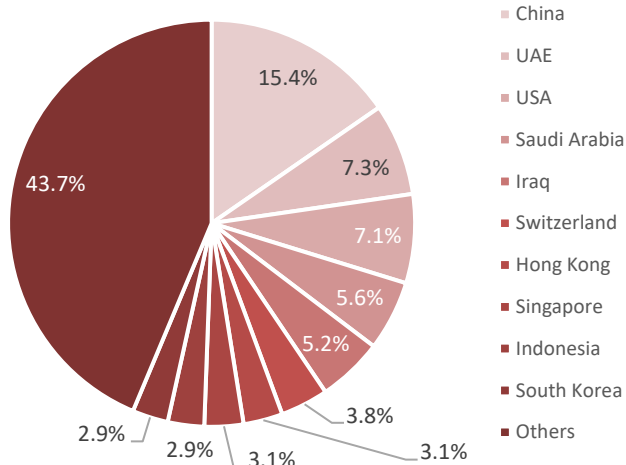
Source: PIB

India's Merchandise Trade by Country

India's Top 10 Export Destinations (2021-22)



India's Top 10 Import Destinations (2021-22)



Source: CMIE

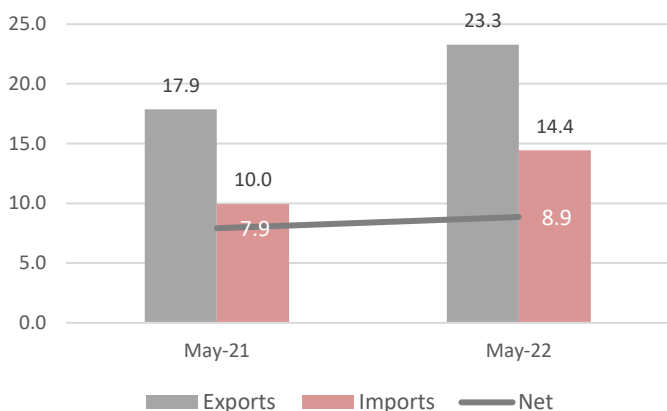
Trade in Services

Growth in Services Trade (Y-o-Y in %)



Source: CMIE

Services Trade (in USD Billion)



Source: PIB

India's services exports have witnessed an estimated broad-based growth of 30.3 percent y-o-y in May 2022, while imports have increased by 45 percent y-o-y in the same month, vis-à-vis a y-o-y growth of 6.5 percent and 0.1 percent in May 2021.

Total services exports reached a value of USD 23.3 billion in May 2022, an increase of USD 5.4 billion from the same month in the previous year. Total services imports in May 2022 amounted to an estimated USD 14.4 billion, an increase from the USD 7.9 billion recorded in May 2021.

The services trade balance in May 2022 improved to an estimated USD 8.9 billion, increasing by approximately USD 1 billion over May 2021.

Global Trade Outlook

Global Trade Growth (in %)

Year	June 2022 Forecast	January 2022 Forecast
2021 (Actuals)	10.3	10.3
2022	4.0	5.8
2023	4.3	4.7

The World Bank in its latest Global Economic Prospects report released in the month of June 2022, has downgraded its forecasts for global trade volume growth from its January 2022 estimates. Growth in trade volumes for the year 2022 has been revised downward from 5.8 percent to 4.0 percent, while that for 2023 has been downgraded to 4.3 percent at present, from 4.7 percent estimated in January 2022.

The Bank points out that the war in Europe and its repercussions have led to severe physical and logistical dislocations that have magnified pre-existing supply bottlenecks. The residual impact of the COVID-19 pandemic has also caused significant disruptions at Asian ports and lockdowns China's main cities, which has hindered global trade.

The Bank's global trade outlook has been revised downward substantially owing to the Russia-Ukraine conflict which has disrupted global value chains. The Bank expects global trade to shift back to the less trade-intensive services sector and international mobility to pick up only gradually. Higher transport costs, severe supply chain disruptions, and a decelerating global demand for tradable goods also contributed to the Bank's modest outlook. Prolonged factory and port closures in China and persistent uncertainty owing to the war pose as significant downside risks to the near-term trade prospects.

Source: Global Economic Prospects, World Bank, June 2022