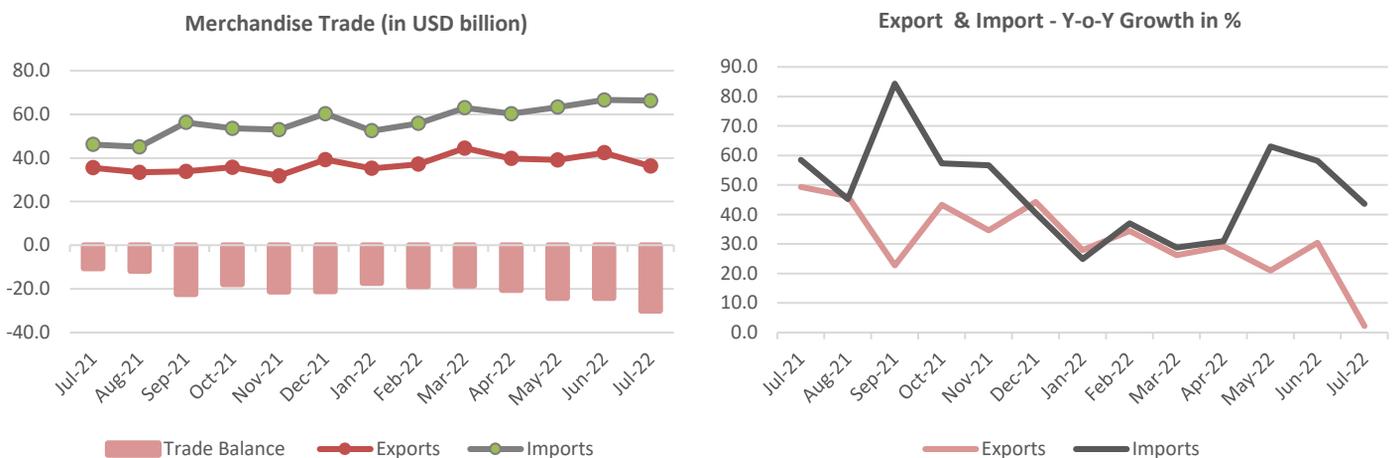


India's Trade Deficit hits record USD 30 billion in July 2022

Trend in India's Merchandise Trade



Source: CMIE

India's merchandise trade deficit touched an all-time high of USD 30 billion in July 2022, vis-à-vis a deficit of USD 24.2 billion in June 2022 and USD 10.6 billion in July 2021. Merchandise exports rose by 2.2 per cent y-o-y to reach USD 36.3 billion in July 2022 – posting the lowest y-o-y growth in about seventeen months. The y-o-y growth in exports was reported at 30.4 per cent in June 2022 and 49.3 per cent in July 2021. Petroleum exports rose y-o-y by 9.2 per cent to USD 6.4 billion, whereas non-POL exports rose by 0.8 per cent to USD 29.9 billion. Tobacco, electronic goods, coffee, rice, and cereals were the major commodity groups that drove exports in July 2022.

Persisting uncertainty and moderating global growth is impacting India's export prospects. The United States growth witnessed a contraction in Q2 2022, and a conspicuous moderation has been noted in the Euro area and China. High inflation levels across countries is keeping policy makers on tenterhooks and is eroding purchasing power. Even though latest numbers indicate some reprieve in commodity prices, but services inflation has also been edging up with the activity gaining full momentum post opening of economies.

India's merchandise imports, on the other hand, reported a much higher y-o-y growth of 43.6 per cent and touched USD 66.3 billion in July 2022 compared to USD 46.1 billion recorded in the same month a year ago. Petroleum imports rose y-o-y by 70.4 per cent to USD 21.1 billion and non-POL imports rose by 33.8 per cent y-o-y to USD 45.1 billion in July 2022. Imports were driven by commodities such as silver, project goods, raw cotton, Coal, Coke & Briquettes, and textile yarn fabric.

Merchandise Trade (in USD billion)

Month	Exports			Imports		
	Total	Petroleum products	Non-petroleum products	Total	Crude oil and petroleum products	Non-crude oil and petroleum products
Jul-21	35.5	5.8	29.7	46.1	12.4	33.7
Apr-22	39.7	7.9	31.9	60.3	20.1	40.2
May-22	39.1	8.5	30.5	63.3	19.2	44.1
Jun-22	42.4	10.7	31.7	66.6	21.6	45.0
Jul-22	36.3	6.4	29.9	66.3	21.1	45.1

Source: CMIE, PIB, Press Articles

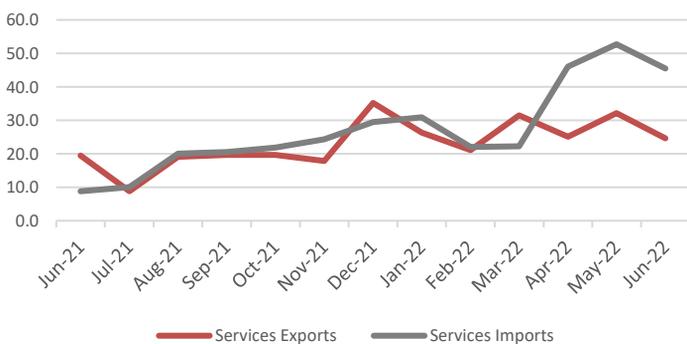
Major Export Items			
Commodities	July 2021 (in USD Million)	July 2022 (in USD Million)	Y-o-Y % change
Tobacco	65.2	113.5	74.2
Electronic Goods	1244.2	1817.6	46.1
Coffee	71.2	93.4	31.2
Rice	710.9	930.5	30.9
Cereal preparations & miscellaneous processed items	182.5	227.2	24.5
Oil Meals	65.5	80.6	23.2
Oil seeds	76.6	92.7	21.0
Meat, dairy & poultry products	256.4	308.8	20.5
Leather & leather products	387.7	464.4	19.8
Ceramic products & glassware	296.0	332.3	12.3

Major Import Items			
Commodities	July 2021 (in USD Million)	July 2022 (in USD Million)	Y-o-Y % change
Silver	11.8	1108.9	9329.1
Project goods	42.0	198.7	373.0
Cotton Raw & Waste	57.7	193.9	236.1
Coal, Coke & Briquettes, etc.	1958.9	5180.0	164.4
Textile yarn Fabric, made-up articles	142.4	268.8	88.8
Newsprint	31.4	58.2	85.7
Petroleum, Crude & products	12402.1	21133.6	70.4
Artificial resins, plastic materials, etc.	1313.2	2191.9	66.9
Leather & leather products	55.8	91.1	63.3
Vegetable Oil	1369.6	2015.8	47.2

Source: PIB

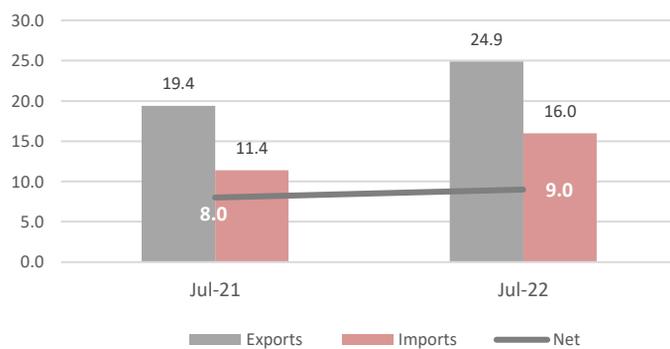
Trade in Services

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



Source: CMIE

Services Trade (in USD Billion)*



Source: PIB

*Latest data for services sector released by RBI is for June 2022. The data for July 2022 is an estimation, which will be revised based on RBI's subsequent release.

India's services exports reached an estimated value of USD 24.9 billion in July 2022, exhibiting a positive y-o-y growth of 28.7 per cent vis-a-vis July 2021, while the services imports were recorded at an estimated USD 16.0 billion in July 2022, growing at approximately 40.0 per cent y-o-y vis-à-vis July 2021. The services trade balance in July 2022 improved to an estimated USD 9.0 billion, increasing by approximately USD 1 billion over July 2021, which is an increase of almost 12.5 per cent over July 2021.

India's overall exports (Merchandise and Services combined) in July 2022 are estimated at USD 61.18 Billion, exhibiting a positive growth of 11.51 percent over the same period last year. Overall imports in July 2022 are estimated to be USD 82.22 Billion, exhibiting a positive growth of 42.90 percent over the same period last year.