

### India's merchandise exports moderate to USD 29.8 billion in October 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 |               |
| Oct-21 | 35.7    | 5.4                | 30.4                   | 53.6    | 12.3                             | 41.3                                 | -17.9         |
| Jun-22 | 42.4    | 10.7               | 31.7                   | 66.7    | 21.3                             | 45.4                                 | -24.4         |
| Jul-22 | 38.5    | 8.3                | 30.2                   | 66.2    | 21.1                             | 45.1                                 | -27.7         |
| Aug-22 | 37.1    | 8.5                | 28.5                   | 63.6    | 19.3                             | 44.3                                 | -26.5         |
| Sep-22 | 36.9    | 8.8                | 28.2                   | 64.0    | 18.8                             | 45.2                                 | -27.1         |
| Oct-22 | 29.8    | 4.7                | 25.0                   | 56.6    | 15.8                             | 40.8                                 | -26.9         |

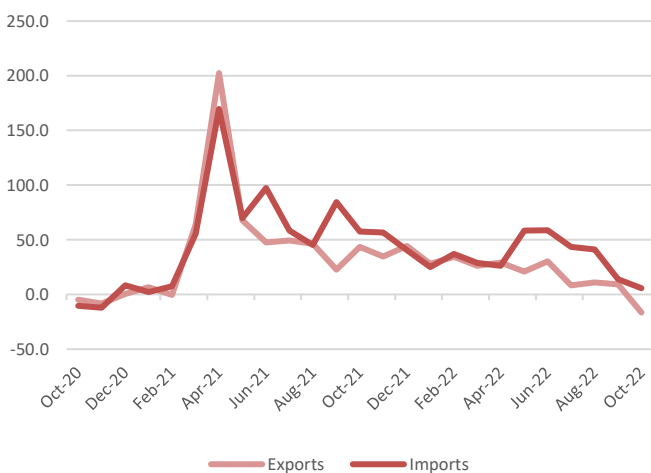
Source: CMIE

India's merchandise exports noted a significant moderation and stood at USD 29.8 billion in October 2022, as compared to USD 36.9 billion registered in September 2022. In October 2022 exports contracted by 16.7 percent y-o-y, vis-à-vis 9.2 percent expansion in exports noted in September 2022. Exports of petroleum products contracted by 11.3 percent y-o-y to USD 15.8 billion in October 2022, down from USD 18.8 billion in the previous month. Non-petroleum exports were recorded at USD 40.8 billion in October 2022, 4.4 billion lower than the previous month, witnessing a contraction of 17.6 percent over the same month in the previous year. Merchandise exports have contracted for the first time in about one and half years as weakening external demand and recession fears in the West impacted shipments from India, which was further worsened by a high number of holidays during the festival month of October. During October, 24 out of the 30 key export items witnessed a contraction, while only six – electronic goods, rice, tea, oil seeds, oil meals, and tobacco noted an expansion.

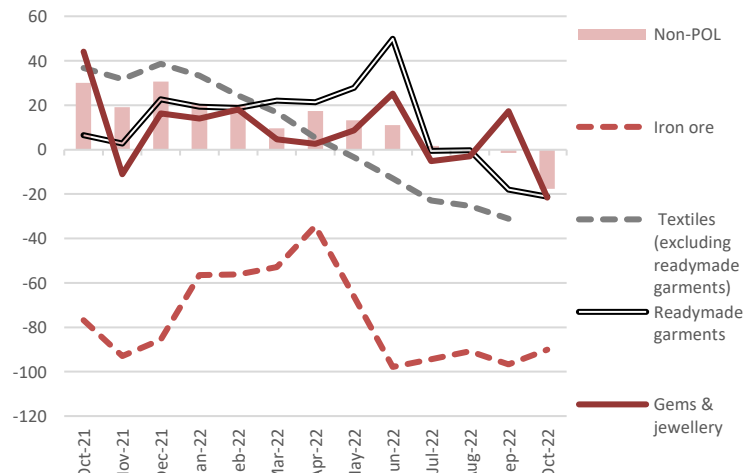
A contraction was witnessed in key commodity groups of engineering goods (-21.3 per cent), gems and jewellery (-21.6 per cent), chemicals (-16.5 per cent), and readymade garments (-21.2 per cent) leading to a drawdown in the overall exports. Non-oil exports have been witnessing a substantial slowdown driven by commodities such as iron ore, textiles, readymade garments, and gems & jewellery. Textile and garment exports were affected by a demand slowdown in the key markets along with a shortage of cotton.

Iron ore exports from India fell in October, and international shipments are expected to remain stagnant due to higher export levies and lower demand from China. In order to meet the domestic demand, India had increased the export tax on low-grade iron ore lumps and fines with iron content less than 58% to 50% from 0% and increased the duty on pellets to 45% from 0% in May 2022. Further, unprecedented inflation across key markets of USA, Hong Kong, and China and an overall global slowdown led to double-digit decline in both exports and imports of gems and jewellery in October 2022. USA is the largest market for Indian gems and jewellery followed by Hong Kong, which is also a gateway to China.

Trend in India's Overall Merchandise Trade (Y-o-Y %)



Non-oil Export Categories witnessing a Contraction (Y-o-Y %)



Source: CMIE

■ Total merchandise imports for the month of October 2022 also moderated somewhat from USD 64.0 billion in September 2022 to USD 56.7 billion in October 2022, witnessing a y-o-y growth of 5.6 percent. India was witnessing double digit import growth over the past year and a half; however, October 2022 recorded the smallest growth in imports since January 2021. While crude oil imports grew by 29.1 percent y-o-y in October 2022, non-crude imports contracted by 1.3 percent y-o-y. In terms of value, crude oil imports stood at USD 15.8 billion, whereas non-crude imports were registered at 40.8 billion. There was a substantial fall in gold & silver imports that contracted by almost 28.6 percent y-o-y in October 2022 owing to a global slowdown and prevailing inflationary pressures. Among the import drivers were Cotton Raw & Waste, Crude Fertilisers, Newsprint, Pulp and Wastepaper, Iron & Steel, and Crude Petroleum & products.

■ Trade deficit for the month of October 2022 witnessed a marginal decrease from USD 27.1 billion in September 2022 to USD 26.9 billion in October 2022. However, this is still significantly higher as compared to the deficit of USD 17.9 billion recorded in October 2021.

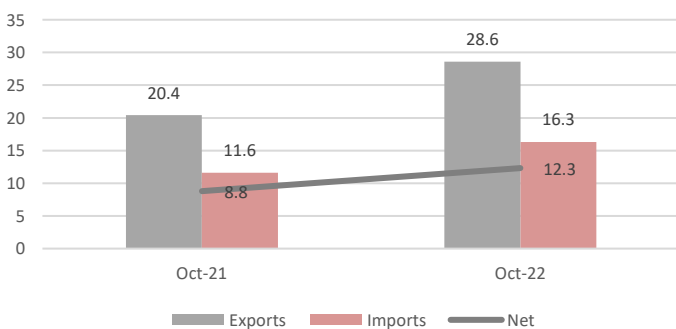
### Merchandise Trade Items: Positive growth

| Major Export Items |                                  |                                  |                | Major Import Items                |                                  |                                  |                |
|--------------------|----------------------------------|----------------------------------|----------------|-----------------------------------|----------------------------------|----------------------------------|----------------|
| Commodities        | October 2021<br>(in USD Million) | October 2022<br>(in USD Million) | Y-o-Y % change | Commodities                       | October 2021<br>(in USD Million) | October 2022<br>(in USD Million) | Y-o-Y % change |
| Oil seeds          | 84.3                             | 150.0                            | 78.0           | Cotton Raw & Waste                | 38.1                             | 172.1                            | 351.7          |
| Oil Meals          | 55.8                             | 91.9                             | 64.7           | Fertilisers, Crude & manufactured | 805.4                            | 2105.0                           | 161.4          |
| Electronic Goods   | 1347.0                           | 1853.8                           | 37.6           | Newsprint                         | 32.2                             | 68.8                             | 113.5          |
| Tobacco            | 85.3                             | 102.7                            | 20.4           | Pulp and Waste paper              | 139.6                            | 225.0                            | 61.1           |
| Tea                | 65.4                             | 72.9                             | 11.5           | Iron & Steel                      | 1444.7                           | 1991.4                           | 37.9           |
| Rice               | 692.4                            | 704.0                            | 1.7            | Petroleum, Crude & products       | 12278.9                          | 15852.4                          | 29.1           |

Source: PIB

### Trade in Services

Services Trade (in USD Billion)\*



■ India's services exports witnessed substantial improvement in October 2022. Services exports are estimated at USD 28.6 billion in October 2022, registering a robust y-o-y growth of 44.0 percent over the same month in the previous year.

■ Total services imports also registered substantial growth of 40.5 percent y-o-y in October 2022. These reached an estimated value of USD 16.3 billion in October 2022, vis-à-vis 11.6 percent in October 2021.

■ The services trade balance in October 2022 improved to an estimated USD 12.3 billion, increasing at the rate of 49.0 percent year-on-year from USD 8.2 billion in October 2021.

\*estimated  
Source: PIB