

# India Trade Balance Update

Economic Update | 16th November 2022

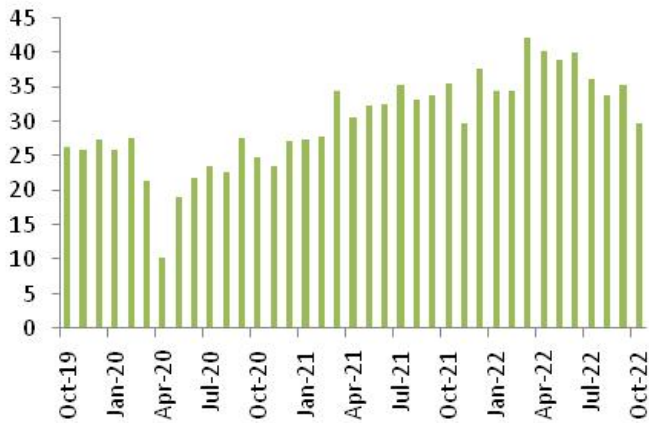
## Trade Deficit Widens In October As Exports Fall

Event	Actual	Consensus	Previous
Trade Balance	\$-26.91B	\$-26B	\$-25.71B
Exports	\$29.78B	\$36B	\$35.45B
Imports	\$56.69B	\$62B	\$61.16B

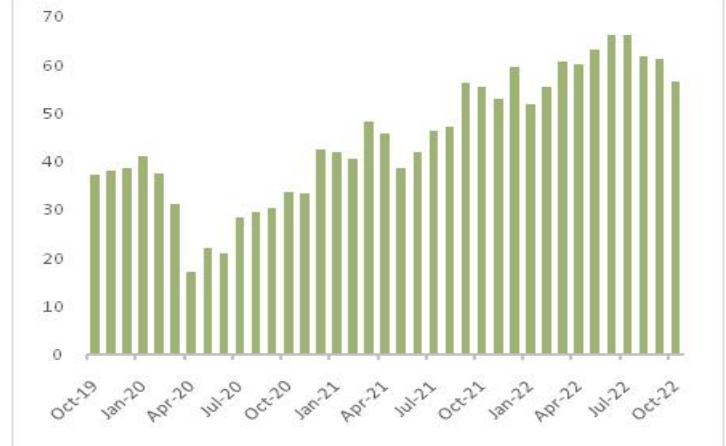
### Highlights:

- India's trade deficit widened in October as exports saw a sharp fall amid a global growth slowdown.
- The trade gap widened to \$26.91 billion in October compared with \$25.7 billion in September 2022. Exports contracted 16.6% YoY to \$29.8 billion. Imports rose 5.7% YoY to \$56.7 billion. On MoM basis, exports contracted 16% in October, while imports contracted 7.3%.
- Non-petroleum, non-gems and jewellery exports in October were at \$21.7 billion, a fall of 16.9% YoY. Non-petroleum, non-gems and jewellery imports were at \$34.4 billion, a growth of 4.6% YoY.
- Key Exports:**
  - ⇒ Engineering goods exports stood at \$7.4 billion, down 21.3% YoY.
  - ⇒ Petroleum product exports were at \$4.8 billion, 11.3% lower than a year earlier.
  - ⇒ Gems and jewellery exports were at \$3.3 billion, 21.6% lower than the previous year.
  - ⇒ Organic and inorganic chemical exports were at \$2.1 billion, 16.4% lower than last year.
  - ⇒ Drugs and pharmaceutical exports were at \$1.9 billion, 9.2% lower compared to the previous year.
- Key Imports:**
  - ⇒ Petroleum, crude and product imports were up 29.1% over a year ago, at \$15.9 billion.
  - ⇒ Imports of coal, coke and briquettes were 4% lower than a year ago at \$3.2 billion.
  - ⇒ Electronic goods imports were at \$6.2 billion, down 9.2% over the previous year.
  - ⇒ Machinery, electrical and non-electrical goods were at \$3.6 billion, up 2.7% over the previous year.
  - ⇒ Gold imports stood at \$3.7 billion, 27.5% lower than a year ago.
- Larger number of holidays related to the festive season was the main reason behind the fall in both the merchandise exports and imports during October 2022. We expect some rebound in exports and imports in November relative to October, although it may not be as strong as in November 2021 due to the global demand slowdown.

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**Fig 1: Exports Trend (\$Bn)**


Soure: Mospi, SMIFS Research

**Fig 3: Imports Trend (\$Bn)**


Soure: Mospi, SMIFS Research

**Tab 1: Exports Table**

	YOY		\$MN		
	Oct-22	Apr-Oct-22	Oct-22	Oct-21	Apr-Oct-22
Rice	1.67	16.35	703.96	692.38	6190.91
Spices	-19.54	-5.53	268.11	333.22	2196.78
Marine Products	-10.83	4.22	720.32	807.77	4840.40
Meat, dairy & poultry products	-22.02	4.87	383.67	299.20	2397.72
Mica, Coal & Other Ores, Minerals	-20.35	7.88	351.90	441.80	3066.93
Leather & leather products	-5.84	20.49	349.03	370.68	2909.68
<b>Gems &amp; Jewellery</b>	<b>-21.56</b>	<b>1.81</b>	<b>3311.27</b>	<b>4221.22</b>	<b>23947.06</b>
Drugs & Pharmaceuticals	-9.24	3.81	1873.73	2064.45	14598.53
<b>Organic &amp; Inorganic Chemicals</b>	<b>-16.44</b>	<b>9.79</b>	<b>2146.88</b>	<b>2569.37</b>	<b>18087.86</b>
<b>Engineering Goods</b>	<b>-21.26</b>	<b>-2.14</b>	<b>7402.97</b>	<b>9401.21</b>	<b>62550.96</b>
Electronic Goods	37.62	54.17	1853.77	1347.00	12139.38
Cotton Yarn/Fabs.Handloom Products	-46.18	-24.54	719.03	1335.97	6513.06
Man-made Yarn/Fabs./made-ups etc.	-25.20	-7.00	350.56	468.69	2935.09
RMG of all Textiles	-21.16	6.67	988.72	1254.13	9160.89
<b>Petroleum Products</b>	<b>-11.28</b>	<b>68.98</b>	<b>4751.69</b>	<b>5355.77</b>	<b>57349.27</b>
Plastic & Linoleum	-25.85	-9.67	580.53	782.88	5144.10

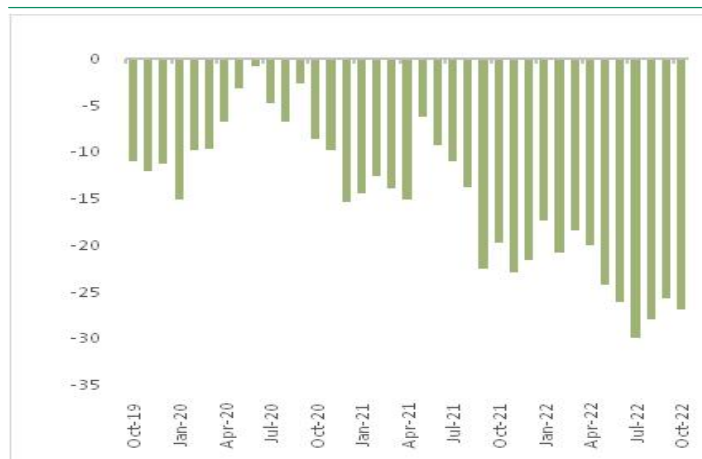
Soure: Mospi, SMIFS Research

Fig 4: Exports—Imports Growth YoY%



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Fig 4: Trade Balance Trend (\$Bn)



Soure: Mospi,, SMIFS Research

Tab 2: Imports Table

	YOY		\$MN		
	Oct-22	Apr-Oct-22	Oct-22	Oct-21	Apr-Oct-22
Vegetable Oil	-3.44	20.75	1580.63	1636.90	12678.36
Pulses	-45.88	-34.04	204.81	378.41	800.59
<b>Fertilisers, Crude &amp; manufactured</b>	<b>161.37</b>	<b>71.90</b>	<b>2105.03</b>	<b>805.39</b>	<b>10484.48</b>
Metaliferrous ores & other minerals	-8.40	19.27	728.11	794.86	5753.06
Coal, Coke & Briquettes, etc	-3.95	119.51	3178.07	3308.85	33516.00
<b>Petroleum, Crude &amp; products</b>	<b>29.10</b>	<b>60.10</b>	<b>15852.43</b>	12278.88	130982.88
<b>Wood &amp; Wood products</b>	<b>22.21</b>	<b>23.24</b>	<b>575.89</b>	<b>471.24</b>	<b>4298.50</b>
Organic & Inorganic Chemicals	-10.45	26.88	2359.02	2634.16	21106.04
Dyeing/tanning/colouring materials	-26.23	10.72	304.77	413.11	2377.36
Artificial resins, plastic materials, etc.	2.14	29.30	1762.40	1725.40	14185.09
Chemical material & products	-8.43	11.82	855.67	934.43	7332.64
Pearls, precious & Semiprecious stones	-13.00	8.99	2159.93	2482.70	18763.13
<b>Iron &amp; Steel</b>	<b>37.85</b>	<b>31.02</b>	<b>1991.41</b>	<b>1444.65</b>	<b>12033.28</b>
Non-ferrous metals	7.83	24.92	1539.70	1427.90	11721.09
Machine tools	-4.59	0.49	383.79	402.27	2513.92
<b>Machinery, electrical &amp; nonelectrical</b>	<b>2.72</b>	<b>17.82</b>	<b>3632.12</b>	3536.06	25545.37
<b>Transport equipment</b>	<b>27.19</b>	<b>27.15</b>	<b>2495.03</b>	<b>1961.71</b>	<b>14065.21</b>
Professional instrument, Optical goods, etc.	8.21	-1.74	506.31	467.89	3949.79
<b>Electronic goods</b>	<b>-9.21</b>	<b>18.36</b>	<b>6200.22</b>	<b>6828.85</b>	<b>45988.64</b>
Medicinal & Pharmaceutical products	-2.26	-14.20	642.78	657.64	4709.20
<b>Gold</b>	<b>-27.47</b>	<b>-17.38</b>	<b>3700.15</b>	<b>5101.70</b>	<b>23965.84</b>
Silver	-34.80	214.63	585.09	897.35	4793.31

Soure: Mospi, SMIFS Research

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