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India's goods exports fall for third month

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By Monika Yadav

Express News Service

NEW DELHI: India's exports fell year-on-year (YoY) for the third straight month to \$ 33.88 billion in February, according to the commerce ministry data. Goods exports declined by 8.8% on yearly basis as compared with 6.58% fall in the previous month. According to the ministry, export of textiles, petroleum products and plastic & linoleum witnessed a massive decline in February because of subdued demand on account of recessionary effects in major economies.

However, sequentially, the merchandise exports have increased as they stood at \$32.91 billion in January. Commodities that recorded noticeable growth include electronics, gems & jewellery, drugs & pharmaceuticals, iron ore, rice, oil and other cereals. In addition, imports declined by 8.21% to \$51.31 billion as against \$55.9 billion recorded in the corresponding month last year. Items that registered growth in imports include fruits & vegetables, coal, wood, chemicals, plastic and iron & steel, among others. Import of commodities like gold and silver fell massively in February 2023.

SUM & SUBSTANCE		
	Feb-23 (\$ bn)	Feb-22 (\$ bn)
Merchandise Exports	33.88	37.15
Merchandise Imports	51.31	55.9
Services Exports	29.15	21.3
Services Imports	14.55	12.97
Overall Exports	63.02	58.46
Overall Imports	65.85	68.87
Trade balance	-2.83	-10.41

Speaking about the April-February period of this fiscal, the overall merchandise exports surged 7.5% to \$405.94 billion. Also, imports during the same period increased by 18.82% to \$653.47 billion. Meanwhile, the trade deficit narrowed to an 18-month low of \$17.43 billion in February 2023, as compared with \$18.75 billion in the year-ago period.

Commerce secretary Sunil Barthwal briefing the media said, “going by the trend, India’s goods and services exports will cross \$750 billion in FY23. We have kept the momentum despite the global headwinds. Exporters have kept the momentum. Services exports are doing very well. The trade deficit has actually come down. Hopefully, we will be doing better.”

He added that the ministry has begun the exercise of setting the target for the next financial year too.

“Exports of pharmaceuticals, gems & jewellery have posted remarkable growth in February, despite an 8.8% decline in overall merchandise exports during the month...Monthly trade has been falling due to a slowdown in imports, which will help us in ending the current financial year with a manageable level of current account deficit,” said Vijay Kalantri, Chairman, MVIRDC World Trade Centre, Mumbai.

MACRO

Aided by services, India to achieve \$750 billion export target in FY23: Govt

India's overall exports (Merchandise and Services combined) in April-February 2022-23 are estimated to exhibit a positive growth of 16.18% YoY

By **JOE MATHEW**, Mar 16, 2023 | 3 min read



Under merchandise exports, 17 of the 30 key sectors exhibited positive growth in Ap-Feb 2022-23 YoY.

With an estimated 30.48% year-on-year growth in services exports during April-February 2022-23, India is all set to exceed its \$750 billion goods and services export target set for 2022-23, commerce secretary Sunil Barthwal has said.

Announcing the quick estimates of India's foreign trade for February 2023 in Delhi on March 15, Barthwal said India's overall exports (merchandise and services combined) in April-February 2022-23 are estimated to exhibit a positive growth of 16.18% over the same period last year (April-February 2021-22).

While services exports are expected to jump to \$296.94 billion during April-February 2022-23 from \$227.58 billion in the same period the previous year, merchandise exports are estimated to touch \$405.94 billion during the 11 months of 2022-23, up from \$ 377.43 billion on a year-on-year basis. Since the latest data for the services sector released by the RBI is for January 2023, the ministry's projections for February 2023 are an estimation, which will be revised based on the RBI's subsequent release.

A commerce ministry statement said India's overall exports are projected to grow at 16.18% during April-February 2022-23 over the same period last year. Under merchandise exports, 17 of the 30 key sectors exhibited positive growth during April-February 2022-23 as compared to the same period last financial year.

These include electronic goods (49.54%), petroleum products (49.5%), oil meals (44.12%), tobacco (34.3%), cereal preparations & miscellaneous processed items (16.12%), rice (15.88%), oil seeds (13.36%), etc. The merchandise goods, which showed negative growth in imports during the same period, are gold (-29.71%), sulphur & unroasted iron pyrites (-25.83%), pulses (-15.66%), medicinal & pharmaceutical products (-10.54%) and dyeing/tanning/colouring materials (-1.52%).

The growth in merchandise exports was almost stagnant if one excludes the petroleum and gems & jewellery category of exports from April-February 2022-23. The rest of the exports stood at \$ 284.52 billion, as compared to \$ 284.45 billion in April-February 2021-22.

However, the import of non-petroleum, non-gems & jewellery (gold, silver & precious metals) was higher, \$ 395.37 billion in April-February 2022-23 compared to \$ 333.44 billion in April-February 2021-22.

Vijay Kalantri, chairman, MVIRDC World Trade Center Mumbai, said the trade data of February 2023 showed India's merchandise export fell for the third consecutive month due to weak global economic conditions. Overall merchandise exports during February 2023 were 8.8% lower than a year ago.