

Exports decline for 2nd straight month, fall 0.3%

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Contracting for the second month in a row, India's exports declined by 0.3 per cent to \$21.51 billion owing to decline in shipments of products like petroleum and leather. The outward shipments stood at \$21.58 billion in August 2015

The country's imports too contracted by 14 per cent to \$29.91 billion, leaving a trade deficit of \$7.67 billion in August, which is the lowest figure in three months.

The trade gap narrowed in August this year from \$12.4 billion in the same month last year, according to the data released by the commerce ministry.

The main export sectors that recorded negative growth in the month

include petroleum (14 per cent), leather (7.82 per cent) and chemicals (five per cent).

Reacting to exports data, the Federation of Indian Export Organisations (Fieo) said the decline has largely been arrested and now "we can look for positive growth from October onwards".

It would help in taking the shipments to around \$280 billion in financial year 2016-17, the Fieo said in a statement.

Cumulatively, exports during April-August period of 2016 contracted by 2.98 per cent to \$108.52 billion. Imports during the period too dipped by 15.89 per cent to \$143.18 billion, leaving a trade deficit of \$34.67 billion.

Further, fall in gold imports too helped in bridg-

ing the trade gap. The precious metal imports dipped by 77.45 per cent to \$1.11 billion in August 2016.

Oil imports during the month fell by 8.47 per cent to \$6.74 billion. Non oil imports fell by 15.65 per cent to \$22.44 billion in August this year.

Exports were in negative zone between December 2014 and May 2016 due to weak global demand and slide in oil prices. Shipments witnessed growth only in June this year, thereafter again entered into negative zone in July.

The export sectors which recorded positive growth include engineering, textiles, pharmaceuticals, gems & jewellery and iron ore.

The statement said that non-petroleum exports in August grew by 1.79 per cent to \$19.08 billion.