

Exports Increase by 27.6% in March, Imports up 45%

Exports zoom driven by petroleum, textiles & jewellery but trade deficit widens to \$10.4 bn

Our Bureau

New Delhi: India's merchandise exports increased at the fastest pace in almost six years in March led by an overall rise in shipments across sectors even as a steeper rise imports due to firmer commodity prices widened the trade deficit.

Buoyed by petroleum, textiles, engineering goods and gems and jewellery, exports zoomed 27.5% in March to \$29.2 billion but a 45% increase in imports on the back of higher gold imports led to a trade gap of \$10.4 billion.

This is the seventh consecutive month of rise in exports this year. 25 out of 30 sectors showed an increase in exports led by iron ore.

India's imports in March were \$39.6 billion of which gold imports were \$4.1 billion, up 329% on year. Imports too rose at a six year high.

"In continuation with the double digit growth exhibited by exports during February 2017, ex-

ports during March 2017 have shown a significant growth... Overall the trade balance has improved," the commerce and industry ministry said in a statement on Thursday.

However, the robust monthly data failed to boost annual exports to the \$300 billion mark.

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India exported goods worth \$274.6 billion in 2016-17, 4.7% higher than \$262.2 billion in FY16. Trade deficit in 2016-17 was \$105.7 billion.

"With these numbers, we expect exports to touch \$325 billion this year led by high exports of gems and jewellery. We have political stability, reforms are underway and measures on ease of doing business will start showing results," said Ajay Sahai, director general of the Federation of Indian Export Organisations.



BOOM TIME

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The pace of growth of non-oil, non-gold imports firmed up to 19.8% indicating strengthening domestic demand.

Oil imports in March saw a 101% spike to at \$9.7 billion while non-oil imports were up 33.21% at \$29.9 billion.

The pickup in non-oil merchandise exports was led by engineering goods, gems & jewellery and textiles.

"Both merchandise imports and exports posted a surprisingly

sharp expansion in March 2017, partly reflecting higher commodity prices and raising doubts on the sustainability of this growth," said Aditi Nayar, principal economist at ICRA Limited.

India's healthy export numbers have come when Chinese overseas shipments last month jumped the most in two years. Global merchandise trade is expected to rebound this year, with the World Trade Organisation forecasting a growth of 2.4% in 2017 compared to 1.3% in 2016.