

● OCTOBER DATA

Exports in negative zone

Trade deficit widens to near 3-month high of \$14 billion

PRESS TRUST OF INDIA
New Delhi, November 14

EXPORTS ENTERED THE negative terrain after over a year, contracting 1.12% in October primarily due to liquidity problem being faced by exporters following the rollout of the goods and services (GST) tax.

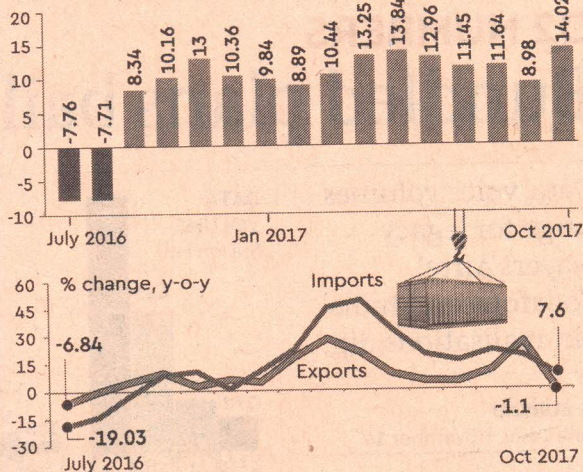
The trade deficit widened to almost three-year high of \$14 billion during the last month as against \$11.13 billion in October 2016 as imports surged.

The exports dipped to \$23.09 billion in October from \$23.36 billion in the same month last year. Last time it was in August 2016 when the shipments were in the red.

Overseas shipments of several key sectors such as textiles, pharmaceuticals, leather and gems and jewellery recorded

EXPORTS SINK, AGAIN

Goods trade deficit (\$ bn)



Source: Ministry of commerce

negative growth last month.

Commenting on the data, exporters body FIEO said the fall was expected as exporters were facing liquidity problem to pay GST for four months in a row without getting any refund.

"There is an immediate need

for remedial measures to prevent further decline in exports otherwise the situation may be worse for November," the Federation of Indian Export Organisations (FIEO) said in a statement.

It added that implementation of the measures approved

by the GST Council is not taking place as a result challenges faced by exporters remain the same.

Imports, however, grew by 7.6% to \$37.11 billion in October from \$34.5 billion in the year-ago month, the commerce ministry data released on Tuesday showed.

Gold imports dipped by 16% to \$2.94 billion last month.

Oil and non-oil imports grew by 27.89% and 2.19% to \$9.28 billion and \$27.83 billion, respectively in October.

Cumulative exports during April-October 2017-18 increased by 9.62% to \$170.28 billion, while imports grew by 22.21% to \$256.43 billion, leaving a trade deficit of \$86.14 billion.

In October, petroleum, engineering and chemicals exports grew by 14.74%, 11.77% and 22.29%, respectively.

India's export had soared by 25.67% to \$28.61 billion in September, logging its highest growth in last six months on the back of expansion in shipments of chemicals, petroleum and engineering products.