

Goods trade crosses \$1 trillion on record exports, imports

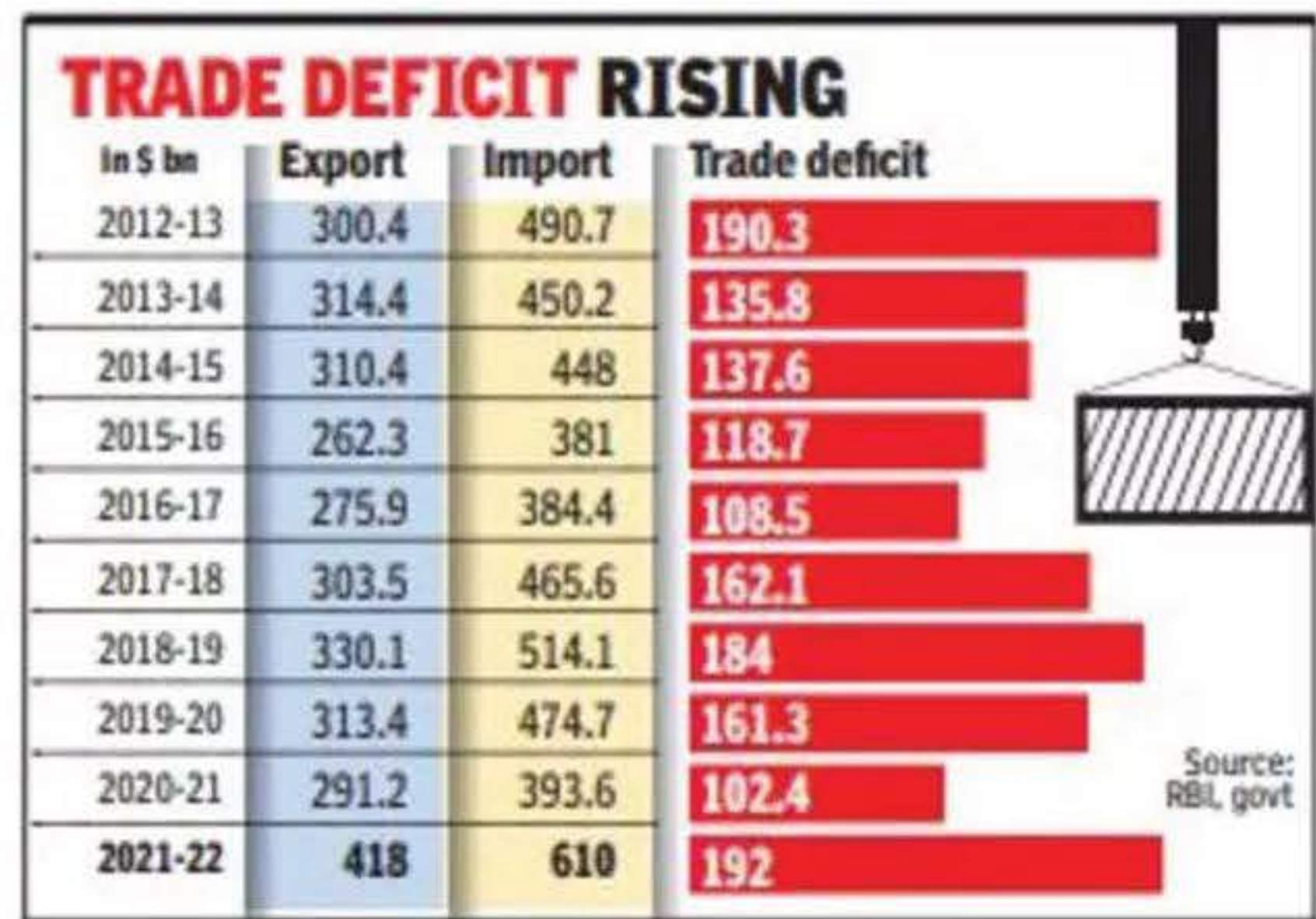
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NEW DELHI: India's goods trade topped \$1 trillion for the first time as exports grew at the fastest pace since at least 1989-90 to a record \$418 billion, while imports scaled the \$610-billion mark, also an all-time high. As a result, the trade deficit would work out to \$192 billion, based on the preliminary estimates available with the commerce department.

The previous high of \$190.3 billion was witnessed in 2012-13 when exports were estimated at \$300.4 billion and imports at \$490.7 billion, according to RBI data. The government is, however, drawing comfort from the high level of foreign exchange reserves, among the highest in the world, a strong economic growth and strong demand for Indian goods as several companies look to diversify their sourcing as part of a plan to reduce sourcing from China.

Preliminary data released by the commerce department on Sunday showed that exports grew 43.5% during the last financial year, bettering the previous fastest pace of expansion of 40.4% in 2010- 11, based on the data available with the RBI. While the government has not released the import data so far, the value of shipments into the country are estimated to have grown by around 55%, which officials attributed to a pick-up in economic activity.



Up to March 21, imports were pegged at \$589 billion. Commerce and industry minister Piyush Goyal told reporters that exports during March went past \$40 billion, the highest during a month. Official data showed that the previous high of \$37.8 billion was recorded in December 2021. “Every month, for 12 months, we saw over \$30 billion of exports. Despite two waves of Covid-19, all businesses, MSMEs, farmers have all helped... The Indian economy is poised to scale new heights,” the minister said. DG foreign trade Santosh Sarangi said export growth was broad-based, with engineering shipments rising 46% to at a record high of \$111 billion, accounting for nearly a quarter of Indian exports, while oil products (152%), electronics (41%) and foods products saw a massive growth.

Goyal said farm exports may cross \$50 billion, driven by rice, wheat, sugar, spices and marine products. While the minister said the current financial year’s target will be worked out, following detailed deliberations with stakeholders, he pointed to challenges emerging from disruption in shipping channels and supply chains in the wake of the Russia-Ukraine conflict. Some of the trade bodies, however, suggested that the impact may not be severe.

“The volatility in commodity prices, supply chain disruptions and a possible change in world political order would certainly have its impact on trade and economy. Some of the leading rating agencies have in the past few weeks lowered India’s GDP forecast. So, clearly the impact would be felt but it should not be severe,” said EEPIC India chairman Mahesh Desai.