

Exports Shrink for 6th Straight Month in August

Exports fall 12.7% to \$22.7b, trade deficit of \$6.77b, widest in 5 months

Our Bureau

New Delhi: India's exports declined for the sixth straight month in August, falling 12.66% on year to \$22.7 billion, pulled down by lower shipments of petroleum, leather, engineering goods and man-made yarns.

A surge in gold imports led to a trade deficit of \$6.77 billion in August, the widest in five months, data released by the commerce and industry ministry showed on Tuesday. The trade gap was \$4.83 billion in July.

Gold imports jumped to \$3.7 billion last month from \$1.36 billion in August 2019. India's total imports declined 26% to \$29.47 billion.

"The merchandise trade data for August reveals some unpalatable trends," said Aditi Nayar, principal economist at ICRA, adding that the recovery in merchandise imports lost steam with only a mild narrowing in the pace of contraction to 26% from 28.4% in July due to the spike in gold imports.

Oil imports declined 41.6% to \$6.42 billion last month.

Exports in 16 of the 30 major commodities declined last month, with certain employment-generating sectors including leather, gems and jewellery and readymade garments showing a fall in outbound shipments.

During the April-August period, exports declined 26.65% to \$97.66 billion, while imports fell 43.73% to \$118.38 billion.

Trade Performance

Export growth (%)	Aug	Import growth (%)
-12.66		-26.04
Trade deficit (\$ bln)		
6.77		

Month	Trade balance (\$ bln)
April	-6.76
May	-3.15
June	0.79
July	-4.83
Aug	-6.77

Exports lose steam

16 out of 30 select product groups show decline

Job creating gems & jewellery, leather, readymade garments decline