

Exports dip widening trade deficit to a record \$23.27 bn

Imports exceed \$50 billion for a third straight month

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India's merchandise exports slipped below the \$30-billion mark for the first time in eight months in November to \$29.88 billion, even as imports rose sharply, taking the monthly trade deficit to a fresh high.

Imports outpaced exports, jumping 38% from pre-COVID levels compared with the 16% increase in exports, though they moderated slightly month-on-month to \$53.1 billion from \$55.4 billion in October.

The trade deficit widened to a fresh record of \$23.27 billion, from \$19.9 billion in the previous month. This is almost 83% higher than the



November 2019 levels. The previous highest monthly trade deficit of \$22.6 billion was recorded in September.

'Worrying deficit'

The trade deficit from April to November 2021 is now close to \$122 billion, 7.5% over the same period in FY20. The sharp 16% sequential slide in exports led to a flare-

up in the trade deficit to a record-high, and the three months since September have now recorded a deficit of \$65 billion, which is worrying, said ICRA chief economist Aditi Nayar. Imports, she pointed out, had exceeded \$50 billion in each of these months.

"Holidays in the festive season have substantially dented the momentum in merchandise exports in November, bringing them down to the lowest level of FY22. We are cautiously optimistic that export momentum will revive, although the uncertainty engendered by the Omicron variant poses a concern regarding the immediate outlook," she said.