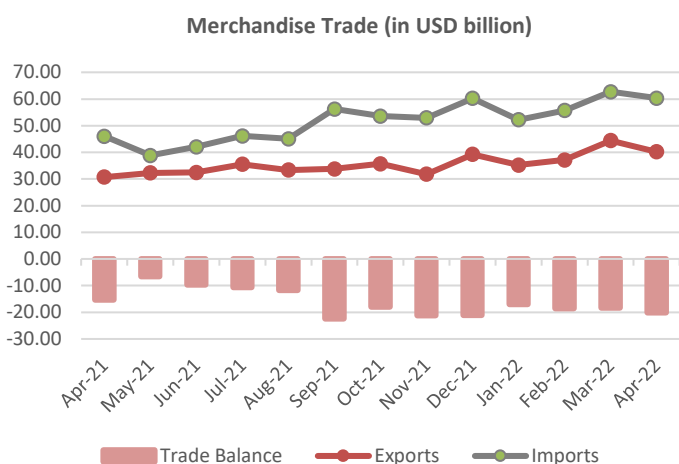


India's merchandise exports cross USD 40 billion in April 2022

Trend in India's Merchandise Trade²



Source: CMIE

India's merchandise exports have reached a new high of USD 40.2 billion in April 2022. Total merchandise exports grew by 30.7 percent y-o-y to USD 40.2 billion in April 2022, up from USD 30.7 billion in April 2021. Exports have been driven by robust growth in petroleum products, electronic goods, processed food, coffee, and leather products. Exports of petroleum products grew by 127.7 percent y-o-y to USD 8.3 billion in April 2022 from USD 3.6 billion in April 2021. Non-petroleum exports registered a growth of 17.8 percent, to USD 31.9 billion in April 2022 from USD 27.1 billion in the previous year.

Total merchandise imports for the month of April 2022 amounted to USD 60.3 billion, almost 31 percent higher y-o-y from USD 46.0 billion in April 2021. Crude oil imports witnessed a y-o-y growth of 87.6 percent, whereas non-crude imports grew by 13.7 percent in April 2022. Major sub-segments that have accelerated the growth in imports include silver, fertilizers, sulphur & unroasted iron pyrites, coal, coke & briquettes, and petroleum & crude products. Silver imports have witnessed an increase of 820 percent in April 2022 vis-à-vis April 2021. This is because the focus of investors has shifted to silver from gold as gold prices have become more volatile in the current market, and the demand for silver jewelry has risen, which has, in turn bolstered silver imports.

The increase in imports has also widened the trade deficit. Trade deficit for the month of April 2022 amounted to USD 20.1 billion, up from USD 18.3 billion in March 2022. This is also higher as compared to the deficit of USD 15.3 billion in April 2021.

Merchandise Trade (in USD billion)

Month	Exports			Imports		
	Total	Petroleum products	Non-petroleum products	Total	Crude oil and petroleum products	Non-crude oil and petroleum products
Apr-21	30.7	3.6	27.1	46.0	10.8	35.3
Jan-22	35.2	4.6	30.6	52.2	12.4	39.9
Feb-22	37.1	6.9	30.3	55.7	15.5	40.2
Mar-22	44.4	9.8	34.7	62.8	21.1	41.6
Apr-22	40.2	8.3	31.9	60.3	20.2	40.1

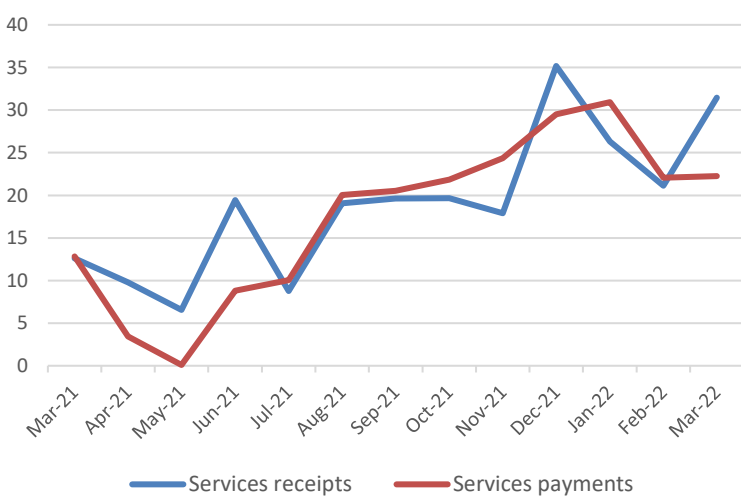
Source: CMIE, PIB, Press Articles

Exports: Major Commodities				Imports: Major Commodities			
Commodities	April 2021 (in USD billion)	April 2022 (in USD billion)	Y-o-Y % change	Commodities	April 2021 (in USD billion)	April 2022 (in USD billion)	Y-o-Y % change
Petroleum Products	3.6	8.3	127.7	Silver	0.0	0.1	820.0
Electronic Goods	1.0	1.7	71.7	Fertilisers, Crude & manufactured	0.4	1.2	219.2
Other cereals	0.1	0.1	60.8	Sulphur & Unroasted Iron Pyrites	0.0	0.1	216.1
Coffee	0.1	0.1	59.4	Coal, Coke & Briquettes, etc.	2.0	4.9	146.3
Cereal preparations & miscellaneous processed items	0.2	0.2	38.8	Petroleum, Crude & products	10.8	20.2	87.5
Leather & leather products	0.3	0.4	36.7	Pulses	0.1	0.1	80.0
Tobacco	0.1	0.1	35.1	Cotton Raw & Waste	0.0	0.1	57.6
Organic & Inorganic Chemicals	2.0	2.7	32.3	Leather & leather products	0.1	0.1	56.1
Mica, Coal & Other Ores, Minerals including processed minerals	0.4	0.5	24.8	Organic & Inorganic Chemicals	2.2	3.4	52.4
Jute Mfg. including Floor Covering	0.0	0.0	22.7	Non-ferrous metals	1.3	1.9	42.1

Source: PIB

Trade in Services

Growth in Services Trade (Y-o-Y in %)



- India's services exports have witnessed a y-o-y growth of 31.5 percent, while imports have increased by 22.3 percent in March 2022, vis-à-vis March 2021.
- Total services exports reached a value of USD 26.9 billion in March 2022, up from USD 20.5 billion in March 2021.
- Total services imports for the month of March 2022 amounted to USD 15.3 billion, a higher value from USD 12.5 billion in March 2021.
- Further, according to preliminary estimates made by the government, services exports are estimated to witness a robust growth of 53 percent in the month of April 2022.

Source: CMIE

In order to enhance resilience against external shocks, the Government of India has been focusing on the strategy of enhancing diversification in terms of its trading partners – for both exports as well as imports. The emphasis being laid on Free Trade Agreements is a part of the strategy. The government is also looking at reducing import dependence for certain commodities by encouraging domestic production.

Recent Notable Trade Agreements

India-UAE Comprehensive Economic Partnership Agreement (CEPA)

The CEPA between India and UAE was signed on February 18, 2022, and it entered into force on May 1, 2022. As per the agreement, India will benefit from preferential market access provided by the UAE on over 97 percent of its tariff lines which account for 99 percent of Indian exports to the UAE in value terms, especially for all labour-intensive sectors such as gems and jewellery, textiles, leather, footwear, sports goods, plastics, furniture, agricultural and wood products, engineering products, medical devices, and automobiles. With regard to trade in services, Indian service providers will receive market access to around 111 sub-sectors from the 11 broad service sectors in the UAE. The countries have also agreed to facilitate access of Indian pharmaceuticals products, especially automatic registration and marketing authorisation in 90 days for products meeting specified criteria.

India-Australia Economic Cooperation and Trade Agreement (ECTA)

The ECTA between India and Australia was signed on April 1, 2022. This is the first trade agreement of India with a developed country after more than a decade. The Agreement covers most of the tariff lines dealt in by India and Australia respectively. India will benefit from preferential market access provided by Australia on 100 percent of its tariff lines. This includes all the labor-intensive sectors of export interest to India such as gems and jewellery, textiles, leather, footwear, furniture, food, and agricultural products, engineering products, medical devices, and automobiles. With respect to services, Australia has offered wide ranging commitments in around 135 sub sectors and Most Favoured Nation (MFN) status to India in 120 sub sectors which cover key areas such as IT, ITES, business services, health, education, and audio visual.

Further, India is also presently engaged in talks with the following nations for materialization of Free Trade Agreements:

Bangladesh

India is looking to advance the CEPA with Bangladesh, which will focus on four key areas including a seamless supply chain, joint production of defence equipment, joint production of vaccines and medicines, and exploring other potential areas of investment such as textiles, jute products, leather & footwear, APIs, etc.

Canada

India has re-launched the CEPA negotiations with Canada and is considering an Interim Agreement or an early Progress Trade Agreement to bolster trade ties. The Interim Agreement would include high level commitments in goods, services, rules of origin, sanitary and phytosanitary measures, technical barriers to trade, and dispute settlement, market access for Indian agriculture goods such as sweet corn, baby corn and banana etc.

United Kingdom

India and UK launched FTA negotiations in January 2022, which is expected to facilitate the target of doubling bilateral trade between India and United Kingdom by 2030. The FTA is expected to increase India's exports of Leather, Textile, Jewellery and processed Agri products to the UK as well as the export of Marine Products through the recognition of 56 marine units of India in the UK, and Pharmaceuticals through Mutual Recognition Agreements (MRA).

Source: Ministry of Commerce and Industry, PIB

Analysis of Import Items for Domestic Production Opportunity: Commerce Ministry

The Ministry of Commerce had conducted a study to identify import items which are consistently being imported and with significant share in value of imports at 8-HS digit level with a view to enhance domestic production capacity and to reduce import dependence. The same was published in April 2022.

Fact Sheet – Foreign Trade

May 2022

There are 102 items which have been consistent import growth drivers or have held consistently high share across long, medium and short terms. Cumulative share of these 102 items is 57.66% in the total imports (Mar-Aug 2021). Out of these 102 items, there are 18 common items which have both high share and high growth rate. Cumulative share of these 18 items is 25.60 % (Mar-Aug 2021).

HS Code	Commodities	Cumulative imports Mar-Aug 2021 USD billion	Average Imports 2018-19 to 2020-21 USD billion	Average Imports 2011-12 to 2020-21 USD billion
71081200	Gold, unwrought, for non-monetary purposes	27.1	31.8	35.1
27111100	Natural gas, liquefied	5.4	9.4	8.1
15111000	Crude palm oil	4.0	4.3	4.8
85423100	Monolithic integrated circuits - digital	4.0	5.0	2.2
85177090	Parts of telephonic/telegraphic apparatus: Other	3.3	6.8	4.8
84713010	Personal computer	3.1	3.6	2.5
27111300	Butanes, liquefied	2.7	4.1	3.3
27111200	Propane, liquefied	2.3	3.5	2.4
15071000	Crude soya-bean oil, whether or not degummed	1.9	2.5	2.2
85176290	Machines for the reception, transmission of voice, images or other data: Other	1.8	4.0	2.6
31021000	Urea, whether or not in aqueous solution	1.4	2.5	2.2
31053000	Diammonium hydrogenorthophosphate "diammonium phosphate"	1.4	2.3	2.4
15121110	Sunflower seed oil	1.1	1.9	1.5
84715000	Processing units for automatic data processing machines, digital, one or two of the following types of unit: storage units, input units, output units	1.1	1.8	1.3
28092010	Phosphoric acid	1.0	1.8	1.7
72042190	Waste and scrap of stainless steel , n.e.s: Other	0.9	1.5	1.2
84111200	Turbo-jets of a thrust > 25 kN	0.8	2.7	1.3
89059090	Light-vessels, fire-floats, floating cranes and other vessels, the navigability of which is subsidiary to their main function: Other	0.5	2.6	1.7

Source: Ministry of Commerce and Industry