

Exports witness steep decline in October from a year earlier

Preliminary data, compiled but unreleased, shows exports declined as much as 19%

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NEW DELHI: Exports declined by 19% from a year earlier, according to a preliminary estimate of October's figures, two officials aware of the compiled figures said on condition of anonymity.

The preliminary monthly trade data, excludes figures from a few segments and is typically revised upwards when final estimates are released. Data from some special economic zones (SEZs) and ports without electronic data exchange (EDI) are added before the final estimates are published.

This month, without any public explanation, the Centre has not released the preliminary data. A third person who also spoke on the condition of anonymity, said there was some discomfort with the practice in some parts of the government as the preliminary data gets reported prominently while the revised data, typically a stronger



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figure, gets relatively less publicity, creating confusion in the public mind.

However, it's unclear if the practice, started in October 2020 to provide higher frequency indicators about a key aspect of the economy, has been discontinued or halted temporarily. A news report last week said the government has decided to do away with releasing preliminary data, attributing the information to unnamed people.

The weakness in the preliminary trade figures came up for discussion in a meeting Union

commerce minister Piyush Goyal held with export bodies last week.

The minister sought inputs on how the weakness in the numbers could be addressed, said a person who was part of the discussions.

A commerce ministry spokesperson did not respond to requests for comment.

The final estimates for October will likely be released this week and are expected to show a narrower year-on-year contraction in growth than the preliminary data.

Most sectors, including engi-

neering and readymade garments, reported a sharp double-digit exports decline, the officials cited earlier said.

Curbs on export of wheat and certain varieties of rice, as well as taxes to discourage the sale of steel, iron ore, and fuel overseas, along with a demand slowdown in major export markets, contributed to the decline.

At the meeting with the minister, exporters suggested measures, including increasing the window of export payment for buyers from the current nine months to 15 months and restoring the higher interest subvention rate of 5% for small manufacturers to boost exports.

"The preliminary data is showing a double-digit decline, but that will see a revision when we come out with the final data in a few days, which will capture details from some of the SEZs and non-EDI port data, which comes in a little late," said one of the officials mentioned above.

The commerce minister sought to find out why the exports declined and what steps could be taken to boost exports, the official said.

"The minister asked them what to do about boosting exports and a lot of them said that this is temporary and they

expect demand to pick up in December. A lot of exporters are participating in trade shows in the US and Europe and expect demand to be better from December onwards," the official said.

Non-EDI ports do not work on the electronic network and data is fed into the computer system manually and is, hence, captured in the overall trade data with a lag.

Trade figures of last month showed exports for some sectors have declined as much as 30% and some 15% to 17%. So, some sectors, such as engineering goods, pharma and agricultural goods, are facing a difficult situation.

Therefore, the ministry has decided to focus on those sectors more. Other sectors, however, are not very negative. A disclaimer was given that there have been instances in the past where an export decline of 3% turned positive when the final data came in," said a second person who was present at the meeting last Monday with the minister.

The previous few months have seen sharp data revisions between the provisional figures released at the beginning of the month and the final ones by the middle of the month.