

Nov exports to key markets bounce back after Oct dip

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New Delhi, 1 January

India's key export destinations such as the US, UAE, UK, Saudi Arabia, and Indonesia — which saw contraction in shipments in October — witnessed a smart recovery in November, preventing another fall in the country's overall exports in November. Data released in December showed that exports recovered in November to grow at 0.59 per cent from a 12 per cent contraction in October.

Among the top-25 export destinations, while 17 saw contraction in shipments from India in October, the number came down to eight in November.

Exports to countries like China (-31 per cent), Bangladesh (-47 per cent), Belgium (-27 per cent), Nepal (-29 per cent), Australia (-42 per cent), Malaysia (-25 per cent), South Korea (-35 per cent) and Thailand (-4 per

cent) continued to contract in November.

However, exports to the US (4.7 per cent), UAE (23 per cent), UK (7.6 per cent), Saudi Arabia (33.3 per cent) and Indonesia (20.9 per cent) expanded in November. They had contracted 21.2 per cent, 10.3 per cent, 21.9 per cent, 6.8 per cent and 0.5 per cent, respectively, in October.

Preliminary data for August had suggested annual contraction in exports while the government later revised the data showing double-digit growth in shipments.

During the first eight months (April-November) of FY23, exports grew 11.1 per cent to \$295.3 billion.

The US and UAE retained their top position among India's export destinations and China dropped a notch to the fourth position. The Netherlands shot up to third place from seventh during the same period a year ago.

The economic slowdown in

RECOVERY IN EXPORT GROWTH

(YoY in %)

Countries	October	November
US	-21.22	4.72
UAE	-10.03	23.04
Netherlands	43.17	53.01
China	-44.18	-30.97
Bangladesh	-48.88	-47.06
Singapore	34.92	7.94
Brazil	70.06	166.23
UK	-21.92	7.56
Saudi Arabia	-6.8	33.27
Indonesia	-0.53	20.91

Source: Commerce Ministry



China and its now-abandoned zero-Covid policy have led to a sharp decline in shipments from India.

Moreover, the impending recession in the developed world is expected to further drag down India's exports in FY23.

Import restrictions on non-

essential items by Bangladesh and Nepal have also led to a sharp fall in India's exports to its neighbouring countries. However, a sharp increase in petroleum exports at \$65.3 billion in April-November — constituting a record 21.9 per cent of total exports — have kept India's overall

shipments elevated. Majority of India's petroleum products were shipped to the Netherlands (\$6.4 billion), UAE (\$5.5 billion), Togo (\$3.6 billion), the US (\$3.7 billion), and Israel (\$3.5 billion) during the April-November period.

The International Monetary Fund (IMF) has said India's exports growth would slow down from 44.8 per cent in FY22 to 4.9 per cent in FY23 and 2.8 per cent in FY24. "Recently-signed trade agreements with the UAE and Australia are expected to facilitate bilateral trade and investments. Free-trade agreements (FTA) with other partners are being discussed. These agreements and the shift from direct export promotion to development of export infrastructure are expected to support an increase in exports over the medium term.

However, external tariff and non-tariff barriers remain elevated and above those in regional peers.