

February exports rise 22% YoY to \$33.8 bn

Remain above \$30-bn mark but pace of growth slows for 2nd month in a row

SHREYA NANDI
New Delhi, 2 March

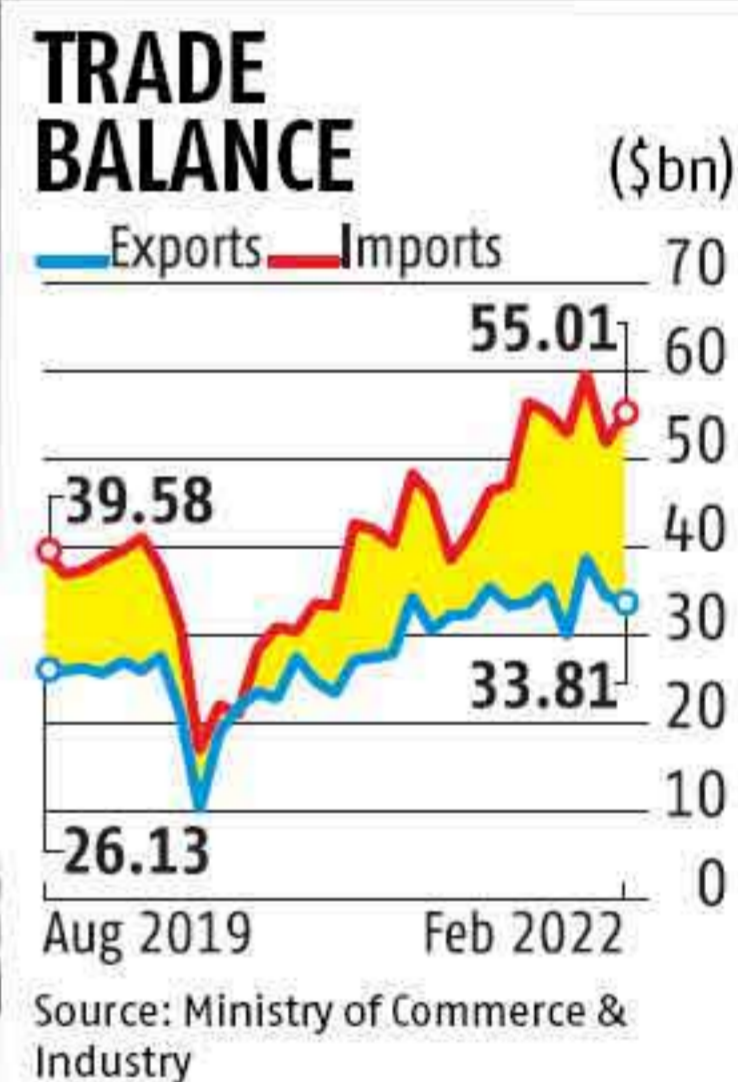
Merchandise exports witnessed 22.36 per cent growth year-on-year (YoY) at \$33.81 billion in February, led by demand for products such as engineering goods, petroleum products and gems and jewellery.

Even though exports remained above the \$30-billion mark for the last one year, its pace of growth slowed for the second month in a row.

This is after hitting a record high — in value of goods exported — during December, according to preliminary data released by the commerce and industry ministry. India's merchandise exports during the first 11 months of the current fiscal year was \$374.05 billion. This met over 93 per cent of its annual target of \$400 billion in FY22.

India's merchandise imports also witnessed a sharp jump, with shipments worth \$55.01 billion coming into the country. This is up 35 per cent compared to the year-ago period. As a result, India was a net importer, with a trade deficit of \$21.19 billion, compared to a deficit of \$13.12 billion last year.

Federation of Indian Export Organisations (FIEO) President A Sakthivel said sectors, which performed impressively during February, include labour-intensive ones. These contributed majorly to the exports basket, which itself is a good sign, further helping job crea-



tion in the country. However, high imports are also a matter of concern and must be analysed, he added.

An UNCTAD report released last month indicated that trade growth will slow during the first quarter of 2022.

“The positive trend for international trade in 2021 was largely the result of increase in commodity prices, subsiding pandemic restrictions and a strong recovery in demand due to economic stimulus packages,” the report had said.

It added, “As these trends are likely to abate, international trade trends are expected to normalise during 2022.”

Some exporters also expressed concern regarding the impact of the ongoing geopolitical tensions on trade.

“The trend, so far, has been quite

impressive. Uncertainty has arisen in recent weeks on account of geo-political situations involving Russia and Ukraine but its impact on engineering goods exports is yet to be assessed,” Engineering Export Promotion Council (EEPC) chairman Mahesh Desai said.

Engineering goods are one of the top three products exported from India.

“Among the CIS countries, Russia is the biggest export market for Indian engineering goods. Exclusion of Russia from the SWIFT payment system would, therefore, mean delayed payment realisation for exporters,” he said.

Desai added that apart from payment issues, the ongoing Russia-Ukraine war has already pushed up prices of key commodities, especially crude and metals.