

# THE HINDU BusinessLine

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## Trade deficit shrinks; exports poised to rebound

Our Bureau

*Steep fall in gold imports in August*

New Delhi, September 15:

Exports of goods fell, but only marginally by 0.3 per cent to \$21.21 billion, in August 2016 compared to the same month last year, giving exporters hope that the coming festival season will bring cheerier trade data.

The trade deficit in the month was \$7.67 billion, against \$12.39 billion in the year-ago period, as imports fell by a steeper 14.09 per cent to \$29.19 billion, according to Commerce Ministry data released on Thursday.

“The decline in exports has largely been arrested; exporters can look forward to growth; exports are likely to touch \$280 billion in 2016-17,” said SC Ralhan, President, Federation of Indian Export Organisations.

Non-petroleum exports rose 1.79 per cent to \$19.08 billion in August 2016; this basket has 14 major commodities, including ready-made garments, engineering goods, gems & jewellery and drugs & pharmaceuticals.

Petroleum, leather, chemicals, rice, minerals and cotton yarn & fabric saw a fall in exports. Petroleum products exports fell 14.08 per cent to \$2.43 billion.

Gold imports declined 77.45 per cent to \$1.11 billion; imports of fertilisers, iron & steel, petroleum and transport equipment dipped. Oil imports, at \$6.74 billion, were down 8.47 per cent from August 2015.

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After 18 months of continuous decline, exports had posted a small increase in June this year, but fell again in July.

The total value of exports during April-August 2016-17, at \$108.51 billion, was 2.98 per cent lower than in the year-ago period. Total imports, at \$143.18 billion, were 15.89 per cent lower.

The trade deficit during April-August 2016 was \$34.66 billion, against \$58.38 billion in the same period last year.

(This article was published in the Business Line print edition dated September 16, 2016)

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