

India's trade deficit widens to over three-year high in December

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India's December trade deficit widened to its highest in more than three years as higher import bills for gold and crude oil weighed on rising exports, government data showed on Monday.

The trade deficit INTRD=ECI widened to \$14.88 billion last month from \$13.83 billion in November, data from the Ministry of Commerce and Industry showed.

The trade deficit has widened by about \$36.4 billion in the first three quarters of the current financial year to \$114.86 billion. That could put pressure on the current account deficit of Asia's third largest economy.

India, the world's third biggest oil consumer, shipped in crude and refined products worth \$10.35 billion, about 35 percent more than a year ago, largely due to a spurt in global oil prices LCOc1.

Gold imports by India, the world's second biggest consumer of the precious metal after China, surged 71.5 percent to \$3.4 billion, the data showed.

The country's overseas gold purchases in December stood at 70 tonnes, up 40 percent from a year ago, provisional data from precious metals consultancy GFMS showed.

Overall imports during December rose by 21.12 percent to \$41.91 billion.

Exports INEXP=ECI during the month were up 12.36 percent to slightly more than \$27 billion, mainly due to a 25.32 percent rise in engineering goods exports to \$7.4 billion.