

India's exports grow 4.5% in February, trade deficit \$12 billion

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Showing a positive sign of growth, India's exports increased by 4.5 per cent to \$25.8 billion in February 2018 as compared to \$24.7 billion in February 2017, Commerce Secretary Rita Teotia said on Wednesday. Imports rose by 10.4 per cent to \$37.8 billion in February, leaving a trade deficit of \$12 billion. The International Monetary Fund also said on Thursday that India should see its growth picking up this year after two major structural reforms - demonetization and GST - while China's growth is likely to fall gradually.

"Exports data continue with their upsurge! Merchandise Exports during February 2018 have exhibited positive growth of 4.48 per cent in dollar terms vis- a-vis February 2017," said Commerce and Industry Minister Suresh Prabhu.

Hoping India's positive growth trajectory will continue, Prabhu also said the country is at the "threshold of entering a new growth trajectory. It is not a question of 'how' but 'when' we reach \$ 5 trillion dollar GDP economy."

Meanwhile, major commodity groups showing positive growth on year on year (YoY) basis for export are petroleum products (27.44 per cent), organic and inorganic chemicals (30.41 per cent), drugs and pharmaceuticals (13.92 per cent), rice (21.29 per cent) and electronic goods (29.71 per cent). The country's merchandise exports are showing continuous positive growth, Teotia told reporters.

Cumulative value of exports for the period April-February 2017-18 was \$273.7 billion against \$246.5 billion, registering a growth of 11.02 per cent. Export sectors, which are recording healthy growth so far, include chemicals, engineering goods, and petroleum products.

Imports grows 10 per cent

Imports during February 2018 were valued at \$37.8 billion, which was 10.41 per cent higher over February 2017. The cumulative value of imports for the period April-February 2017-18 was \$416.8 billion against \$344.4 billion, thereby registering a positive growth of 21.04 per cent.

Major commodity groups of import showing high growth in February 2018 on YoY basis are petroleum, crude and products (32.05 per cent), electronic goods (18.95 per cent), machinery, electrical and non-electrical (23.04 per cent), pearls, precious and semi-precious stones (15.86 per cent) and coal, coke and briquettes (17.73 per cent).

Meanwhile, the International Monetary Fund (IMF), in its G-20 Surveillance Note 'Global Prospects and Policy Challenges', has said that growth is foreseen to fall gradually in China considering the anticipated withdrawal of fiscal stimulus and moderating credit impulse, while India should see growth picking up after two transitory shocks - the currency exchange initiative and implementation issues related to the landmark tax reform.