

# Exports Stabilise in May with 0.79% Fall

## Something To Cheer

EXPORTS CONTRACTION SLOWS

2016	EXPORT	IMPORT
JAN	-13.6	-11.01
FEB	-5.66	-5.03
MAR	-5.47	-21.56
APR	-6.74	-23.1
MAY	-0.79	-13.16

% Annual Growth



**EXPORTS** stabilise after falling for 18 months

**IRON ORE** exports rise 8 fold in May

**EXPORTS** COULD rise in double digits Oct onwards

**SHIPMENTS** may touch \$300 billion in FY17

Merchandise exports witnessed smallest decline in 18 months to \$22.17 billion

### Our Bureau

**New Delhi:** After months of fall, India's exports looked to be stabilising. In May, outward shipments declined marginally in dollar terms, but posted a small increase in rupees, suggesting that the worst may be over. Merchandise exports fell 0.79% from a year ago, the smallest decline in 18 months, to \$22.17 billion, while imports shrank 13.16%, the slowest since June last year.

May imports were \$28.44 billion. In rupee terms, exports were up 4.04% at ₹1.48 lakh crore. The trade deficit narrowed to \$6.3 billion in May from \$10.4 billion, because of the sharp fall in imports even as exports stabilised. "The decline in exports have largely been arrested and non-oil exports have turned positive after a long gap," said SC Ralhan, president of the Federation of Indian Export Organisations. "Exports are all set to take off from here onwards and we can look for double-digit growth from October onwards which may pave the way for reaching \$300 billion in the current fiscal (year)."

Oil imports added up to \$5.94 billion, 30.5% lower than a year earlier, whereas non-oil imports drop-

ped 7.1% to \$22.5 billion. Gold imports fell 39% to \$1.47 billion.

Non-oil, non-gold imports, seen as a measure of domestic demand, fell 3.2% to \$21.1 billion.

Iron ore showed the highest increase in exports, with an eight-fold rise. India's full-year exports for 2015-16 had settled at \$261.1 billion, down 15.85% from 2014-15.

Data released by the commerce and industry ministry showed that 17 out of 30 export sectors registered a fall in outward shipments. India's services exports remained almost flat at \$12.91 billion in April 2016, Reserve Bank data showed. Services exports in April 2015 were \$13.01 billion.

Similarly, services imports were steady at \$7.18 billion in April as against \$7.32 billion a year earlier. Ralhan added that increasing exports to China will help in bridging the rising trade deficit with China.

### 'NOT ALLERGIC'

India is not allergic to goods coming in from China as long as the trade is legitimate, Commerce Secretary Rita Teatota said on Wednesday. "We do not have any problems with goods from China being imported as these are required as intermediates to manufacturing... legitimate trade has to move," she said. Noting that sometimes there is angst when India is compared with China, she said: "Let's get real about that. India is not China. We are a different country. We have a different policy. We engage for equal partnership..."