

After falling for 18 months, exports inch up 1.2% in June

But Brexit pressure may make the going tough for exporters

OUR BUREAU

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Goods exports from India increased 1.27 per cent in June to \$22.57 billion (year-on-year) after declining for 18 straight months, with most of the key sectors performing well.

Engineering, marine goods, drugs and pharmaceuticals, plantation commodities, electronic goods, carpets and hand-crafts registered an increase over the same month last year.

Imports, at \$30.68 billion, were 7.33 per cent lower, narrowing the trade deficit to \$8.11 billion from \$10.82 billion in the same month last year, according to data released by the Commerce Ministry, on Friday.

Gold imports declined by 38.54 per cent to \$1.20 billion for



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the fifth consecutive month in June, mainly due to lower prices of the metal.

Hazy outlook

Exporters warn that the outlook is still not clear as Britain's decision to exit the European Union and the depreciation of the Brit-

ish Pound had put small exporters in a difficult spot as they had not hedged their currencies.

"Moreover, Brexit is expected to put pressure on the euro as well and affect the competitiveness of Indian exports with increasing competition from low-cost East European economies," said SC Ralhan, President, FIEO.

Oil imports fell 16.42 per cent to \$7.25 billion from June 2015 while non-oil imports were 4.11 per cent lower at \$23.43 billion.

Total exports in April-June 2016-17 stood at \$65.31 billion, 2.07 per cent lower than in the same period last year.

Total imports during the period stood at \$84.54 billion, 14.53 per cent lower than in the comparable period last year.

The trade deficit in the first quarter, estimated at \$19.23 billion, was lower than the \$32.22 billion recorded during the corresponding period last year.