

Merchandise export turnaround up 4.3%

SUBHAYAN CHAKRABORTY
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Merchandise export rose 4.6 per cent in September, only the second occasion in the 22 months since December 2014 of a monthly rise.

Export rose to \$22.9 billion in September, against \$21.9 billion in the corresponding period last year. In August, export was down by a marginal 0.3 per cent. Cumulative export for April-September, first six months of financial year 2016-17, was \$131.4 billion, compared with \$133.7 billion for the corresponding period in FY16.

The commerce ministry noted that apart from Japan, where export rose 1.9 per cent, many major economies (America at minus 6.4 per cent, European Union at minus 8.4 per cent, China at minus 4.4 per cent) were experiencing falling export, according to

World Trade Organization data for July. Apart from a global slowing in merchandise trade, the extended fall is blamed on a commodity price crash and sluggishness in the Chinese economy, among others.

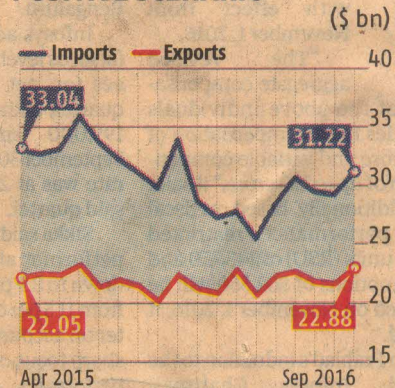
"The September revival is encouraging," said Aditi Nayar, senior economist at ratings agency Ibra.

India's import, however, continued to see decline, by 2.5 per cent to \$31.2 billion in September, compared with the year-ago period when it was \$32 billion. Cumulative import in the first six months of this financial year reached \$174.4 billion, compared with \$202.3 billion the previous year.

Among major export items, outbound trade fell in 13, against 16 in August. Export of engineering goods, which made a comeback in the growth charts in August, rose 6.4 per cent.

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POSITIVE SCENARIO



Source: Ministry of Commerce and Industry

ECONOMY

▶ WPI inflation down to 3-month low in September of 3.57%

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That of drugs and pharmaceuticals rose 0.9 per cent, after a rise of 0.7 per cent in August, following months of fall. On

the other hand, petroleum products continued to fall, by 1.4 per cent, albeit much lower than the 14.1 per cent slide in August.