
Published: April 16, 2024

Author: TEXTILE VALUE CHAIN

By Dr. Vijay Kalantri, Chairman, MVIRDC WTC Mumbai

India's overall exports shows resilience amidst global headwinds

Amidst the global uncertainties, India's merchandise exports have surpassed \$400 billion for the third consecutive year, according to the latest data released by the Ministry of Commerce. India concluded FY 2023-24 with its highest monthly merchandise export figure of \$41.68 billion for March 2024 for the current financial year. For FY 2023-24, India's merchandise exports totaled \$437 billion, reflecting a 3% year-on-year decline from FY 2022-23.

Key drivers of recovery

India's merchandise exports experienced a significant recovery in the second half of FY 2023-24, with a year-on-year growth rate of 3% during October-December, following a 9% decline in the first half from April to September. This turnaround was largely driven by a surge in exports of drugs and pharmaceuticals, gems and jewellery, iron and steel, and textile-related commodities as per data from the Directorate General of Commercial Intelligence and Statistics (DGCIS).

Trade Balance

India's overall exports (goods and services) are estimated to reach \$776.68 billion, representing a marginal 0.04% increase from the previous FY. While India's goods exports contracted in FY 2023-24, its service exports demonstrated a year-on-year growth of 4.4%. With robust and resilient service exports and a declining trend in overall imports, India's trade balance improved by 36% from a deficit of \$121.6 billion in FY 2022-23 to a deficit of \$78.1 billion in FY 2023-24. With expected remittances of \$100 billion, India's Current Account Deficit (CAD) may not exceed the 1% of GDP mark for FY 2023-24.