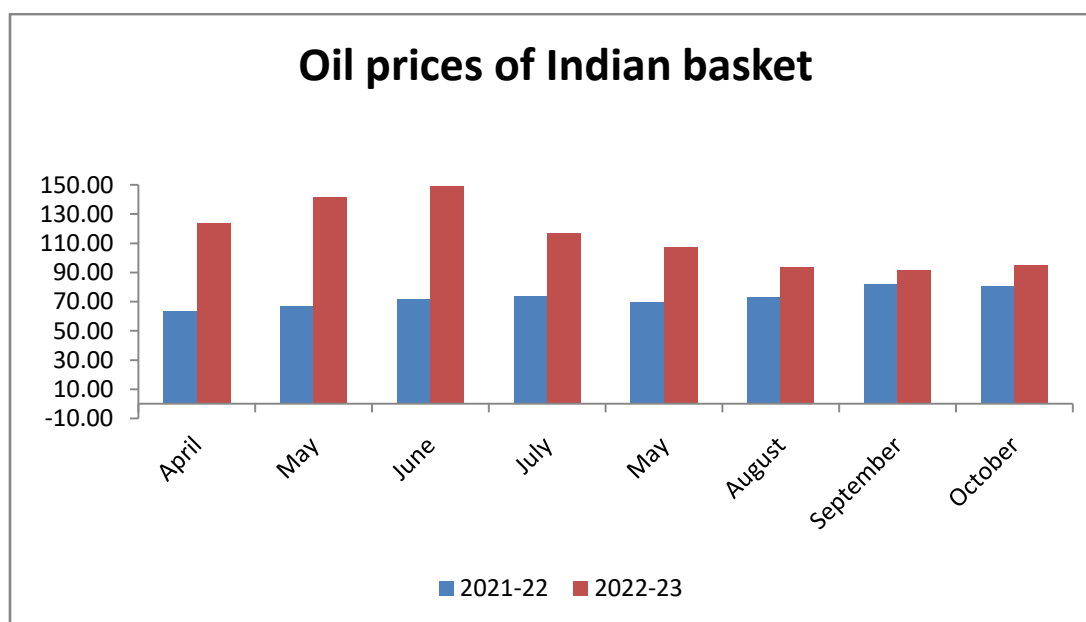


India may target indigenizing manufacturing of USD 185 billion worth of intermediate goods import

India's total merchandise imports for the current financial year (FY 2022-23 –April-September) stood at USD 380 billion, up by 38%, Y-o-Y. The rise in imports is majorly led by a spike in oil prices. Average oil prices for the Indian basket has risen by 64%, Y-o-Y, from USD 71/barrel (bbl) in FY 2021-22 (April-Sept) to USD 117/bbl in FY 2022-23 (April-Sept). Energy imports constitute 39% of India's total merchandise import in the current FY whereas in FY 2021-22 (April-Sept), it accounted for 30% share.



Source – Petroleum Planning and Analysis Cell, compiled by WTC, MVRDC

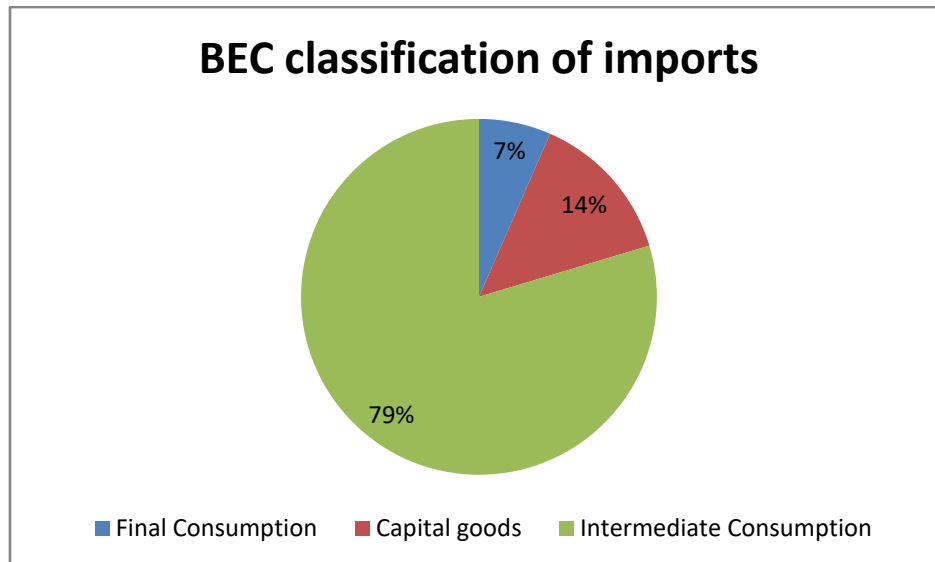
Broad Economic Categorisation (BEC)

The classification by Broad Economic Categories (BEC) is an international product classification. Its main purpose is to provide a set of broad product categories for the analysis of trade statistics. Using the End-use dimension of the BEC- 5 framework, India's total non-energy imports constituted of 79% intermediate goods, 14% of capital goods and 7% goods for final consumption.

Intermediate goods imports for the current FY (April-September) stood at around USD 185 billion with a 29% Y-o-Y growth. The top five sectors accounting for 81% of total non-energy intermediate goods imported are Gems and jewellery (23%), Chemical & Pharmaceutical (20%), Electrical & electronic machinery (19%), Metal & Metal products (11%) and Plastic, rubber and its articles (8%).

Capital goods imports witnessed a growth of 17%, Y-o-Y. Electronic and electrical machineries sector constituted 69% of the total capital goods imported followed by Transport vehicles, parts & equipments

sector with 16% share and Engineering and medical equipments sector with 13%. Imports of Engineering and medical equipments declined by 9% from USD 4.5 billion in FY 2021-22 (April-Sept) to USD 4.1 billion in FY 2022-23 (April-Sept).



Source- UN Stats, Ministry of commerce, Compiled by MVIRDC, WTC Mumbai

Final consumption goods imports with the total import value of USD 15 billion accounted for over 7% of total non-energy imports. Durable goods accounted for over 56% of total consumption goods imported with electronic (49%) and textile products (18%) constituting for over 67% of total durable consumption goods imported. Non-durable consumption goods majorly constituted of imports from agriculture and its allied sectors accounting for over 76% share. Chemicals and pharmaceutical sector, led by imports of insecticides and pesticides, has around 23% share in imports of non-durable consumption goods.

Conclusion

Though India's rise in imports was led by oil prices, our non-oil deficit growth has outpaced its oil deficit growth Y-o-Y for the current FY. Oil deficit grew by 68% from USD 40 billion in FY 2021-22 (April-Sept) to USD 69 billion in FY 2022-23 (April-Sept) whereas, non-oil deficit has grown by over 137% from USD 35 billion to USD 83 billion during the same period. Non-oil imports have potential to be indigenous through policy mechanisms encouraging domestic manufacturing. BEC framework based analysis can act as a catalyst for the policy maker to identify potential sectors where import dependency can be eliminated or reduced.

Notification

PIB

Rules for export of Dalbergia sissoo based products eased.

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1877691>

Government withdraws duty on export of steel and its products

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1877759>

Australian parliaments approves India-Australia FTA

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1877759>

DGFT

Modification of Standard input- output norms for Textiles and wheat

<https://content.dgft.gov.in/Website/dgftprod/4648bd5b-3fa6-416d-a63d-8483d59b5687/PN%20No.%2037%20ENG.pdf>

<https://content.dgft.gov.in/Website/dgftprod/88293764-2fb9-41ee-93c7-90750543c681/PN%20No.%2038%20ENG.pdf>

CBIC

Tariff notification

<https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2022/cs-tarr2022/cst-61-2022.pdf>

RBI

Inclusion of Goods and Service Tax Network (GSTN) as a Financial Information Provider under Account Aggregator Framework

<https://rbidocs.rbi.org.in/rdocs/notification/PDFs/GSTN088429D6B1514ECEB97FA6C51995F2C8.PDF>