



India's merchandise exports declines at a slower pace in April-August 2020

India's merchandise exports declined 27% during the first five months (April-Aug 2020) of the current fiscal year from the year ago period because of the disruption in supply chain and global economic slowdown amidst the pandemic. However, the pace of contraction has slowed in recent months as the extent of decline was steep at 30% during April-July 2020 and still steeper at 37% during April-June 2020.

April-August Performance

In the first five months of the current financial year, only six out of the 30 principal commodities posted growth in exports. Among these six products, four are agro commodities, one mining product and the other belongs to the manufacturing category. These are iron ore, fruits & vegetables, rice, other cereals, oil seeds and drugs & pharmaceuticals. Export of labour intensive goods such as leather products, gems & jewellery, readymade garments, man-made yarn & fibres, and handicrafts have declined more than 40% during this period. On the other hand, export of electronic goods, carpet, engineering goods, ceramic products, meat, dairy & poultry products fell 20-30%.

August Performance

Although the overall trend has been negative for exports since the outbreak of the pandemic, some products have reversed the declining trend during the month of August 2020. For instance, cereal preparations & miscellaneous processed food items registered 24% growth in exports, while shipment of meat, dairy and poultry products grew 10%. Similarly, export of tobacco and oil meals registered growth in exports during this month. In the manufacturing sector, exports of jute products, carpets, plastics & linoleum registered positive growth during July and August after declining in the earlier months. All other products continued declining trend during August as well.

September

Exports data for September 2020 will be released in the second week of October. However, on September 15, India's Commerce Minister has remarked about the economy's resilience by quoting the preliminary export data for second week of September, which showed 10% growth from the year ago period. The minister also mentioned that the decline in service exports is not as sharp as the contraction witnessed in manufacturing exports. He said, "All through the pandemic, India's services exports were at 90% of last year's level of the corresponding period. This has added to the credibility of India as a trusted partner world over."

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