

MACRO

# India's trade deficit up 3x in July at \$31 bn

India has maintained its exports in July despite anti inflationary measures and continued disruptions in supply chains due to Covid and Russia-Ukraine conflict.

By **JOE MATHEW**, Aug 3, 2022 | 3 min read



The growth in imports was led by increase in prices and import volumes of coal, crude oil, electronics and machinery during the month. Import of organic and inorganic chemicals, pearls, precious and semi-precious stones, vegetable oil, etc. also contributed to the import growth.

“For the third straight month in a row, value of non-oil import is higher than \$40 billion, which reflects India’s rising import dependence for coal, electronics and machinery items. This time around, another factor leading to high trade deficit is the tepid export performance. Our July 2022 export is at a 4-month low as we are seeing fall in overseas demand for our textile, engineering, pharma, gems and jewellery products due to slowing global economic activity in USA and Europe,” says Vijay Kalantri, chairman, MVIRDC World Trade Center, Mumbai.