

**GTRI Report**

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**India's Foreign Trade set to cross US\$ 1.6 trillion mark, accounts for 48% Of GDP**

**Global Trade Research Initiative**

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## Preface

### India's Foreign Trade set to cross US\$ 1.6 trillion mark, accounts for 48% Of GDP

We are happy to share a factual brief on India's exports highlighting major products and countries.

We would be happy to receive your feedback at [ajay@centrefortrade.com](mailto:ajay@centrefortrade.com)

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## India's Foreign Trade set to cross US\$ 1.6 trillion mark, accounts for 48% Of GDP

### A-Overview of Foreign Trade

India's foreign trade (Exports and Imports of Merchandise and Services) is estimated to cross US\$1.6 trillion or 48% of India's nominal GDP of US\$3.4 trillion for the fiscal year ending March 2023.

Despite sectoral weaknesses, high trade figures underline emergence of trade as an important component of Indian economy.

Higher Trade to GDP ratio also speaks of high trade openness India practices.

Higher growth rate in Services exports (compared to merchandise exports) has improved overall performance of India's exports. A comparison of CAGR for past 5 years (FY18 to FY23) show that Services exports grew with a higher CAGR (9.8%) than merchandise exports (7.5%).

Exports-US\$ billion	FY18	FY23	CAGR(%)-FY23 over FY18
Merchandise	308.9	442.8	7.5
Services	195.1	311.9	9.8
Total	504	754.7	8.4

### B-Overall Export Picture

India's overall exports (Merchandise and Services combined) in April-March 2023 are estimated reach US\$ 755 billion exhibiting a positive growth of 11.6 per cent over the same period last year (April-March 2022).

Type	Trade	April 2021-March 2022	April 2022-March 2023*	Growth FY2023 over FY2022	% Share in GDP in FY2023#
Merchandise	Exports	422	442.8	4.93	13.0
	Imports	613.1	710	15.80	20.9
Services	Exports	254.5	311.9	22.55	9.2
	Imports	147	178.9	21.70	5.3
Overall Trade (Merchandise+ Services)	Exports	676.5	754.7	11.56	22.2
	Imports	760.1	888.9	16.95	26.1
	Export + Import	1436.6	1643.6	14.41	48.3
<b>Trade Balance</b>		<b>-83.6</b>	<b>-134.2</b>	<b>60.53</b>	<b>3.9</b>
*Estimated					
#India's nominal GDP-US3.4 trillion					

### Merchandise exports

India's merchandise exports in April-March 2023 is estimated reach a turnover of US\$ 442 billion exhibiting a positive growth of 4.9 per cent over the same period last year (April-March 2022).

### Services exports

India's services exports in April-March 2023 is estimated reach a turnover of US\$ 311.9 billion exhibiting a positive growth of 22.6 per cent over the same period last year (April-March 2022).

### C-Key Export Product Categories, estimated exports in FY2023

Agriculture	Industrial
<ul style="list-style-type: none"><li>• Basic Agriculture Products-\$24.5 billion</li><li>• Processed Agriculture Products-\$14.9 billion</li><li>• Fish, Meat, Dairy -\$11.6 billion</li></ul>	<ul style="list-style-type: none"><li>• Petroleum Products, Coal-\$98.2 billion</li><li>• Chemicals-\$41.7 billion</li><li>• Diamonds, Precious metals -\$37.8 billion</li><li>• Steel and other metals-35.3</li><li>• Textiles, apparels--US\$35 billion</li><li>• Electronics, electrical machinery--US\$27.4 billion</li><li>• Machinery-26.9 billion</li><li>• Automobiles--US\$21 billion</li><li>• Pharma---US\$19.4 billion</li><li>• Mics manufactured articles--US\$15.3 billion</li></ul>

## D-Key Product Categories, Estimated exports and Growth in FY2023

S.No	Product Categories	Exports-US\$ billion		Growth(%)
		FY2022	FY2023*	
1	Basic Agriculture	23.4	24.5	4.5
2	Processed Agriculture	12.1	14.9	22.6
3	Dairy, fish and meat	11.7	11.6	-0.6
4	Petroleum products, coal etc	69.6	98.2	41.2
5	Chemicals	39.4	41.7	5.9
6	Diamond, Gold etc	39.3	37.8	-3.8
7	Steel and other metals	46.5	35.3	-24.0
8	Textiles, Apparels	43.4	35.0	-19.4
9	Electronics, electrical parts, products	20.2	27.4	36.0
10	Machinery	25.4	26.9	5.8
11	Automobiles	19.8	21.0	6.4
12	Pharma	19.4	19.4	0.1
13	Mic manufactured articles	14.9	15.3	2.1
14	Plastics, Rubber, leather, wood, paper	14.5	14.9	2.6
15	Plastics	9.1	7.7	-14.7
16	Railway, Aircraft, ship	5.2	5.3	2.3
17	Ores, Mining products	5.9	4.0	-31.9
18	Hand Tools, articles	2.1	2.0	-5.5
19	Remaining Products	0.3	0.3	-9.9
	Total Merchandise exports	422.0	442.8	4.9
*Estimated				

## E-Details of important products exported under key categories

### I-Agriculture

#### 1-Basic Agriculture Products

Estimated value of exports of Basic Agriculture Products in FY2023 is \$24.5 billion. The estimated export growth in FY 2023 over FY2022 is 4.5%. India's share in world trade for CY 2022 is 4.0 %. Key exports along with export value in FY2023 are: Rice-US\$10.8 billion, Wheat-US\$2.2 billion, Black pepper-US\$1.2billion, Tea-US\$747million, Groundnuts-US\$704 million, and Onion-US\$532 million.

#### 2-Processed Agriculture Products

Estimated value of exports of Processed Agriculture Products in FY2023 is \$14.9 billion. The estimated export growth in FY 2023 over FY2022 is 22.3%. India's share in world trade for CY 2022 is 2.0 %. Key exports along with export value in FY2023 are: Cane sugar- US\$5.8 billion , Caster oil- US\$1.1 billion, Unmanufactured tobacco- US\$810 million, Oil cake, residues-US\$657.7 million, Instant coffee, Tea concentrate-US\$ 492.9 million.

### **3-Fish, Meat, Dairy –**

Estimated value of exports of Fish, Meat, Dairy Products in FY2023 is \$11.6 billion. The estimated export decline in FY 2023 over FY2022 is 0.6%. India's share in world trade for CY 2022 is 2.7 %. Key exports along with export value in FY2023 are:

Shrimps-US\$ 4.9 billion, Frozen boneless meat-US\$2.9 billion, Honey-US\$ 229.9 million, Butter-US\$210 million.

## **II- Industrial Products**

### **1-Petroleum Products, Coal**

Estimated value of exports of Petroleum Products, Coal etc in FY2023 is \$98.2 billion. The estimated export growth in FY 2023 over FY2022 is 41.2%. India's share in world trade for CY 2022 is 4.7 %. Key exports along with export value in FY2023 are: Diesel-US\$ 35billion, ATF-US\$16.3 billion, Petrol-US\$14.6billion, HSD-US\$9.8 billion

### **2-Chemicals**

Estimated value of exports of Chemical Products in FY2023 is \$41.7 billion. The estimated export growth in FY 2023 over FY2022 is 5.9%. India's share in world trade for CY 2022 is 3.1%. Key exports along with export value in FY2023 are: Herbicides, insecticides-US\$5.5 billion, Benzene-US\$1.6 billion, P-Xylene-US\$1.2 billion, Essential oils-US\$988.9 million,

### **3-Diamonds, Precious metals**

Estimated value of exports of Diamonds, Precious metals in FY2023 is \$37.8 billion. The estimated export decline in FY 2023 over FY2022 is 3.8%. India's share in world trade for CY 2022 is 5.1%. Key exports along with export value in FY2023 are: Cut and Polished diamonds-US\$23 billion, Gold and silver jewellery-US\$ 12.3 billion, Synthetic diamonds-US\$1.4 billion

### **4-Steel and other metals**

Estimated value of exports of Steel and other metals in FY2023 is \$35.3 billion. The estimated export decline in FY 2023 over FY2022 is 24%. India's share in world trade for CY 2022 is 2.5%. Key exports along with export value in FY2023 are: Unwrought aluminium-US\$ 7.5 billion, Ferro alloys-US\$ 3.6 billion, Flat rolled products-US\$ 2.7 billion, Steel structures-US\$1.7billion, Unwrought zinc-US\$1.3 billion.

### **5-Textiles, apparels, Made ups**

Estimated value of exports of Textiles, apparels, Made ups in FY2023 is \$35 billion. The estimated export decline in FY 2023 over FY2022 is 19.4%. India's share in world trade for CY 2022 is 4.2%. Key exports along with export value in FY2023 are: Cotton yarn-US\$3.1billion, Women, Girl's suits-US\$ 3.1 billion, T-shirt-US\$2.6billion, Bed linen-US\$ 2.0 billion, Furnishing articles-US\$1.9 billion, Cotton fabric-US\$1.3 billion

## **6-Electronics, electrical machinery**

Estimated value of exports of Electronics, and electrical machinery in FY2023 is \$27.4 billion. The estimated export growth in FY 2023 over FY2022 is 36%. India's share in world trade for CY 2022 is 0.84%. Key exports along with export value in FY2023 are: Smartphone-US\$7.2 billion, Electric transformers-US\$2.7 billion, Insulating wire-US\$1.7billion, Generators-US\$855 million, Photo voltaic cells assembled into panel-US\$552.5million.

## **7-Machinery**

Estimated value of exports of Machinery in FY2023 is \$26.9 billion. The estimated export growth in FY 2023 over FY2022 is 5.8%. India's share in world trade for CY 2022 is 1.1%. Key exports along with export value in FY2023 are: Turbo jet engines for use in aircrafts-US\$3.4 billion, Transmission shaft-US\$ 1.8billion, Industrial valves-US\$1.8 billion, Diesel engine-US\$1.4 billion, Pumps, compressors-US\$ 1.3 billion.

## **8-Automobiles**

Estimated value of exports of Automobiles, parts in FY2023 is \$21 billion. The estimated export growth in FY 2023 over FY2022 is 6.4%. India's share in world trade for CY 2022 is 1.4%. Key exports along with export value in FY2023 are: Automobile parts-US\$7.6b, Automobiles-US\$6.6 billion, Motor cycles-US\$1.8 billion, Tractors-US\$ 1.6 billion.

## **9-Pharma--**

Estimated value of exports of Pharmaceutical Products in FY2023 is \$19.4 billion. The estimated export growth in FY 2023 over FY2022 is 0.1%. India's share in world trade for CY 2022 is 2.5%. Key exports along with export value in FY2023 are: Medicines/drugs-US\$17.4billion. These include Medicines for retail sales US\$7.6billion, Anti cancer drugs-US\$ 935 million. Antibiotic-US\$928 million, Immunological products, human blood etc-US\$1.5billion.

## F-Top 30 export destinations for India

All data in US\$ billion.

India has trade surplus and trade deficit with 15 countries each

S. No	Country / Region	India's exports			India's imports- CY22-	Merchandise trade (Export +Import)- CY2022	Trade Balance- CY2022-
		CY2021	CY2022	Growth (%)			
1	U S A	71.2	80.1	12.5	50.9	51.0	29.2
2	UAE	25.4	31.3	23.5	52.9	52.9	-21.5
3	Netherland	10.2	18.6	81.4	5.8	5.8	12.7
4	China	23.0	15.2	-34.3	102.6	102.7	-87.5
5	Bangladesh	14.7	14.0	-5.1	2.0	2.0	12.0
6	Singapore	10.6	11.8	11.1	24.3	24.3	-12.5
7	U K	10.4	11.2	8.2	9.5	9.5	1.7
8	Germany	9.5	10.5	10.0	15.1	15.1	-4.6
9	Saudi Arabia	8.2	10.1	22.2	43.9	43.9	-33.9
10	Turkey	7.2	10.0	38.2	3.7	3.7	6.3
11	Indonesia	8.1	9.9	22.2	28.5	28.5	-18.6
12	Hong Kong	11.4	9.8	-13.7	19.4	19.5	-9.6
13	Belgium	9.0	9.7	7.9	9.7	9.8	0.0
14	Brazil	6.3	9.6	54.2	6.8	6.8	2.8
15	Nepal	9.6	8.6	-10.1	0.9	0.9	7.7
16	Italy	7.7	8.6	11.6	5.4	5.5	3.1
17	Australia	6.9	8.3	20.1	19.7	19.7	-11.4
18	S. Africa	6.0	8.2	37.4	11.2	11.2	-2.9
19	France	6.0	8.0	32.1	5.2	5.2	2.8
20	S. Korea	7.1	7.5	6.3	20.7	20.7	-13.2
21	Israel	4.4	7.5	71.9	2.8	2.8	4.7
22	Malaysia	6.7	7.2	7.3	13.5	13.5	-6.3
23	Sri Lanka	4.8	6.3	32.5	1.0	1.0	5.3
24	Thailand	5.5	6.1	9.9	11.3	11.3	-5.2
25	Vietnam	6.6	5.9	-11.4	9.0	9.0	-3.1
26	Japan	6.1	5.7	-5.9	15.7	15.7	-10.0
27	Togo	2.9	5.3	83.6	0.5	0.6	4.8
28	Nigeria	4.5	5.3	17.8	8.7	8.7	-3.4
29	Mexico	4.2	5.0	20.4	4.2	4.2	0.8
30	Spain	4.4	4.8	9.5	2.8	2.8	2.0



## **G-Outlook exports for Next Fiscal**

Global trade reached a record US\$ 32 trillion in 2022. Trade in goods was US\$ 25 trillion and trade in services totalled about US\$ 7 trillion. Goods and services trade increased by 10 and 15% respectively in CY2022 over CY2021.

The growth largely happened in the first three quarters of 2022. Merchandise Trade has started slowing in the last quarter while Trade in services remained constant. The UNCTAD forecast global trade in goods to increase by about 1 per cent, while trade in services is expected to increase by about 3 per cent.

The Year 2023 will make most countries turn inward to stay safe from the global headwinds, not of their creation. Indian exports will be moderately impacted by weak global demand and recession in large economies but will gain as domestic economy looks resilient and exports from high growth sectors like electronics are picking up almost for the first time.

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GTRI aims to create high-quality and jargon-free outputs for governments and industry on issues related to trade, technology and investment from the perspective of development and poverty reduction.

Mr Ajay Srivastava is the co-founder of GTRI. He took VRS from the Government of India in March 2022. He is an Indian Trade Service officer with experience in trade policy making, WTO and FTA negotiations. He did MBA from Indian School of Business.

## Feedback

Your feedback on this report is most welcome. Please write to [ajay@centrefortrade.com](mailto:ajay@centrefortrade.com).