

India's Foreign Trade: Composition of Trade (Apr-Nov'14)

This study highlights the composition of trade over the eight month period in the current fiscal year. The report also links the trade data with the industrial production numbers wherever possible to draw inferences on the same.

Imports Basket

Table 1: Composition of Imports (\$ mn)

Commodities	April – Nov'13	April – Nov'14	% Change
Petroleum & crude products	108,285	106,558	-1.6
Electronic goods	22,150	24,773	11.8
Gold	22,109	24,457	10.6
Machinery, electrical & non - electrical	18,075	18,552	2.6
Pearls, precious & semi - precious stones	16,142	15,994	-0.9
Organic & inorganic chemicals	11,876	13,393	12.8
Coal, coke & briquettes etc.	10,794	11,506	6.6
Iron & Steel	8,593	10,581	23.1
Transport equipment	12,696	9,674	-23.8
Artificial resins, plastic materials etc.	6,948	8,621	24.1
Nonferrous metals	5,948	7,218	21.3
Vegetable Oil	4,644	6,730	44.9
Metal ferrous ores & other minerals	5,661	6,297	11.2
Fertilizers, crude & manufactured	4,993	5,120	2.6
Wood & wood products	3,374	3,817	13.1
Chemical material & products	3,189	3,685	15.6
Medicinal & pharmaceutical products	3,502	3,667	4.7
Silver	3,225	3,277	1.6
Professional instrument, optical goods etc.	2,380	2,475	4.0
Project goods	3,163	2,444	-22.7
Machine tools	2,069	2,134	3.1
Dyeing/tanning/coloring materials	1,599	1,735	8.5
Pulses	1,230	1,687	37.2
Textile yarn, fabric, made - up articles	1,030	1,155	12.1
Fruits & Vegetables	894	1,089	21.8
Leather & leather products	547	675	23.4
Pulp & waste paper	513	630	22.8
Newsprint	621	582	-6.3
Cotton Raw & Waste	324	429	32.4
Sulphur & unroasted iron pyrites	101	204	102.0
Total	302,327	316,373	4.6

Source: DGCIIS

- Imports increased by 4.6% for the period April – Nov'14 from \$ 302.3 bn to \$ 316.4 bn.
- Most of the imports were for **petroleum & crude products (33.7%), electronic goods (7.8%), gold (7.7%), machinery, electrical & non – electrical (5.9%) and pearls, precious & semi – precious stones (5.1%)**.
 - Together these commodities account for more than 60% of the import basket
 - Petroleum & crude products registered a negative growth (-1.6%) in the eight months period while electronic goods (11.8%) and gold imports (10.6%) registered a positive growth.
 - Decline in the petroleum & crude products were mostly on account of lower prices. *The average monthly price of Brent has come down from \$ 108/barrel to \$ 79/barrel during this period.*
 - *Average gold prices declined from \$ 1299/ounce in April \$ 1177/ounce between April and Nov'14.* Hence higher imports of gold were due to higher consumption demand which was also aided by the decline in the price of gold.
- Other imported products include organic & inorganic chemicals (share of 4.2%), coal, coke & briquettes etc. (3.6%), iron & steel (3.3%), transport equipment (3.1%), artificial resins, plastic materials etc. (2.7%), non-ferrous metals (2.3%) and vegetable oil (2.1%)
 - Positive growth was witnessed in commodities such as, Organic & inorganic chemicals (12.8%), coal, coke & briquettes etc. (6.6%), iron & steel (23.1%), artificial resins, plastic materials etc. (24.1%), non-ferrous metals (21.3%) and vegetable oil (44.9%)
 - Transport equipment imports fell by 23.8%

Exports Basket

- Exports registered a growth of 5.0% in April – Nov'14, increasing from \$ 205 bn to \$ 215.8 bn.
- Major goods exported by India include **engineering goods (22.3%), petroleum products (21.0%), gems & jewellery (13.1%) and textiles based products (10.0%)**
 - Together these commodities account for 61.4% of the exports basket
 - In terms of growth, exports of engineering goods grew by 18.1% and readymade garments grew by 15.2%
 - Petroleum products and Gems & Jewellery registered lower growths of 5.2% and 0.3% respectively
- Other exported products drugs & pharmaceuticals (share of 4.7%), organic & inorganic chemicals (4.0%), cotton yarn & handloom products (3.3%), rice (2.4%) and electronic goods (2.0%)

Table 2: Composition of Exports (\$ mn)

Commodities	April – Nov'13	April – Nov'14	% Change
Engineering Goods	40,445	48,009	18.7
Petroleum products	43,172	45,402	5.2
Gems & Jewellery	28,136	28,222	0.3
Textile based products	20,150	21,606	7.2
Drugs & Pharmaceuticals	9,765	10,165	4.1
Organic & Inorganic Chemicals	7,923	8,620	8.8
Rice	4,894	5,207	6.4
Electronic Goods	5,378	4,313	-19.8
Leather & Leather products	3,571	4,184	17.2
Plastic & Linoleum	4,006	4,017	0.3
Marine Products	3,333	3,966	19.0
Meat, dairy & poultry products	3,331	3,631	9.0
Mica, Coal, Other ores, Minerals incl processed minerals	2,609	2,627	0.7
Spices	1,669	1,666	-0.2
Fruits & Vegetables	1,358	1,283	-5.5
Ceramic products & glassware	857	1,114	30.0
Oil Seeds	777	1,085	39.6
Carpet	787	982	24.8
Handicrafts excl. handmade carpet	965	946	-2.0
Cereal preparations & miscellaneous processed items	748	848	13.4
Oil Meals	1,640	740	-54.9
Other Cereals	786	712	-9.5
Tobacco	686	607	-11.6
Cashew	570	601	5.6
Coffee	512	516	0.8
Tea	528	464	-12.1
Iron Ore	994	396	-60.2
Total	205,437	215,756	5.0

Source: DGCIIS

Linking of IIP data with trade data

An attempt has been made to link trends in industrial growth with growth in exports and imports. For the sake of comparison industries have been clubbed under similar headings and may not strictly be the same.

Table 3: Imports (Apr-Nov'14) and IIP (Apr-Oct'14)

Commodities (%)	Imports	IIP
Food products (vegetable oils etc.)	40.5	6.6
Textile based products	16.9	-0.3
Leather & Leather products	23.4	8.2
Wood & wood products	13.1	0.1
Pulp & waste paper, Newsprint	6.9	1.9
Coal, coke etc. Petroleum & crude products	-0.9	-1.1
Chemical & Chemical Products	10.1	-2.0
Artificial resins, plastic materials etc.	24.1	3.1
Basic metals	16.4	12.3
Fabricated metal products	23.1	-0.5
Machinery etc.	-0.8	11.7
Electronic goods	11.8	-52.6
Professional instruments, optical goods etc.	4.0	-0.5
Transport Equipment	-23.8	1.4

Source: DGCIS & MOSPI

- Industry groups Vegetable Oil, Pulses, Fruits & Vegetables, Leather & Leather products, Wood & wood products, Pulp & waste paper, Newsprint, Artificial resins, plastic materials etc. and Non-ferrous metals, Metal ferrous ores & other minerals witnessed increase in both imports as well as production
- Industries such as Textile yarn, fabric, made - up articles, Cotton Raw & Waste, Chemical & Chemical Products, Iron & Steel and Electronic goods witnessed negative production which was compensated by increased imports for these sectors. To a certain extent imports may have substituted for domestic production.

Linking of IIP data with Exports

Table 4: Exports (Apr-Nov'14) and IIP (Apr-Oct'14)

Commodities (%)	Exports	IIP
Food products	2.8	6.6
Tobacco	-11.6	3.4
Textile based products	7.2	-0.3
Leather & Leather products	17.2	8.2
Petroleum Products	5.2	-1.1
Chemicals & Chemical Products	6.2	-2.0
Non-metallic mineral products	0.7	5.3
Iron ore	-60.2	12.3
Engineering goods	18.7	11.7
Electronic Goods	-19.8	-52.6
Plastic & Linoleum	0.3	3.1

Source: DGCIS & MOSPI

- Increased production in sectors such as Food products, Leather & leather products and Engineering goods were also associated with higher growth rate in exports. Exports can be taken to be partly responsible for this increase in domestic production.
- However, sectors such as Tobacco and Iron ore registered a positive growth in production but the exports witnessed negative growth
- For textile based products, petroleum products and chemical & chemical products, production declined while exports witnessed a positive growth

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