

# Tracking India's key trade numbers

India's balance of trade, shown in Table 1, continues to head into ever safer territory. That this is largely driven by oil prices is visible in Table 2, which demonstrates that from over a third of the import bill, oil now accounts for less than 18 per cent. Thus, the current account deficit, too, in Table 3, looks comfortable as a percentage of gross domestic product.

However, there are warning signs. The trade balance has narrowed partly because imports have fallen, as Table 4 shows. But non-oil import growth, tends to fall

significantly less in the context of low oil prices, as that table shows. And the weakness of Indian export

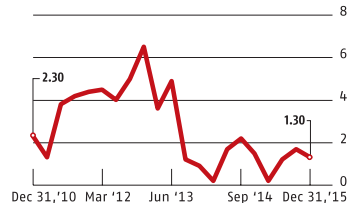
growth, including non-oil exports, in Table 5, is a real worry. It is worth noting that other peer exporters have not seen this sustained exports decline, as Table 6 reveals. Perhaps the rupee's value holds part of the answer. While the rupee has declined against the dollar, as Table 7

shows, the Reserve Bank of India has also paused on its reserve-building exercise since the beginning of this year, as Table 8 shows.



## 3: CURRENT ACCOUNT DEFICIT LOOKS COMFORTABLE

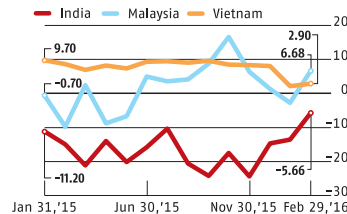
Current account deficit (as % of GDP)



Sources: RBI, Bloomberg

## 6: ...AS ITS PEERS HAVEN'T SEEN SUCH A SUSTAINED DECLINE

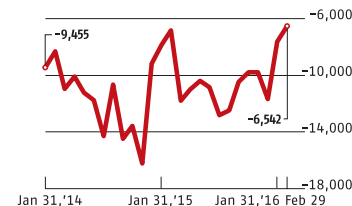
Exports growth (y-o-y in %)



Source: Bloomberg

## 1: BALANCE OF TRADE HEADING TOWARDS SAFER TERRITORY...

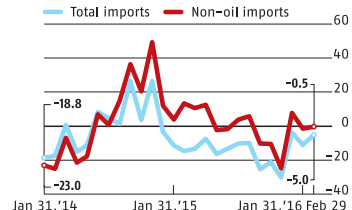
India's balance of trade (\$ mn)



Source: Bloomberg

## 4: TOTAL IMPORTS HAVE FALLEN; NON-OIL NOT THAT MUCH

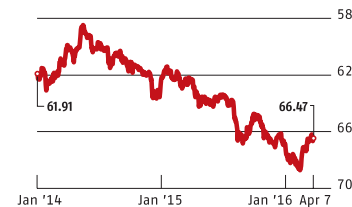
India's imports (y-o-y in %)



Source: Bloomberg

## 7: THE RUPEE HAS DECLINED AGAINST THE DOLLAR...

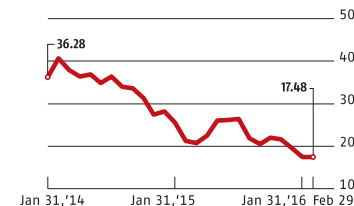
₹ vs \$ (inverted scale)



Source: Bloomberg

## 2: ...LARGELY DRIVEN BY SHRINKING OIL IMPORT BILL

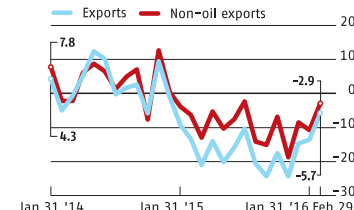
Share of oil imports in total import bill (%)



Source: Bloomberg

## 5: WEAKNESS OF INDIA'S EXPORT GROWTH WORRYING....

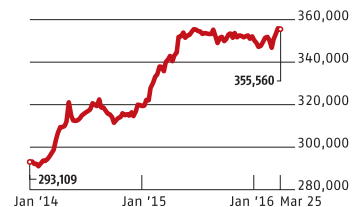
India's exports (y-o-y in %)



Source: Bloomberg

## 8: ...BUT RBI HAS PAUSED BUILDING FX RESERVES SINCE JAN '16

Foreign exchange reserves (\$ mn)



Source: RBI

