

Macro Insights

Highlights:

Trade Deficit widens to 26.42 USD billion in April 2025

India's merchandise trade deficit widened to a five month high of \$26.42 billion in April 2025. It expanded from \$21.45 billion in March 2025. The difference between imports and exports of goods was recorded at \$19.19 billion in April 2024.

- The widening of trade deficit was driven by a spurt in imports which rose sharply by 19.1% YoY to \$64.91 billion – the highest since October 2024.
- The rise in imports was driven by a 25.6% and 16.3% rise in oil and non-oil imports respectively in April 2025.
- Meanwhile, merchandise exports rose by 9.0% YoY for the month of April to \$38.49 billion.
- Exports of petroleum products increased by 4.7% YoY to \$7.37 billion – the highest since May 2024.
- Exports of non-petroleum products increased by 10.1% on a YoY basis in April 2025 to \$31.11 billion.

Chart 1: Export & Import YoY Growth (%) and Trade Deficit

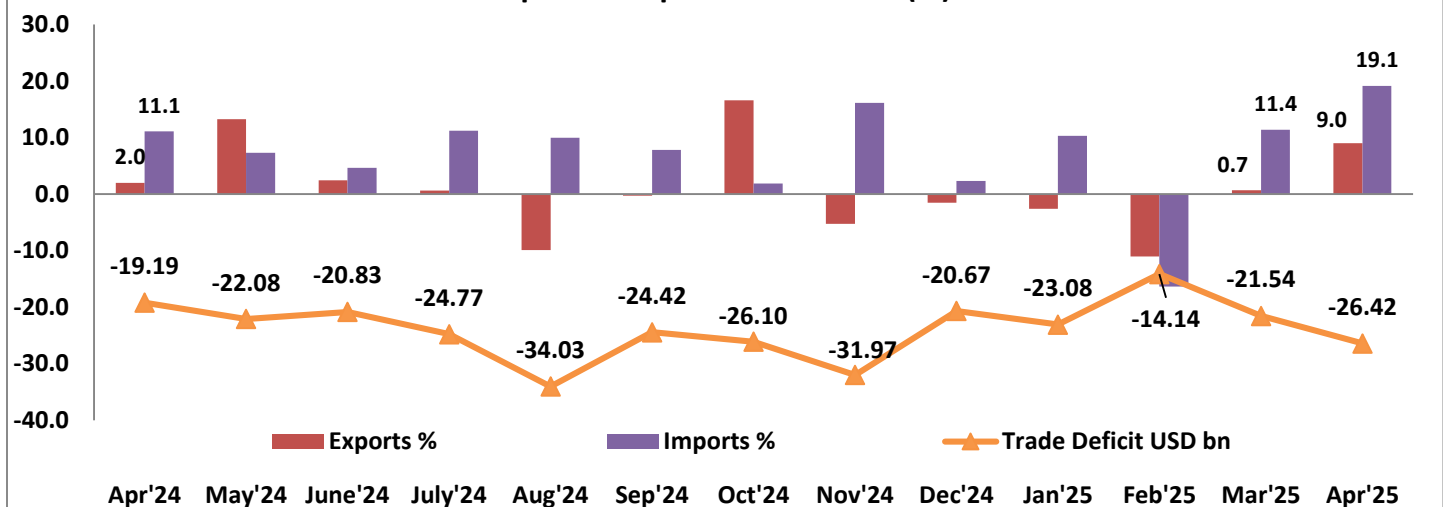
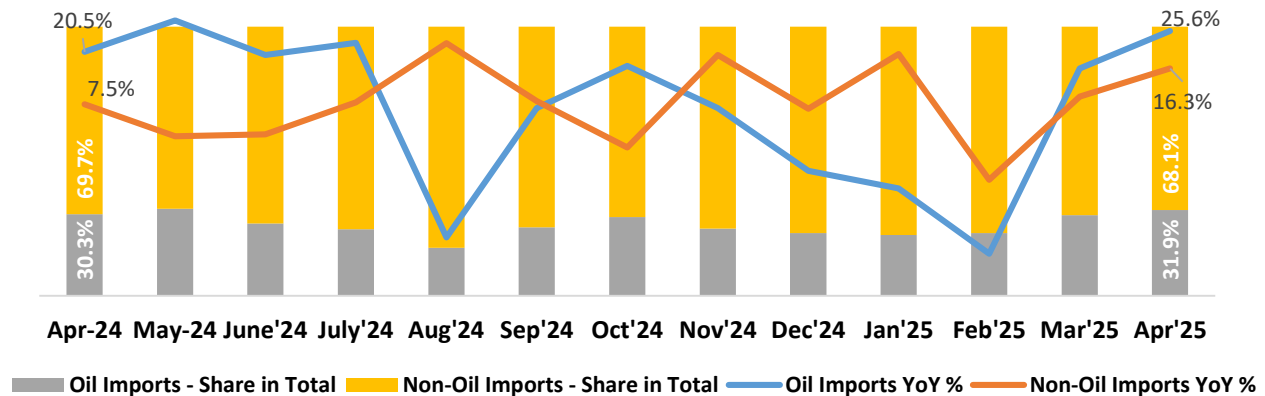


Table: Merchandise Exports and Imports (USD Bn)

Month	Exports	Imports	Trade Deficit
Apr'24	35.31	54.49	-19.19
Apr'25	38.49	64.91	-26.42
YoY Growth (%)	9.01	19.12	

Chart: Oil & Non-Oil Imports Share & Growth - %



Insights:

- ✓ The share of oil imports within merchandise imports increased to 31.9% in April 2025 from 29.9% in the previous month.
- ✓ The widening of trade deficit is mainly due to an increase in imports of crude oil and petroleum products. Import of crude and petroleum products stood at the highest in 3 years, exhibiting an increase of 25.6% YoY at \$20.7 billion (bn).
- ✓ Imports of non-oil and non- gold and silver products grew at 17.2% YoY. Imports of electronic goods rose sharply by 31.2% YoY in April 2025.
- ✓ Within merchandise exports, petroleum products increased to \$7.4 bn, the highest in 11 months, recording a growth of by 4.7% YoY in April 2025.
- ✓ Major commodities that saw an increase in exports were electronic goods (39.5% YoY), RMG of all textiles (14.4% YoY) engineering goods (11.3% YoY) and gems and jewellery (10.7% YoY).

Views:

- ✓ Estimates of services exports during April 2025 stood at \$35.31 bn, recording a YoY growth of 17.0%, whereas services imports grew by 4.7% YoY to \$17.54 bn, resulting in a surplus of \$17.77 bn.
- ✓ Exports saw most significant growth in markets like USA (27.31%), UAE (33.65%), Australia (74.16%), Tanzania (87.20%) and Kenya (132.44%) in April 2025 compared to the same period last year.
- ✓ Trade policy risks remain on the horizon with the US temporarily pausing the additional tariffs imposed for 90 days until July 9, 2025, to facilitate trade negotiations. India, however, had begun the financial year exhibiting strong export performance. The free trade agreement between India and UK was also finalized on May 6, 2025, which is likely to boost trade between the two nations. Meanwhile, the country is proactively engaged with the US to finalize a mutually beneficial bilateral trade deal.

Top commodity groups exhibiting the most positive and negative growths YoY:

Exports				
Commodity groups exhibiting positive growth				
Sl. No.	Commodities	(Values in Million USD)		% Change
		Apr'24	Apr'25	
1	Tobacco	118.7	197.6	66.42%
2	Coffee	137.3	203.0	47.85%
3	Electronic goods	2,646.4	3,691.9	39.50%
Commodity Groups exhibiting negative growth				
Sl. No.	Commodities	(Values in Million USD)		% Change
		Apr'24	Apr'25	
1	Other cereals	22.2	17.9	-19.58%
2	Cashew	22.3	18.4	-17.81%
3	Iron ore	145.9	127.3	-12.75%

Imports				
Commodity groups exhibiting positive growth				
Sl. No.	Commodities	(Values in Million USD)		% Change
		Apr'24	Apr'25	
1	Sulphur & unroasted iron pyrites	6.3	40.0	535.13%
2	Project goods	37.7	93.3	147.27%
3	Cotton raw & waste	37.9	86.9	129.16%
Commodity Groups exhibiting negative growth				
Sl. No.	Commodities	(Values in Million USD)		% Change
		Apr'24	Apr'25	
1	Pulses	411.1	314.5	-23.51%
2	Newsprint	27.2	23.2	-14.40%
3	Coal, coke & briquettes, etc.	3,089.6	2,710.1	-12.28%

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