

Macro Insights

25th July, 2025

Analysis on Foreign Trade for June 2025 – Key Takeaways

Trade Deficit narrows to 18.78 USD billion in June 2025

The difference between imports and exports of goods stood at \$18.78 billion in June 2025. It narrowed from \$21.92 billion in May 2025. India's merchandise trade deficit was recorded at \$20.83 billion in June 2024.

Highlights:

- ☞ Merchandise exports stood at \$35.14 billion in June 2025, down by 0.06% on year-on-year basis, from \$35.16 billion in June 2024.
- ☞ Non-petroleum and non-gems & jewellery exports in June 2025 were US\$ 28.74 billion compared to US\$ 27.43 billion in June 2024.
- ☞ Non-petroleum, non-gems & jewellery imports in June 2025 were US\$ 36.57 billion compared to US\$ 36.55 billion in June 2024.
- ☞ Meanwhile, merchandise imports declined by 3.71% YoY for the month of June to \$53.92 billion.

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

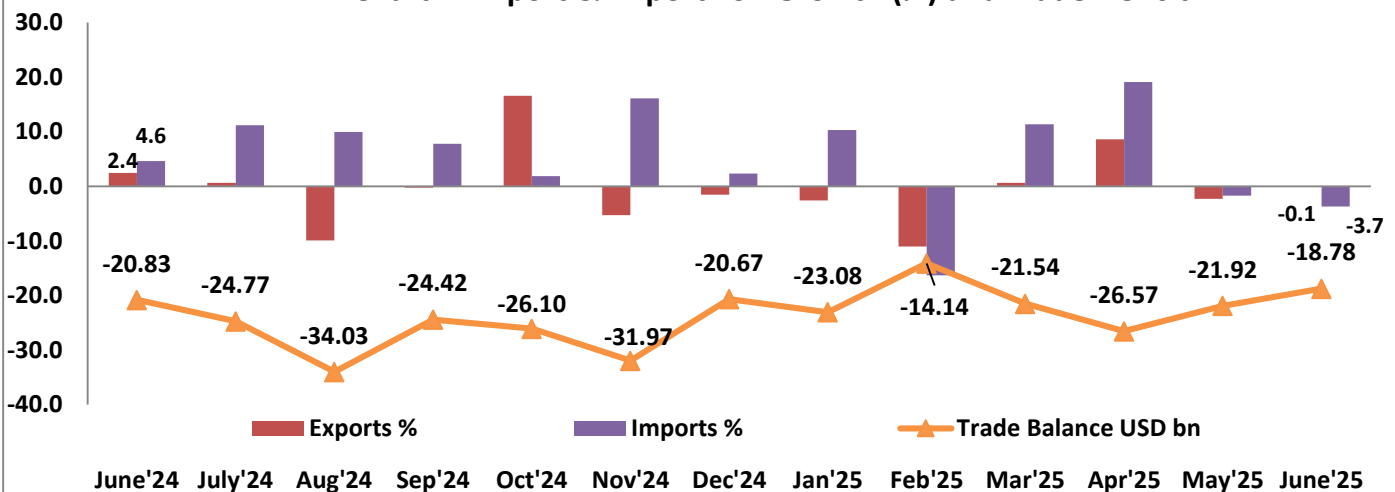
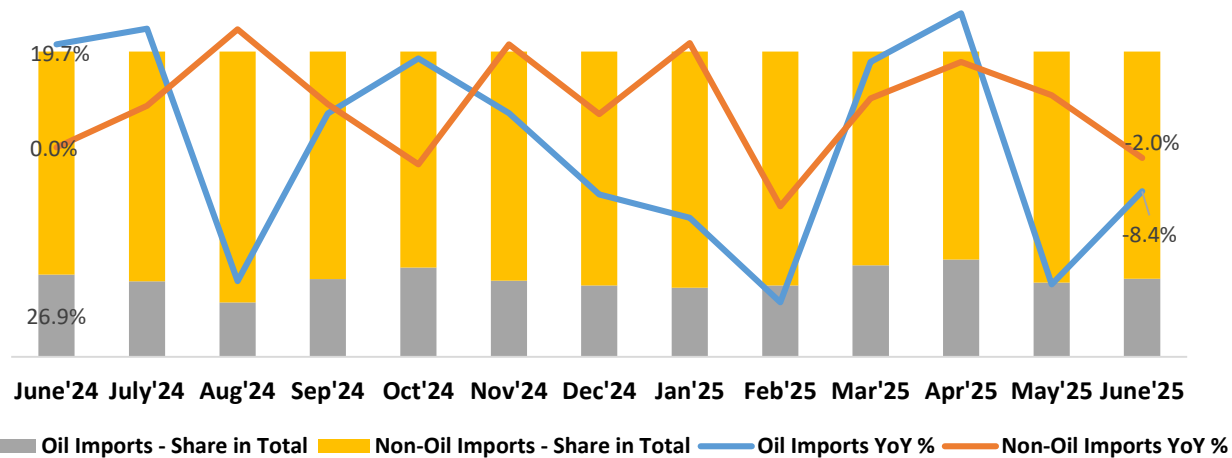


Table: Merchandise Exports and Imports

(\$ billion)

Month	Exports	Imports	Trade Balance
Jun'24	35.16	56.00	-20.84
Jun'25	35.14	53.92	-18.78
YoY Growth (%)	-0.06	-3.71	

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



Insights:

- ✓ The share of oil imports within merchandise imports increased to 25.6% in June 2025 from 24.3% in the previous month. Correspondingly, the share of non-oil imports decreased to 74.4% from 75.7% during the same period.
- ✓ Major drivers of merchandise exports in June 2025 include Electronic Goods, Drugs & Pharmaceuticals, Engineering Goods, Marine Products and Meat, dairy & poultry products.
- ✓ A decline in global crude oil prices led to a 15.91% YoY decline in exports of crude and petroleum products to \$4.6 billion (bn) in June 2025.

Key Observations:

- ✓ Services exports is estimated to grow by 10.93 percent during April-June 2025 over April-June 2024.
- ✓ Top 5 export destinations, in terms of change in value, exhibiting positive growth in June 2025 vis a vis June 2024 are USA (23.53%), China (17.18%), Kenya (76.2%), France (21.78%) and Brazil (23.02%).
- ✓ Top 5 export destinations, in terms of change in value, exhibiting positive growth in April-June 2025 vis a vis April-June 2024 are USA (22.18%), China(17.87%), Kenya (69.83%), Germany (10.79%) and Australia (14.01%).
- ✓ Top 5 import sources, in terms of change in value, exhibiting growth in June 2025 vis a vis June 2024 are Ireland (265.82%), Hong Kong (23.09%), Singapore (18.16%), Thailand (25.68%) and

China (2.48%).

- ✓ Top 5 import sources, in terms of change in value, exhibiting growth in April-June 2025 vis a vis April-June 2024 are China (16.33%), United Arab Emirates (28.73%), Ireland (281.04%), USA (11.68%) and Hong Kong (33.22%).

Way Forward

- ✓ India's trade deficit outlook for 2025 appears promising, despite some challenges. The deficit is expected to narrow owing to declining oil prices, robust services exports, and stronger merchandise shipments to the US.
- ✓ Additionally, the government is actively implementing strategies such as Free Trade Agreements (FTAs) and Production-Linked Incentive (PLI) schemes to enhance export performance, with an ambitious goal of reaching \$1 trillion in exports by FY26.

Top commodity groups exhibiting the most positive and negative growth (YoY) in Jun'25:

Exports (Non POL)				
Commodity groups exhibiting positive growth				
Sl. No.	Commodities	(Values in Million USD)		% Change
		Jun'24	Jun'25	
1	Electronic goods	2,822.4	4,147.0	46.93
2	Tea	62.8	83.2	32.64
3	Jute manufacturing including floor covering	27.4	33.8	23.45
Commodity Groups exhibiting negative growth				
Sl. No.	Commodities	(Values in Million USD)		% Change
		Jun'24	Jun'25	
1	Iron ore	246.2	126.1	-48.78
2	Gems & jewellery	2,247.1	1,788.0	-20.43
3	Tobacco	163.6	134.3	-17.93

Imports (Non POL)				
Commodity groups exhibiting positive growth				
Sl. No.	Commodities	(Values in Million USD)		% Change
		Jun'24	Jun'25	
1	Chemical material & products	957.3	1,428.6	49.24
2	Sulphur & unroasted iron pyrites	21.1	28.0	32.88
3	Metaliferrous ores & other minerals	876.3	1,142.2	30.34

Commodity Groups exhibiting negative growth				
Sl. No.	Commodities	(Values in Million USD)		% Change
		Jun'24	Jun'25	
1	Pulses	366.6	91.8	-74.96
2	Newsprint	50.4	19.3	-61.66
3	Transport equipment	2,523.7	2,007.4	-20.46

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