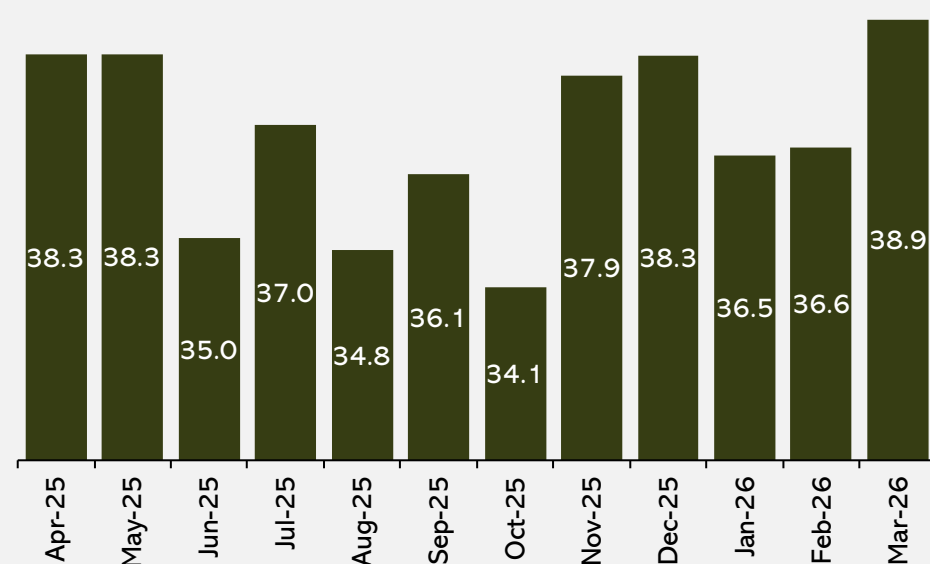


Foreign Trade – Mar'26

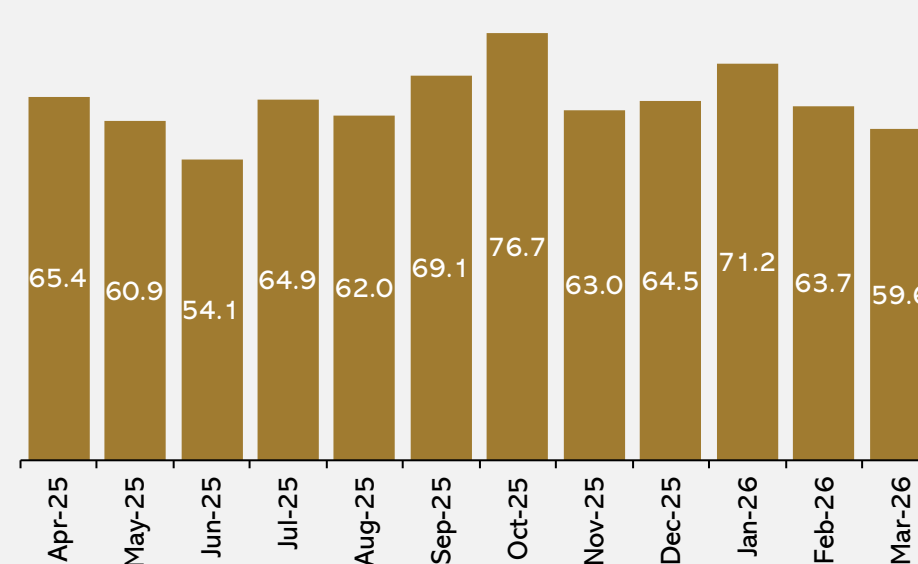
Trade deficit narrowed on higher exports

India's merchandise trade deficit in Mar'26 narrowed sizeably compared to the previous month, against expectations as exports edged higher while imports softened. While non-oil exports entered contractionary territory, oil exports grew, cushioning the effect of recent geopolitical tensions. Both oil and non-oil imports saw a significant drop, primarily due to supply chain disruptions via the Strait of Hormuz. While the trade outlook remains clouded by the ongoing war in West Asia, India's FTA's that come into effect soon should provide some relief.

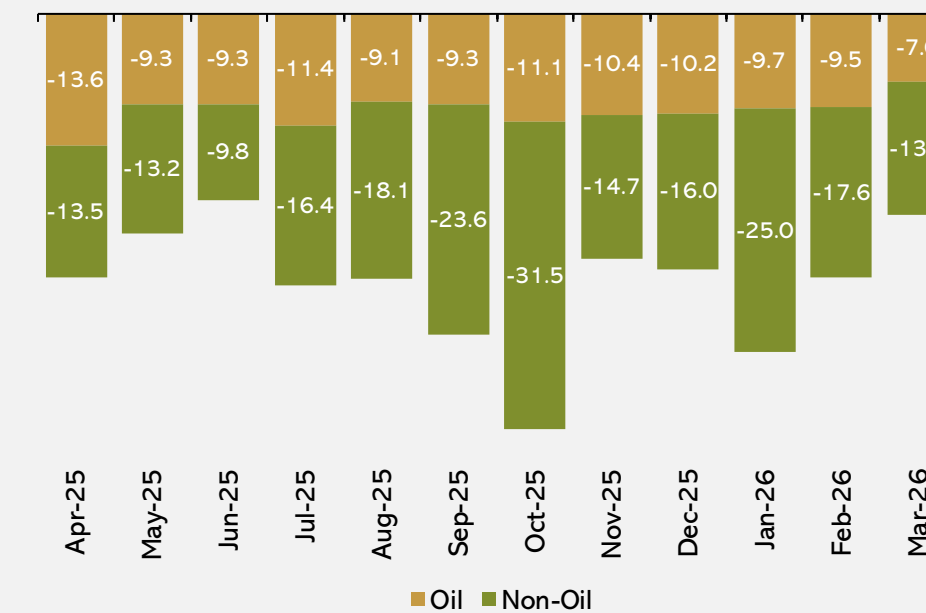
Merchandise exports, \$ bn



Merchandise imports, \$ bn



Merchandise Trade Balance, \$ bn



15 April, 2026

Sujan Hajra | Chief Economist

Raj Singh | Economist

Sweta Jain | Analyst

Services trade surplus remains robust. Services exports declined 1.2% y/y—the first contraction since March 2024—while services imports fell more sharply by 3% y/y, keeping the surplus elevated at \$18.2bn. For FY26, the services surplus has risen 13.2% y/y.

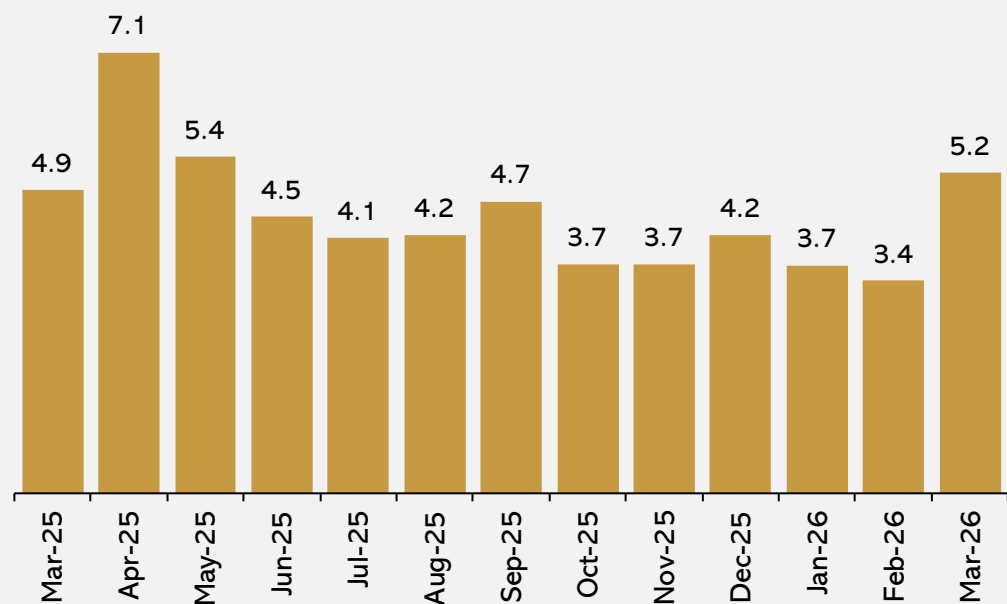
Non-oil exports growth led by engineering goods. Non-oil exports in Mar'26 were driven by engineering goods, mica, coal, and other minerals, but geopolitical disruptions in the Middle East led to a broad-based decline, including in key segments like electronics. On the import side, non-oil growth was supported by electronics and machinery, while gold imports fell due to a stronger dollar.

Services trade resilience, policy maneuvers to support trade. India's merchandise trade deficit in FY26 remained elevated, widening 17.5% y/y. While export growth remained tepid at 1% y/y and import growth higher at 7.45% y/y, services trade resilience has provided a necessary cushion to the external balance. While India's dependence on price sensitive imports, along with a weakening rupee amid the West Asia war may exert some pressure, India's trade diversification efforts, coupled with strong remittance flows should keep the overall current account position contained.

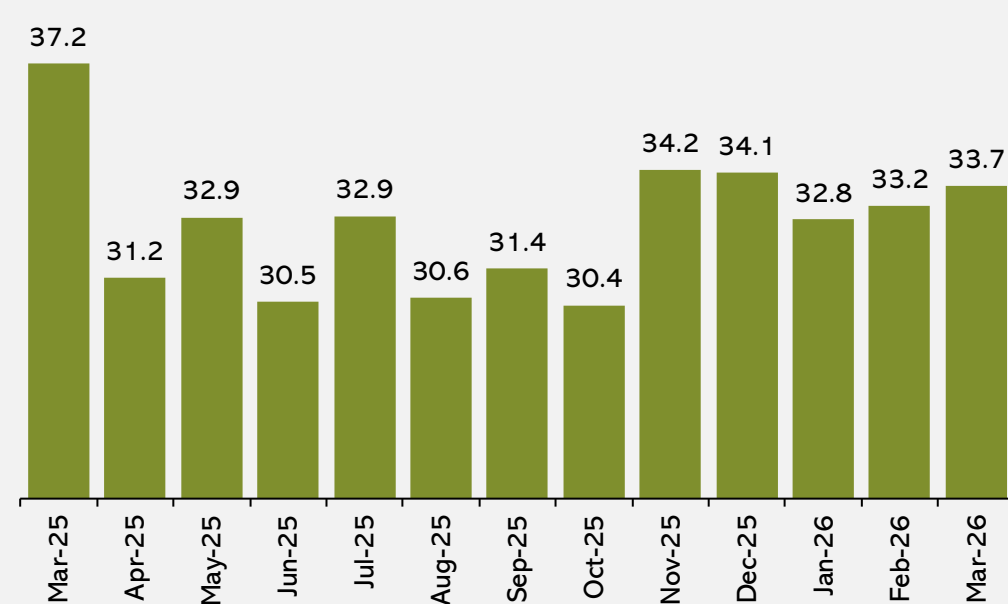
Merchandise Trade

Oil exports recorded an uptick of 5.7% y/y. On the other hand, non-oil exports dipped 9.2% y/y. On the imports front, oil imports saw a significant decline of 35.9% y/y caused by disruptions due to the West-Asia War. Non-oil imports growth too moderated to 6% y/y following three consecutive months of double-digit y/y growth.

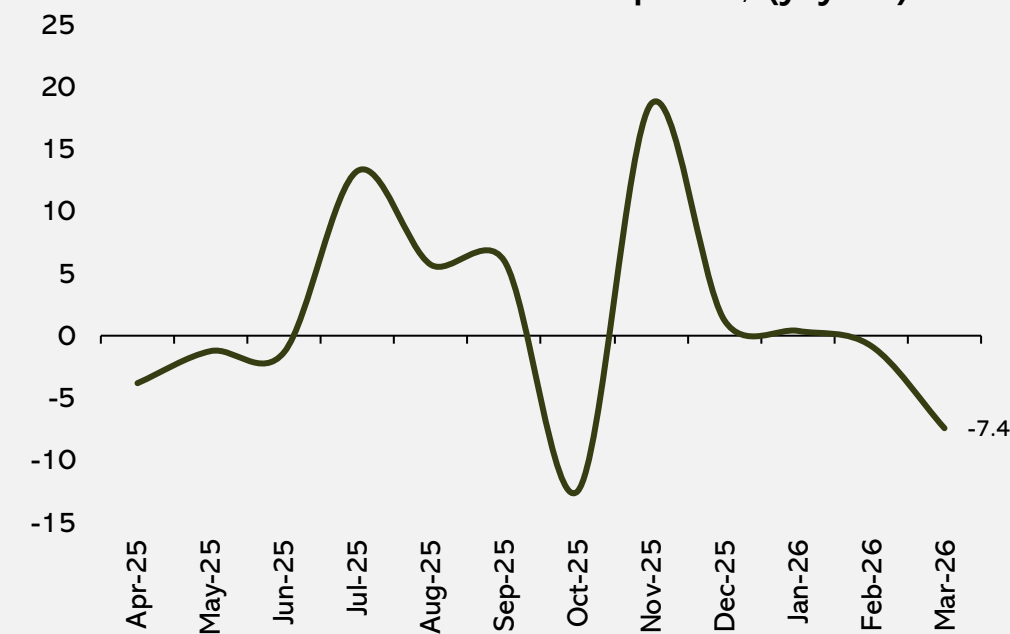
Oil Exports, \$bn



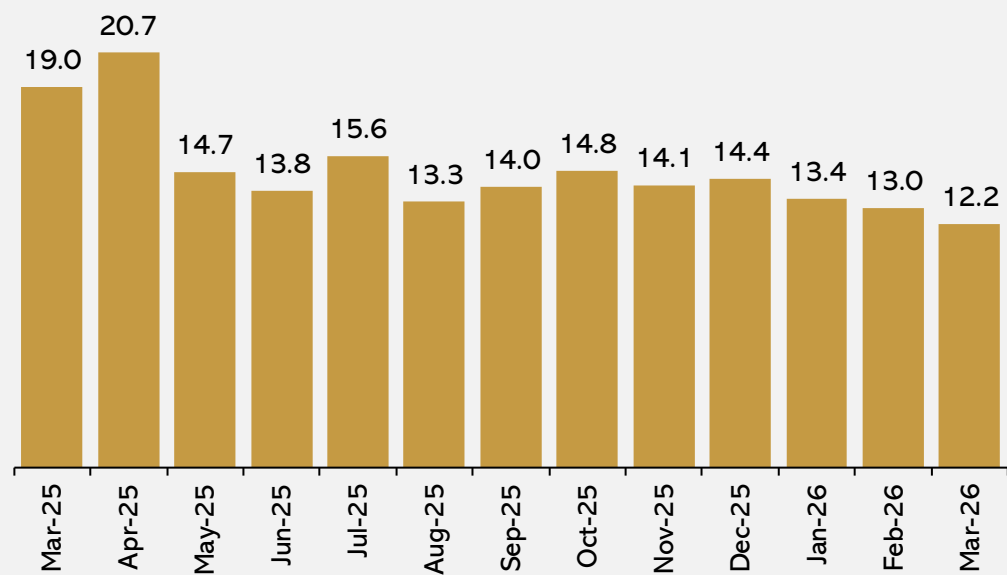
Non-Oil Exports, \$bn



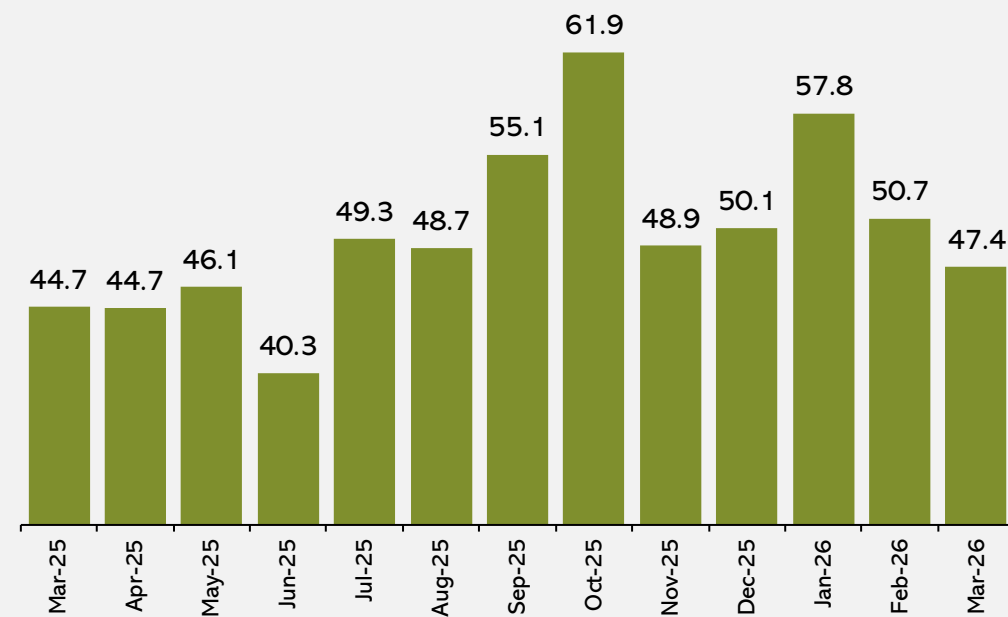
Growth in Merchandise exports, (y/y %)



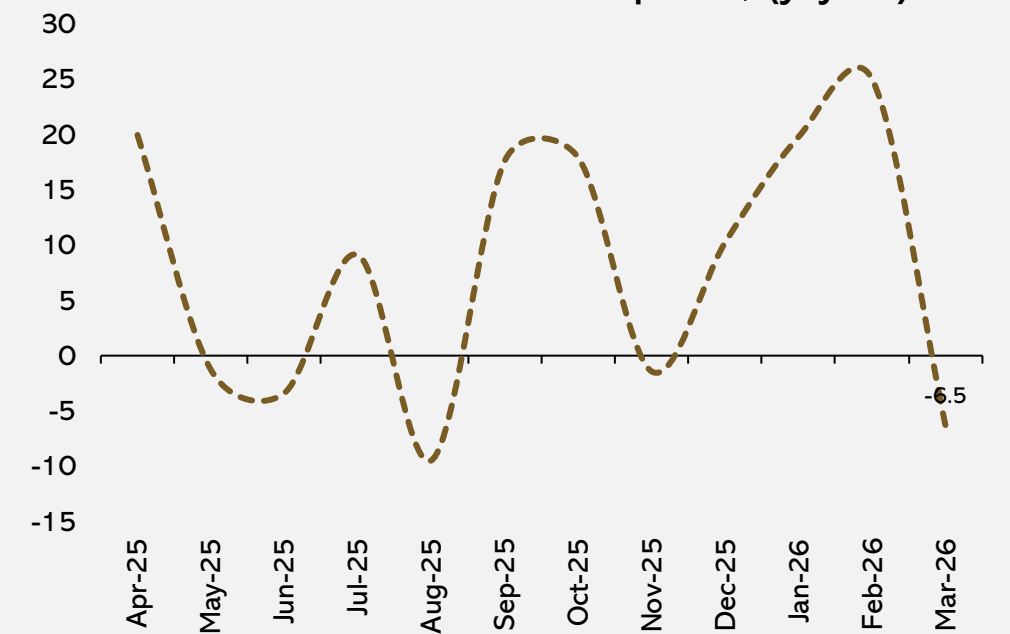
Oil Imports, \$bn



Non-Oil Imports, \$bn



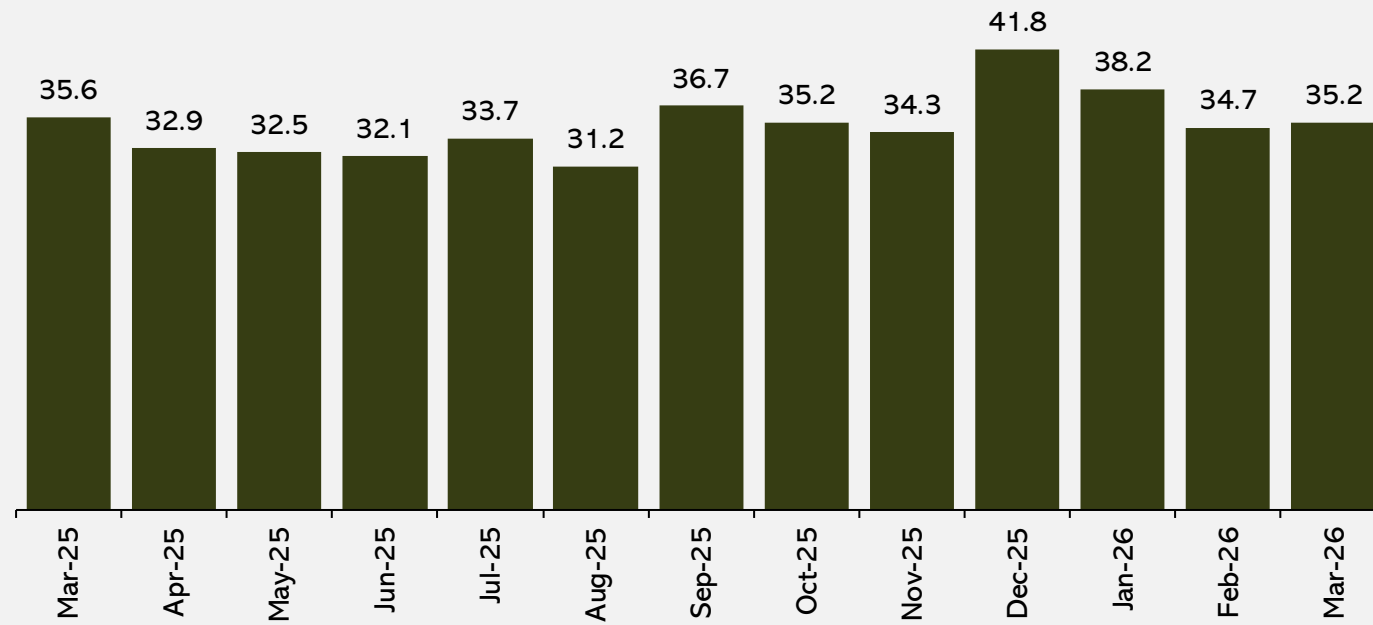
Growth in Merchandise imports, (y/y %)



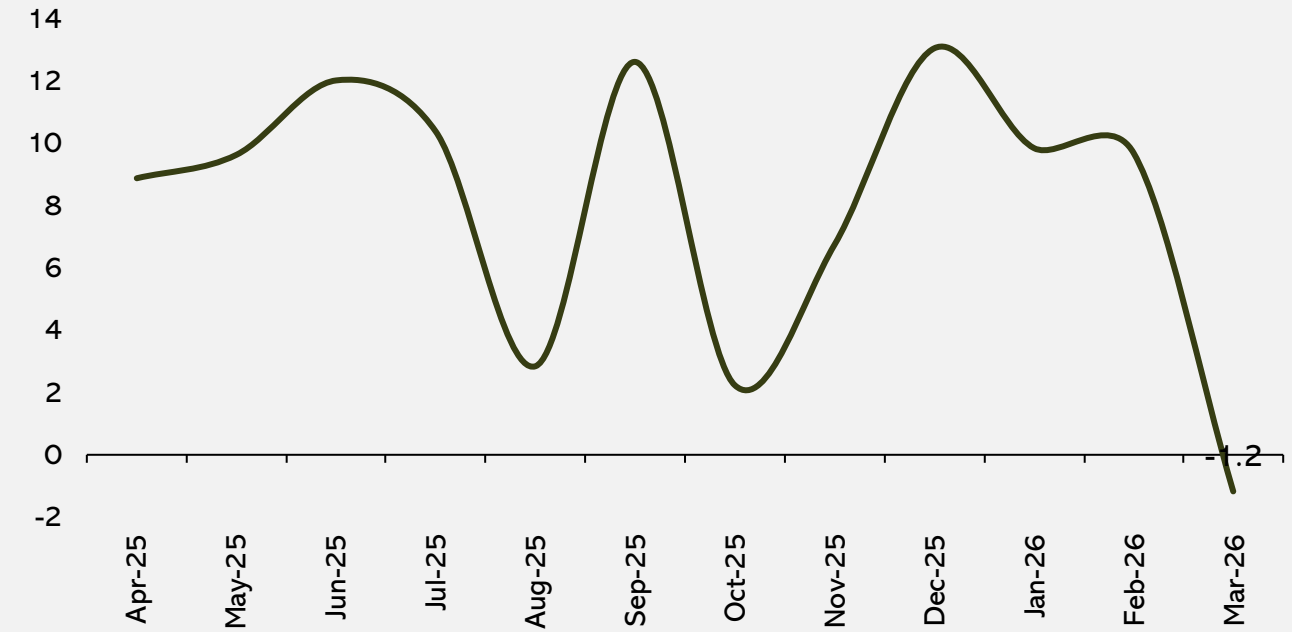
Services Trade

Services exports fell 1.2% y/y, marking the first contraction since Mar'24. At the same time however, services imports saw a comparatively larger drop of 3% y/y, keeping the services surplus elevated at \$18.2bn. For FY26, the services surplus is up 13.2% y/y.

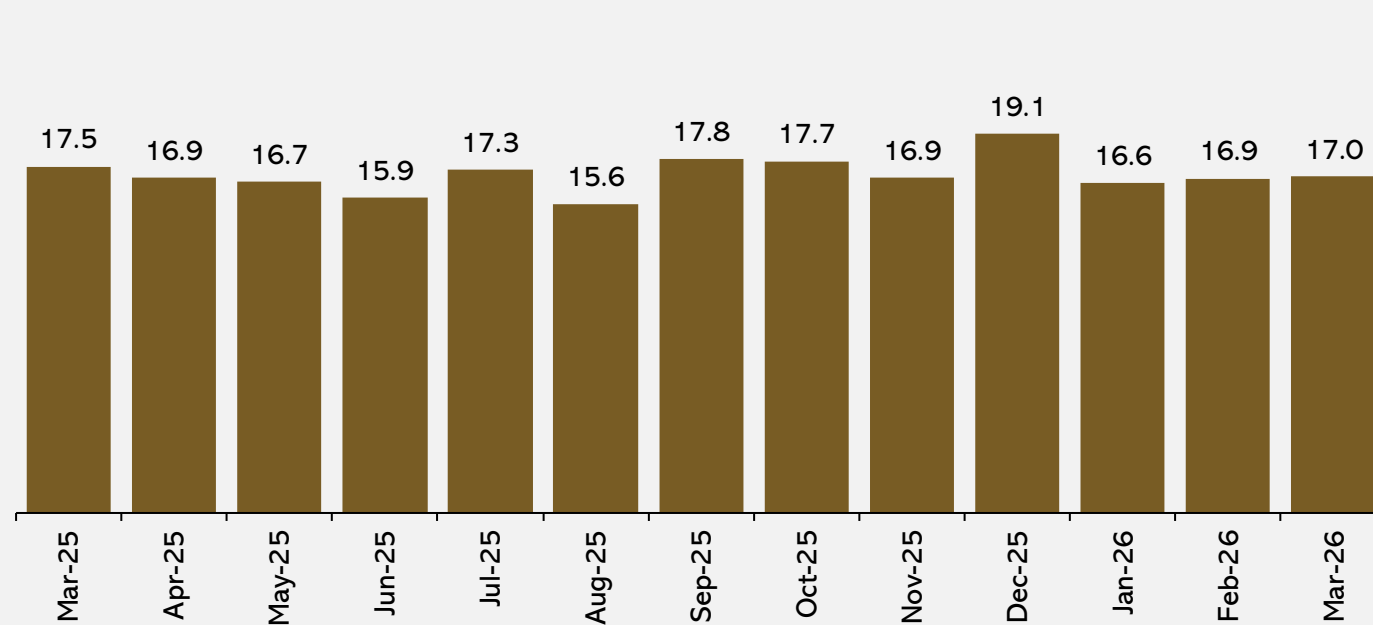
Services Exports, \$bn



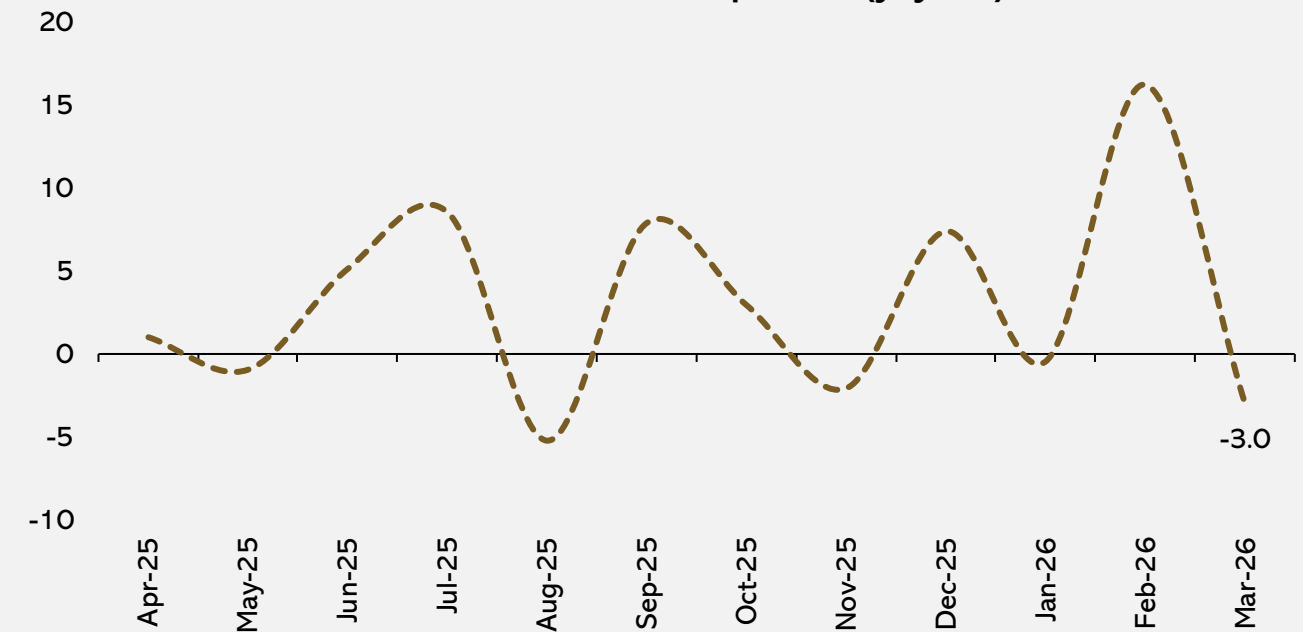
Growth in services exports, (y/y %)



Services Imports, \$bn



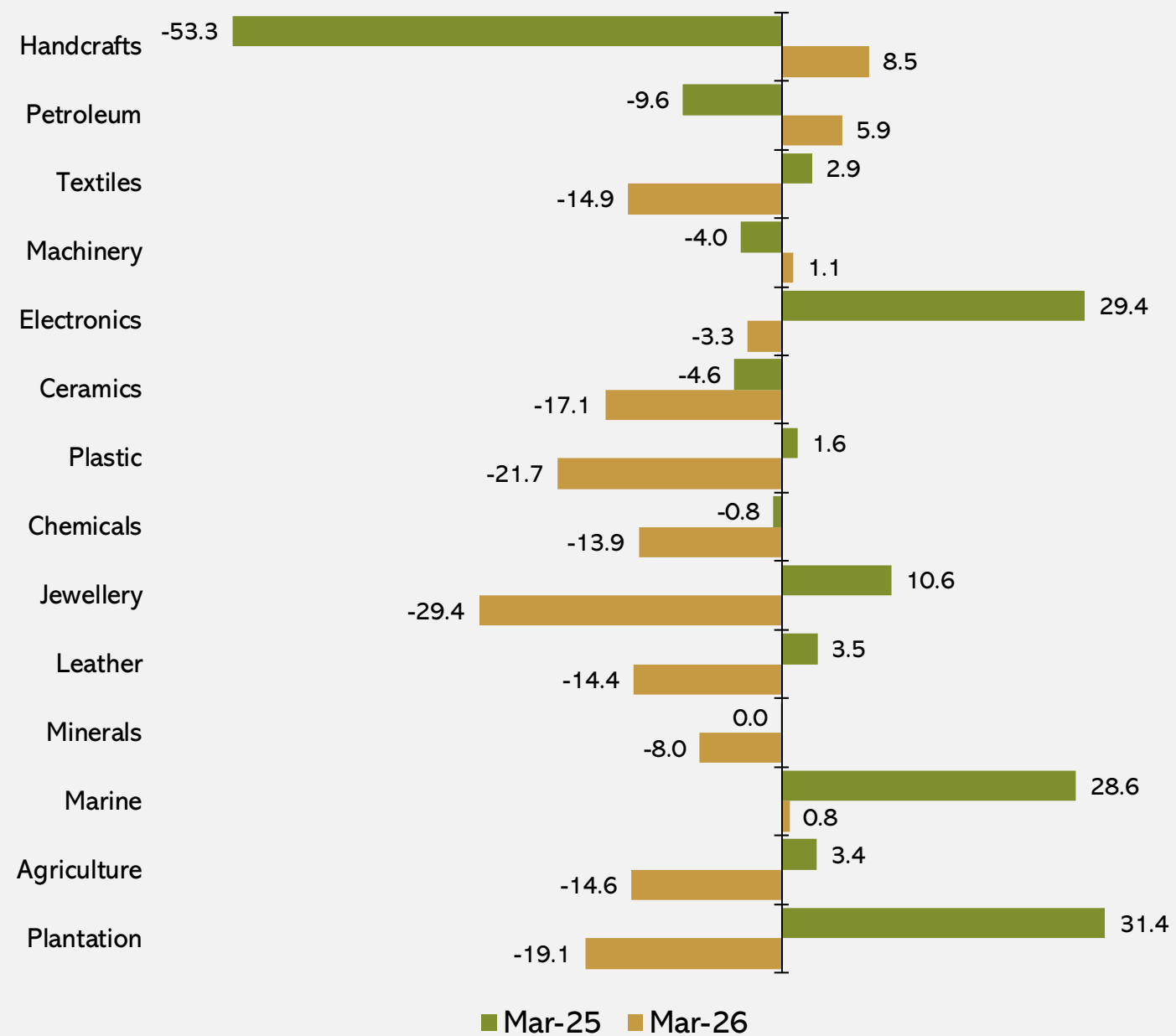
Growth in services imports, (y/y %)



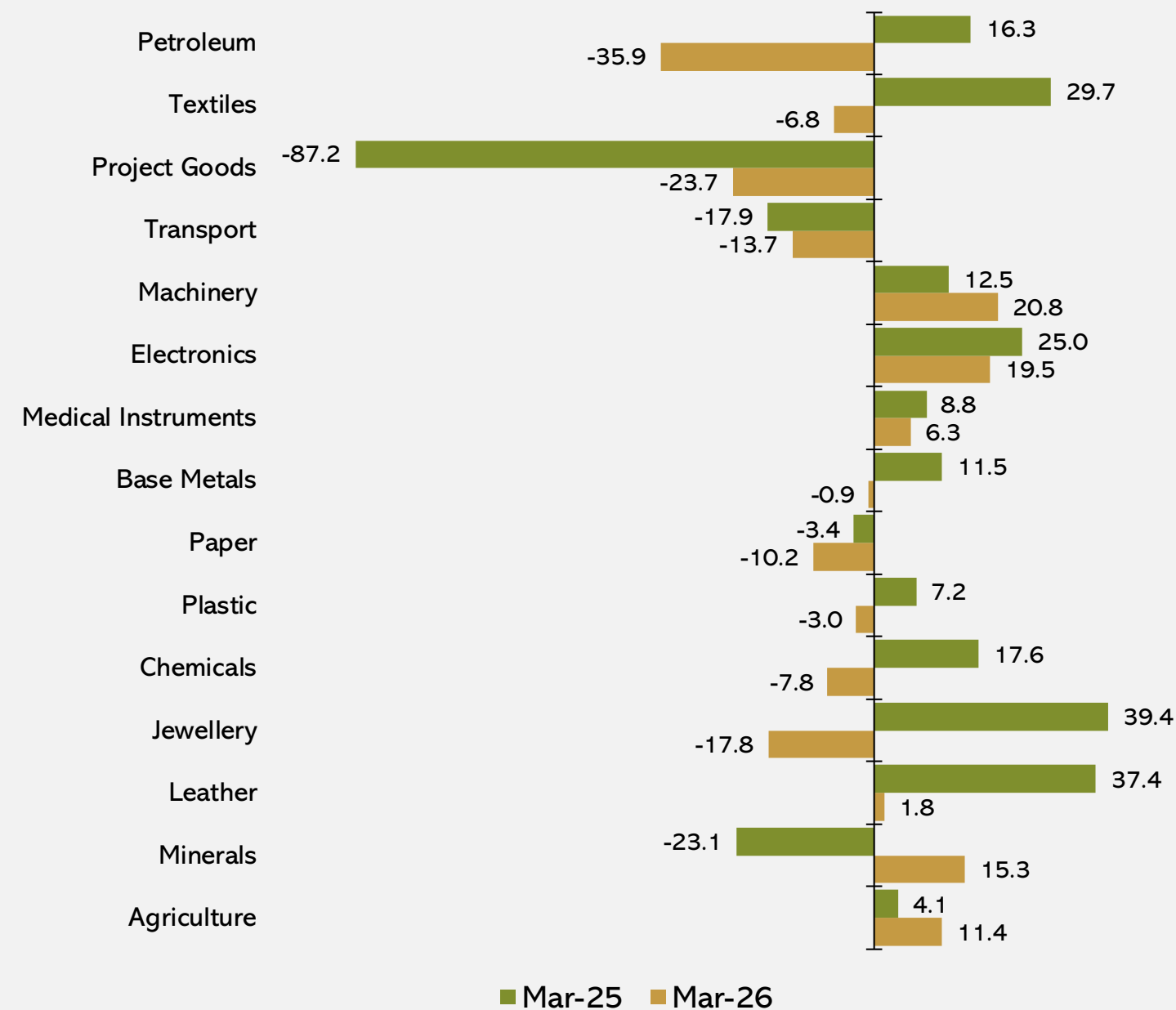
Sectoral Trends

Non-oil exports in Mar'26 were led by engineering goods, mica, coal and other ores, and minerals. However, logistical disruptions caused by geopolitical tensions in the middle-east caused a broad-based decline in exports, including key categories such as electronic goods and gems and jewellery. Non-oil imports growth was led by electronic goods and machinery, while imports of gold dropped on a stronger dollar.

Quick estimates of selected export segments (y/y %)



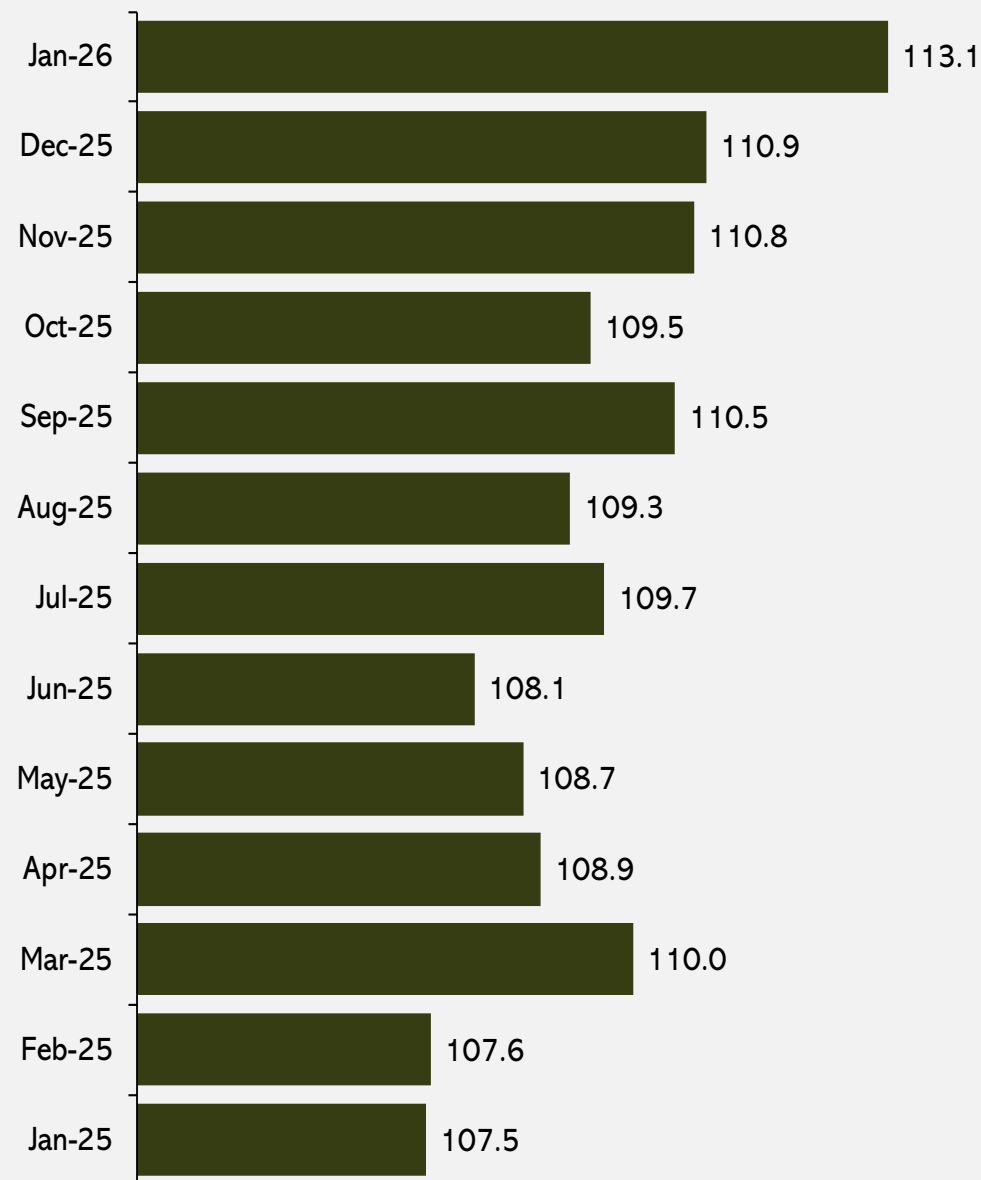
Quick estimates of selected import segments (y/y %)



Global Trade Trends

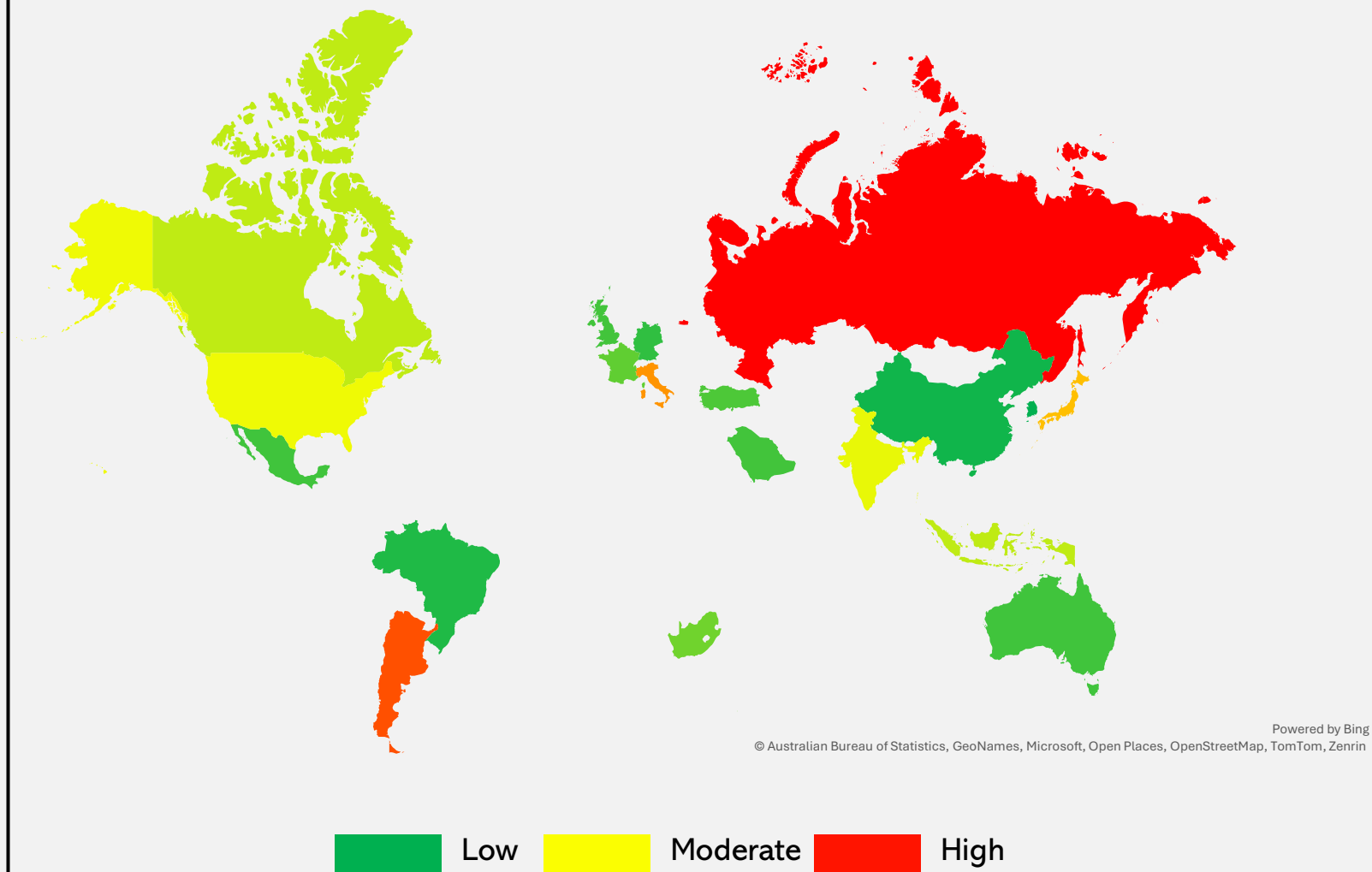
Global merchandise trade improved in Jan'26, per CPB data. Imports rose in the UK, Brazil and East-Asia, while India, the US, and parts of Europe reported declines. Export growth remained concentrated in Asia, led by South Korea, while the US also recorded an uptick. High frequency indicators such as the Baltic Dry Index remained volatile in March due to elevated fuel costs and geopolitical disruptions.

CPB trade volume index



Country	Imports (y/y %)	Exports (y/y %)
Australia	2.6	-2.9
Argentina	-11.8	9.5
Brazil	20.1	10.0
Canada	4.8	-1.1
China	27.8	2.5
EU	-9.5	-10.0
France	1.6	3.8
Germany	0.6	1.7
India	-6.5	-7.4
Indonesia	10.8	1.0
Italy	-7.4	-4.6
Japan	10.3	4.0
Mexico	20.8	15.8
Russia	-9.2	-8.6
Saudi Arabia	6.5	1.4
South Africa	-8.4	3.0
South Korea	13.2	49.2
Turkey	8.4	-6.4
United Kingdom	23.5	-30.0
United States	-12.0	16.4

G20 total trade (exports + imports)



Appendix

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