India's Q2 export-import trade growth slips to 1% from 9%

A mix of global and local factors responsible, says report

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India's containerised trade growth in Q2 2019 slowed to 1% from 9% over the same period last year, according to Maersk India Trade Report.

This was due to a host of international factors such as slowing trade growth, and growing trade tensions, coupled with domestic factors like rural consumer distress, tightening liquidity and a slowdown in key manufacturing sectors, it said.

Combined, these triggers impacted India's economic activity, slowing overall import-export growth, it added. As per the report, west India delivered the highest growth with imports growing at 4% and exports at 11%.

north India delivered 1% growth in imports and a decline of 9% in exports. South India registered 1% import growth and 2% export growth while east India recorded 2% growth in imports and a decline of 1% in exports.

Exports to China fall

"India's exports to China declined by 20%, led by a reduction in demand for India-made textiles and apparel. Imports from China contracted more, by 22%," the report said adding exports to Saudi Arabia have grown by 74% with vegetables and tiles, stone and glass exports from India.

Steve Felder, MD, Maersk South Asia, "Amid increasing global volatility, a slower

local economy and the USA's withdrawal of preferential access for certain Indian products, India's import-export trade is expected to continue to face headwinds in the coming months."

However, the Commerce Ministry's recently proposed export promotion scheme, supported with a production-based support scheme, coupled with a weaker rupee, is expected to boost Make in India and benefit multiple industries, he said.

India's overall trade with North America grew 14%, and with Europe a growth of 10% was witnessed in Q2 2019.

Containerised trade with the Mediterranean countries was flat, primarily due to a 2% reduction in exports.