

Merchandise trade deficit narrowed to five-month low of USD25bn in Nov from record level of USD42bn in Oct

22 December, 2025

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Data highlights

Merchandise trade

- In Nov-2025, India's goods deficit narrowed to USD24.5bn from USD41.7bn in Oct-2025. In terms of sequential and year-on-year change, imports fell, while exports posted double-digit growth. Base effect was positive for exports and mildly unfavorable for imports.
- The moderation in deficit was across key groups of oil, gems and jewellery, and core goods but over 70% of narrowing vis-à-vis Oct was due to lower gap in gems and jewellery trade. In Apr-Nov FY26, goods deficit was at USD223bn vs. USD203bn in FYTD-FY25.

Merchandise exports

- Exports were at USD38.1bn in Nov vs. USD34.4bn in Oct (+19.4%YY, +11.0%MM). Of 30 main groups, exports increased year-on-year in 25 vs. 6 in Oct. There was double-digit year-on-year growth in key categories of core goods, oil, and gems and jewellery.

Merchandise imports

- Imports were at USD62.7bn in Nov vs. USD76.1bn in Oct (-1.9%YY, -17.6%MM). Of 30 main groups, imports fell year-on-year in nine vs. 11 in Oct. The decline in gold and oil imports more than offset the continued double-digit growth in core imports (non-oil, non-gold).

Services trade

- Services surplus rose to USD17.9bn from USD17.4bn in Oct. Exports grew at faster rates than imports, both sequentially and year-on-year. Favorable base effect lifted year-on-year exports growth to double digits, while flat base effect led to higher year-on-year imports growth vis-à-vis Oct amid positive sequential growth.
- Services exports amounted to USD35.9bn vs. USD35.2bn in Oct (+11.7%YY, +2.0%MM). Services imports were at USD18.0bn vs. USD17.7bn in Oct (+4.1%YY, +1.3%MM).
- In Apr-Nov FY26, services trade surplus improved to USD134bn from USD116bn in FYTD FY25. Both exports and imports growth moderated year-on-year vis-à-vis Apr-Nov FY25, with exports growth exceeding that of imports in FYTD FY26.

Total trade

- Due to narrowing of goods trade deficit and an increase in services trade surplus, total deficit moderated to USD6.6bn from USD24.3bn in Oct-2025. In Apr-Nov FY26, total trade deficit was slightly steeper at USD89bn vs USD87bn in FYTD FY25.

Additional highlights and outlook

- **Economy-wise details:** Data for Apr-Oct FY26 shows that India's trade deficit stayed the steepest vis-à-vis China (USD64bn), followed by Russia (USD33bn) and the UAE (USD18bn). The gaps vis-à-vis China and the UAE widened, but narrowed vis-à-vis Russia. Electronic parts, telecom devices were key imports from China. Despite falling year-on-year, crude oil remained the main import from Russia amid surge in oil imports from the US.

  Initial data for Nov-2025 shows that the US, China and Spain were top export destinations for India, while fall in imports from Switzerland, Saudi Arabia and the UAE dragged overall imports. Detailed data till Oct-2025 shows that petroleum products and telecom devices were among main exports to China and Spain. There were declines in petroleum product imports from Saudi Arabia and the UAE, and also lower gold imports from Switzerland.

- **India-US trade:** In Nov-2025, India-US trade surplus was slightly lower at USD1.7bn vs. USD1.8bn in the previous month. Exports rebounded year-on-year after contracting in Sep-Oct, while imports growth was more than 2.5x in Oct-2025. In terms of sequential change, both exports and imports posted double-digit growth for second straight month, with imports growth outpacing that of exports – a reversal from the trend in Oct-2025.

  In FYTD terms, trade surplus between the two economies rose to USD24bn from USD22bn in Apr-Nov FY25, reflecting the impact of frontloading of exports ahead of 50% US tariffs imposition from end-Aug. Data till Oct-2025 shows that telecom instruments and pharmaceuticals topped the list of exports to the US, while crude oil imports rose sharply, as noted earlier.

- **Outlook:** India's trade data has exhibited volatility in recent months. After frontloading of exports to the US in H1-FY26, the impact of high US tariffs has started to reflect in data, even as India continues to work its way to diversify its export market by signing deals with various economies such as the recently signed pacts with Oman and New Zealand. The outlook remains clouded not only by the impending US-India trade deal but also the uncertainty around direction, timing and the extent of impact these deals could materially have on India's trade.

  In its recent outlook update, the UNCTAD noted that even as global trade continued to expand in H2-2025, the momentum slowed amid high trade imbalances and geopolitical fragmentation, marked by friendshoring and nearshoring. Despite these issues, global trade is slated to hit record USD35tn in 2025, led by developing economies and driven by higher volumes, particularly in H2. In another report, the WTO noted (based on data till end-2024) that global value chains were reconfiguring to meet new economic, political and social priorities.

Goods trade deficit narrowed to USD25bn in Nov from record level of USD42bn in Oct, as imports fell and exports grew

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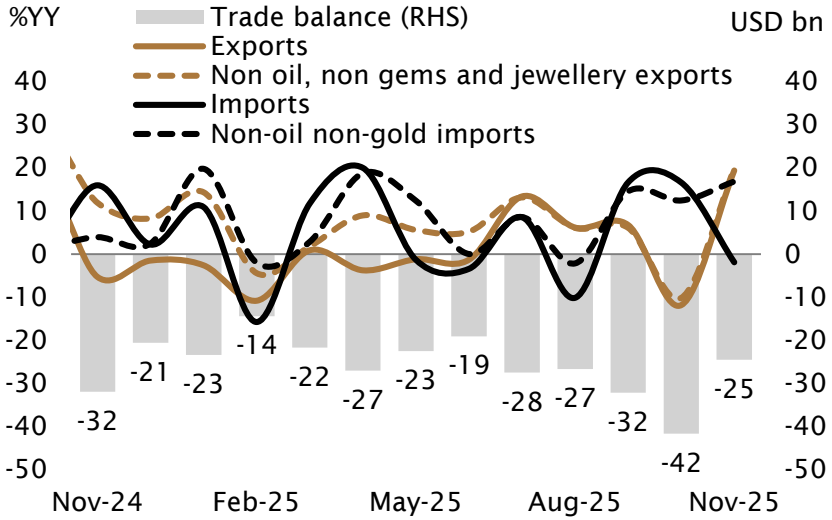
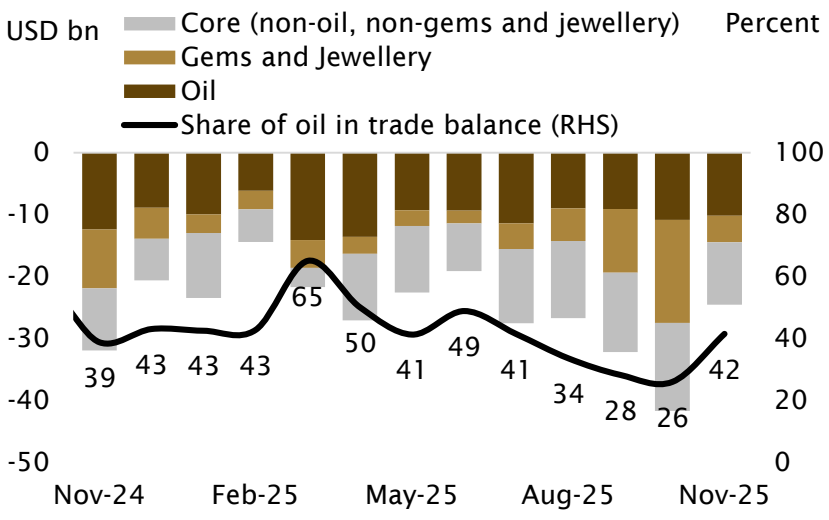
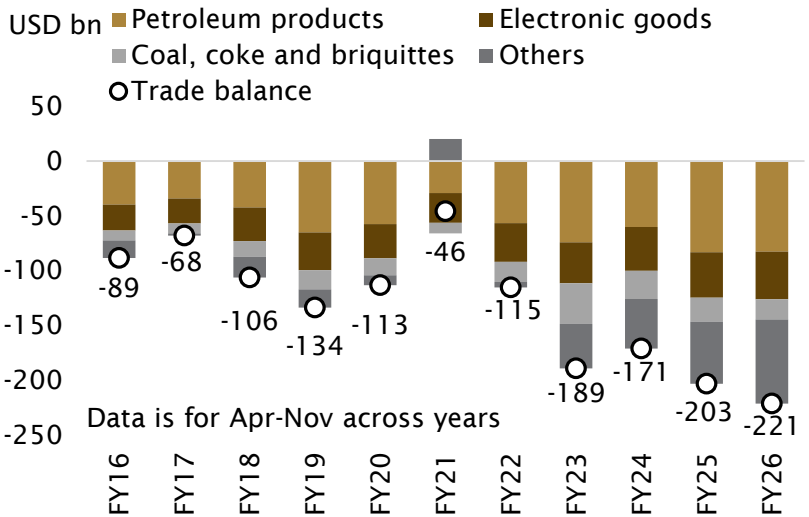
Fall in imports, surge in exports (both y-o-y, m-o-m) led to narrowing of trade deficit to USD24.5bn from USD41.7bn in Oct

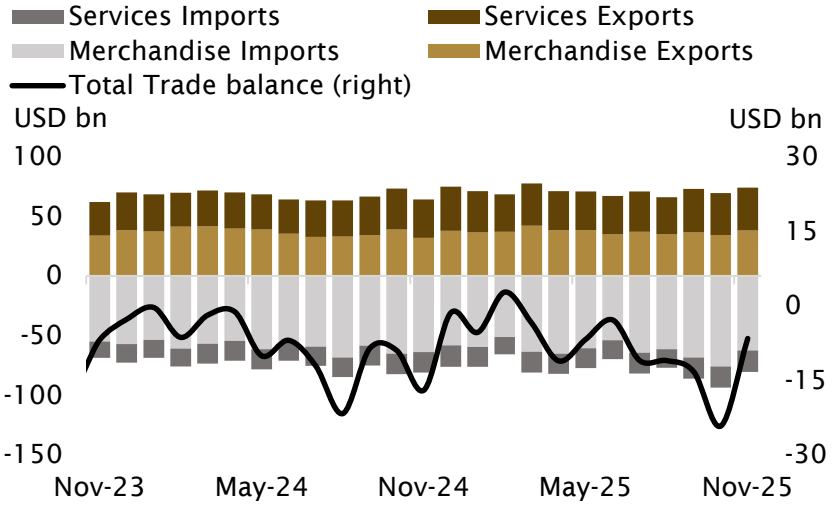




Goods deficit widened Apr-Nov FY26 vs previous years

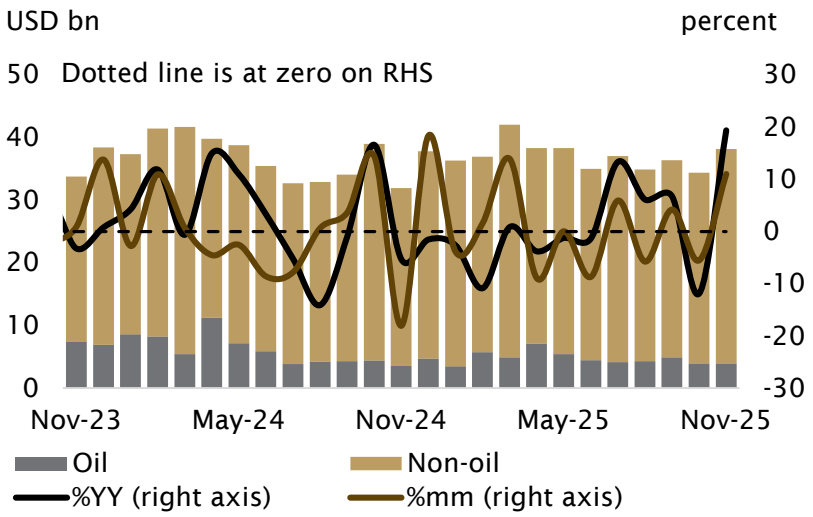


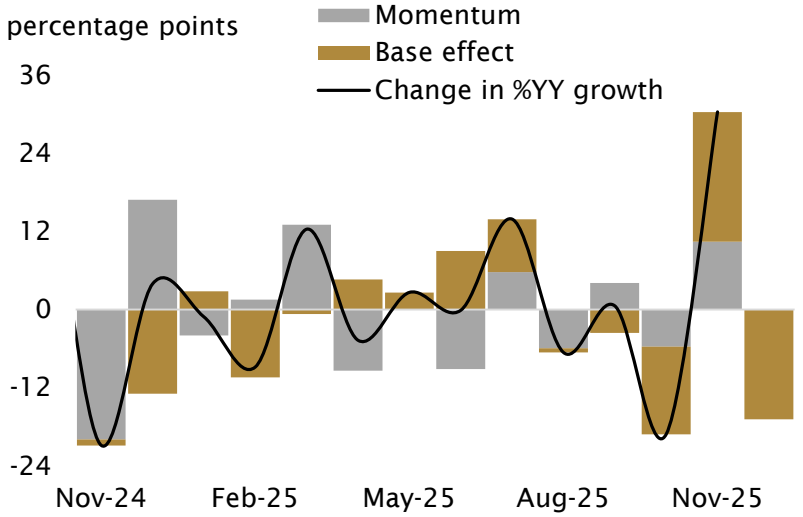
Total deficit (goods + services) moderated in Nov



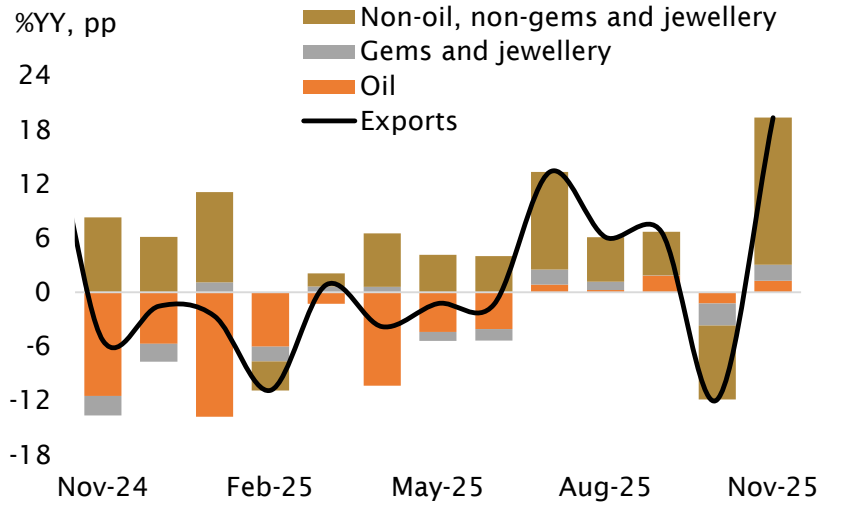
Exports increased year-on-year across key groups of core, gems and jewellery, and oil

Exports posted double-digit year-on-year growth, aided by favorable base effect and month-on-month momentum

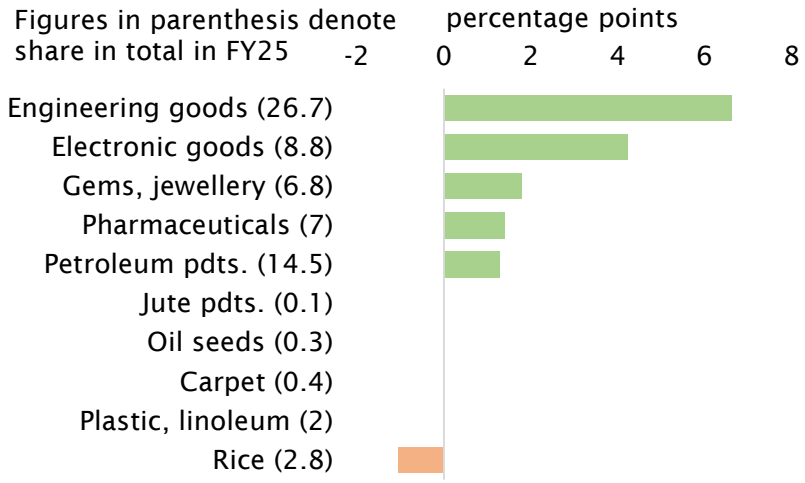




Exports increased y-o-y across key groups



Contribution to exports growth – Nov 2025



Despite double-digit year-on-year growth in core imports, total imports fell, dragged by declines in gold and oil imports

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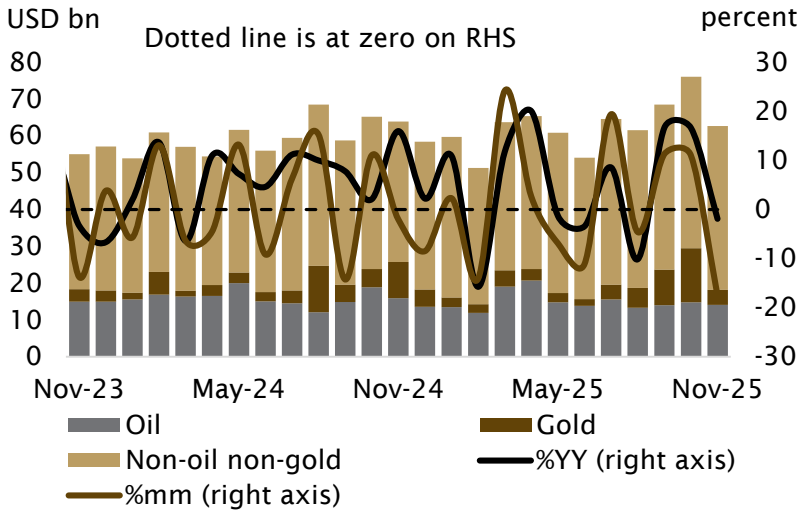
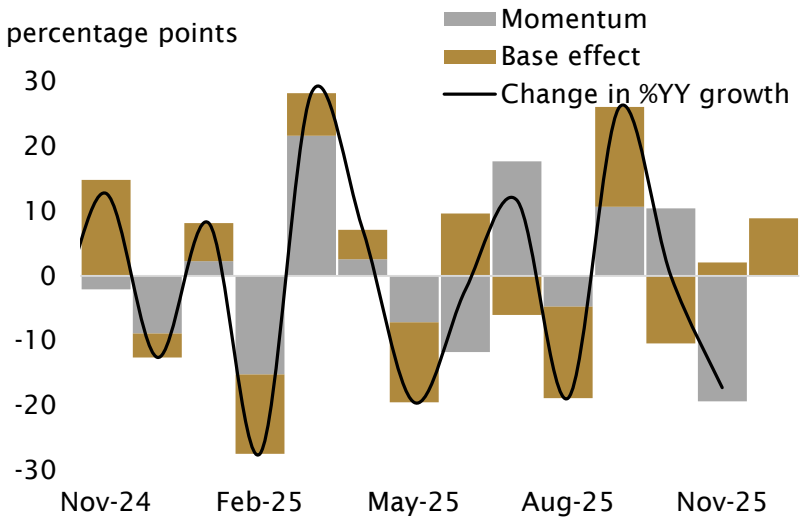
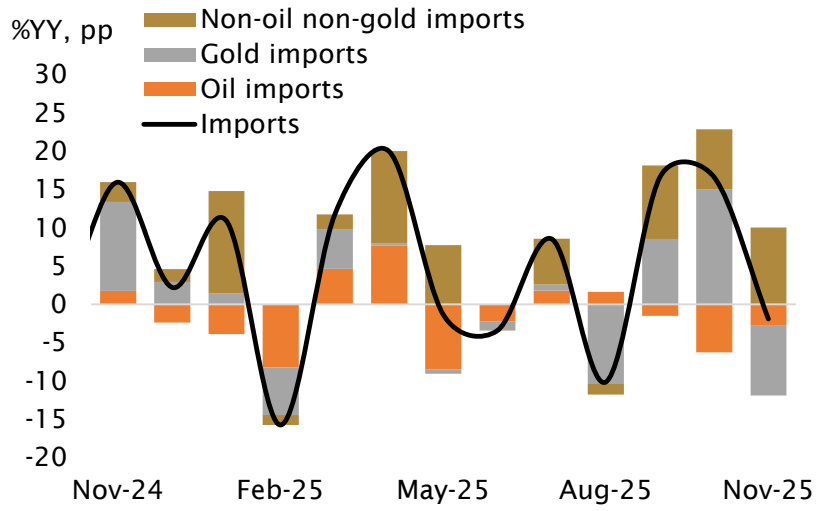
Imports fell year-on-year due to double-digit month-on-month decline, offsetting mildly unfavorable base effect

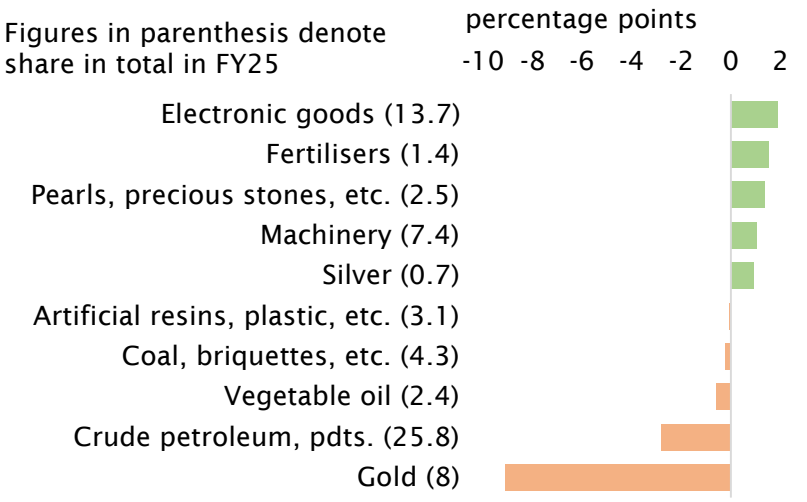




Decline in gold, oil imports offset higher core imports

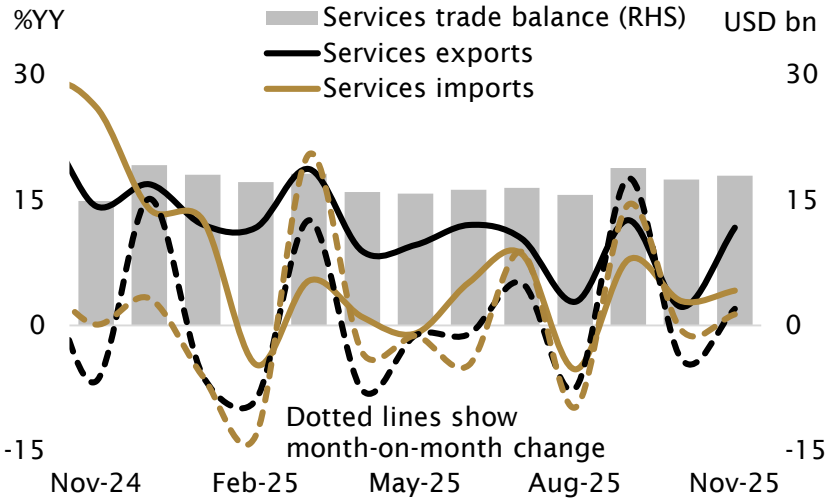


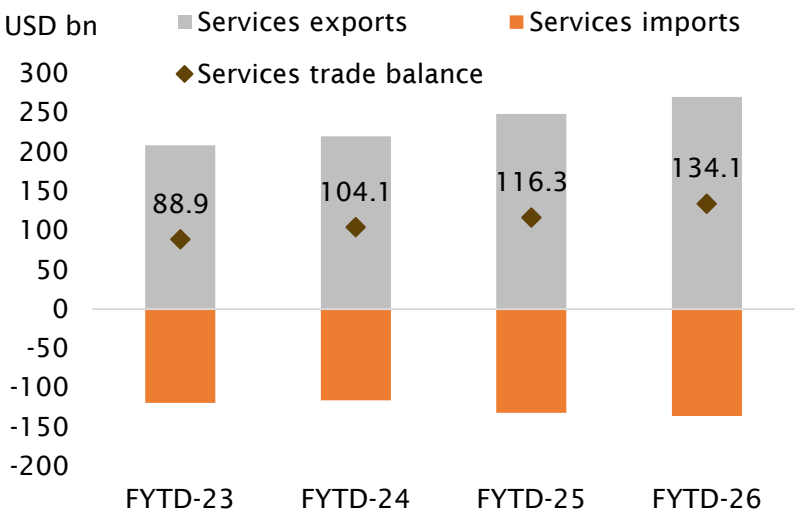
Contribution to imports growth – Nov 2025



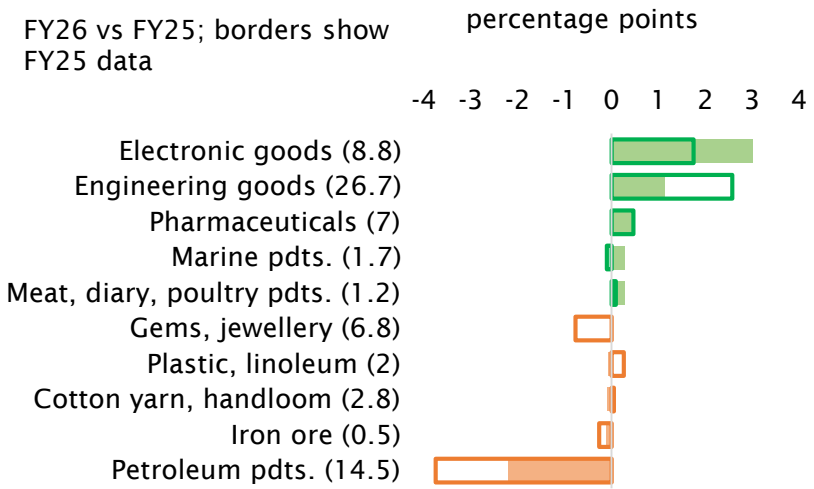
Services trade surplus improved in Nov vis-à-vis Oct amid higher exports growth (both y-o-y and m-o-m) than imports

Services exports growth exceeded imports both sequentially and y-o-y, FYTD surplus continued to improve year-on-year

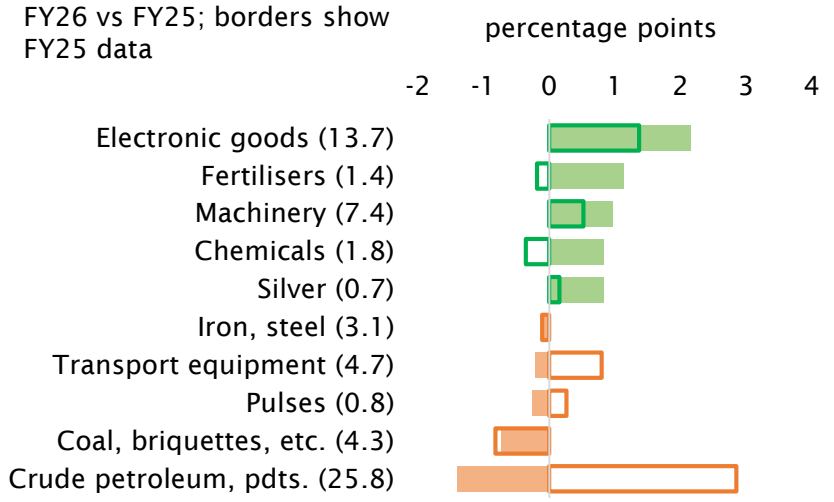




Contribution to %YY goods exports growth – Apr-Nov



Contribution to %YY goods imports growth – Apr-Nov



Goods trade deficit remained the steepest vis-à-vis China in Apr-Oct; share of imports from the US surpassed Russia in Nov

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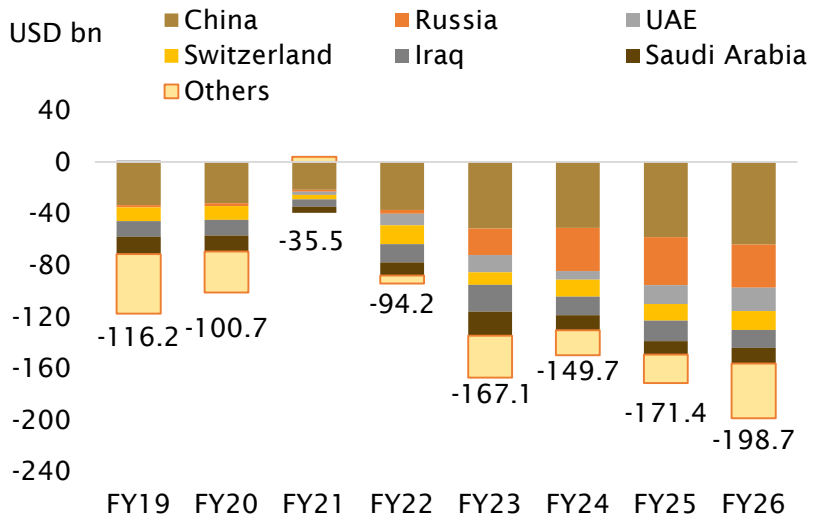
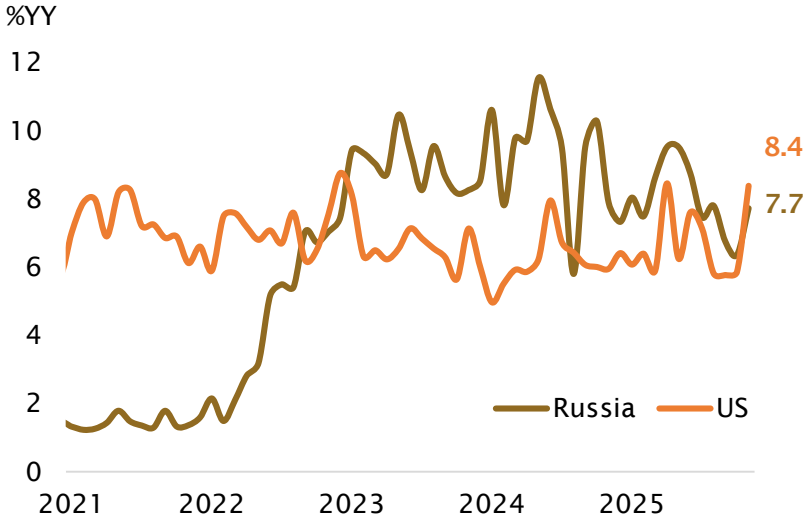
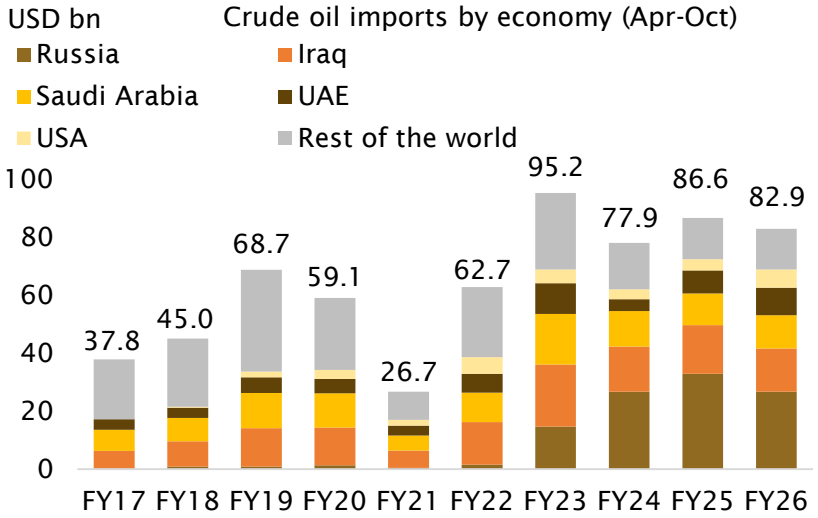
Trade deficit by economy – fiscal year-to-date (Apr-Oct)

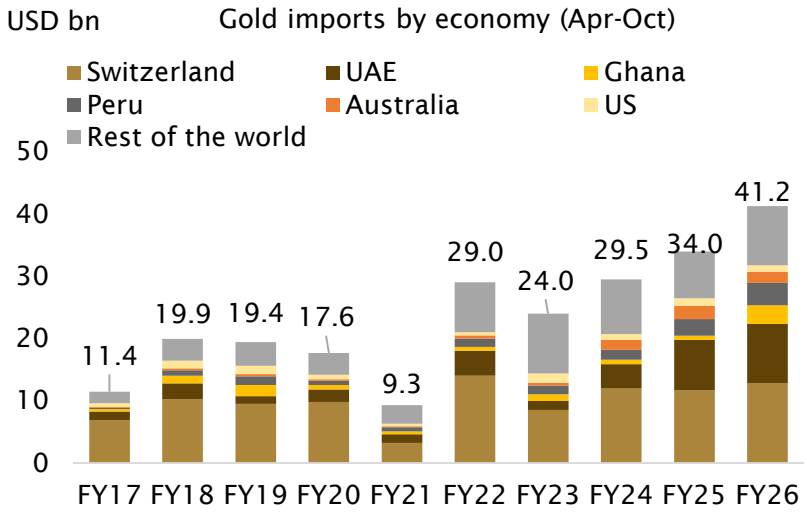


Share of economy in India's merchandise imports



Share of oil imports from Russia, gold imports from Switzerland moderated in Apr-Oct FY26 but remained above 30%





Decline in imports from Switzerland was the main drag on overall imports; exports to the US rebounded after contracting in Sep-Oct

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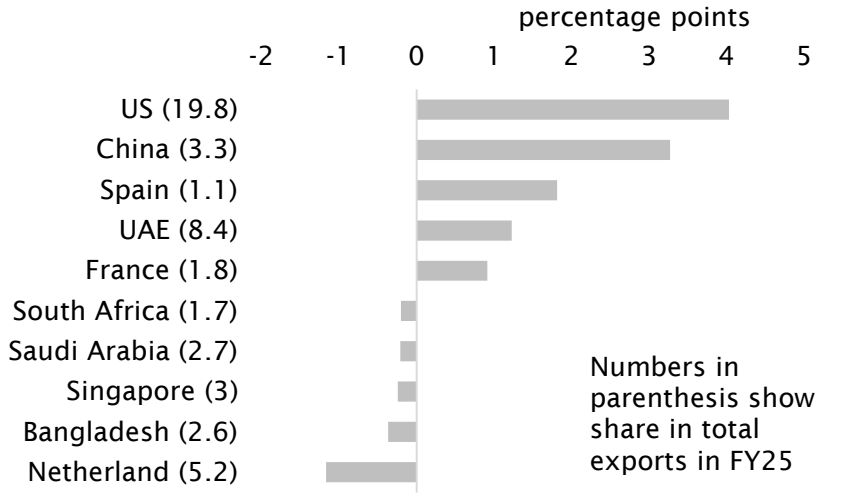
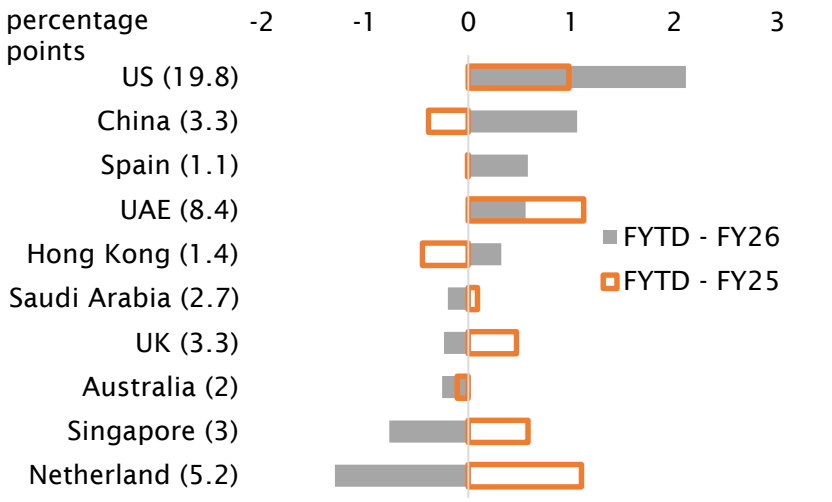
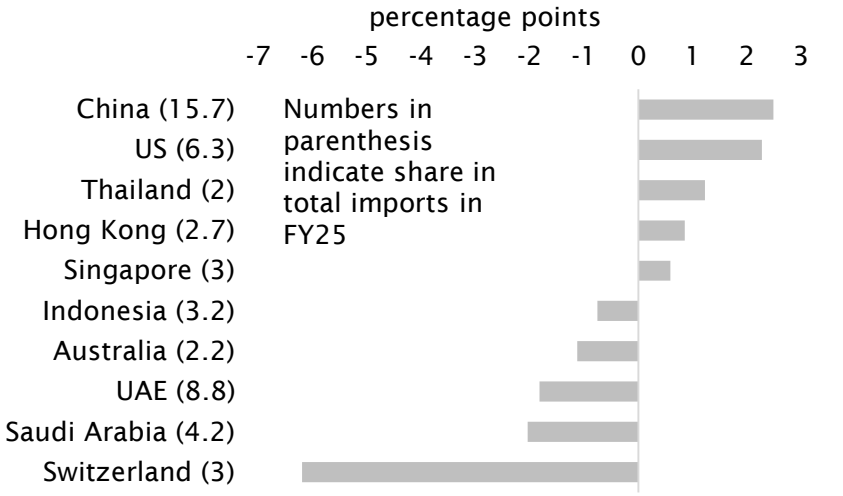
Contribution to year-on-year export growth – Nov 2025



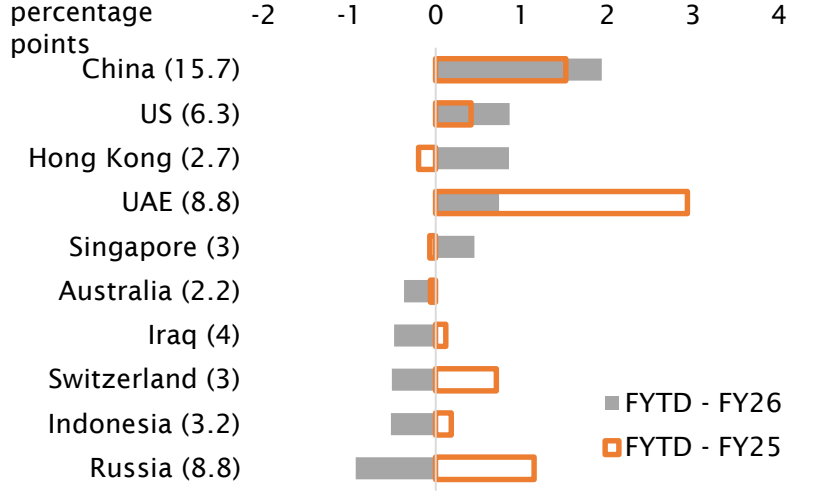
Contribution to y-o-y export growth – Apr-Nov FY26



Contribution to year-on-year import growth – Nov 2025

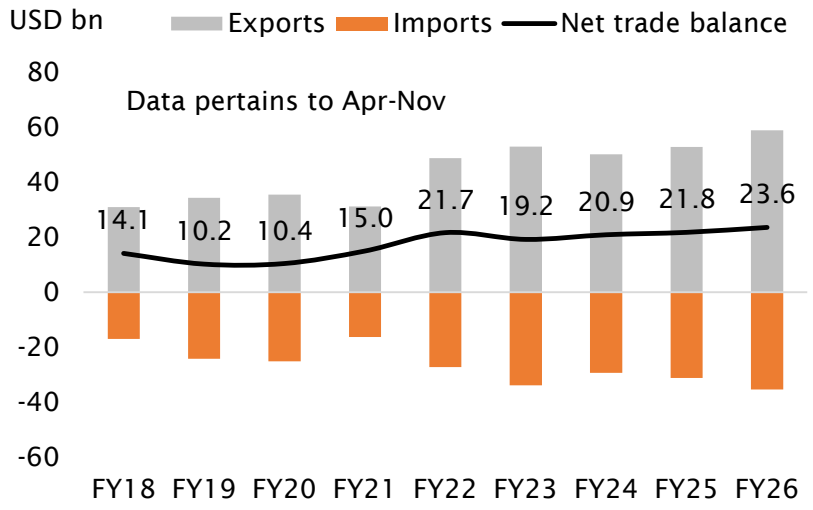


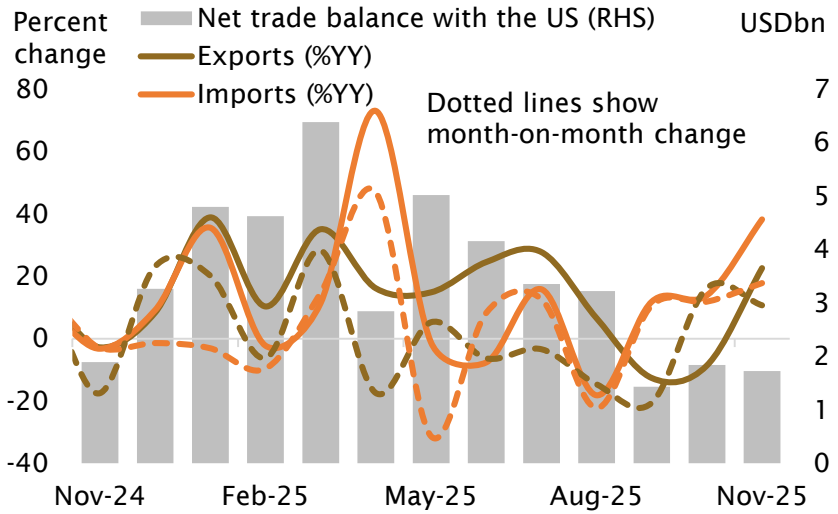
Contribution to y-o-y import growth – Apr-Nov FY26



India-US trade surplus continued to show improvement FYTD due to frontloading of exports ahead of tariffs imposition

India-US trade surplus eased in Nov, as imports growth exceeded that of exports both sequentially and year-on-year

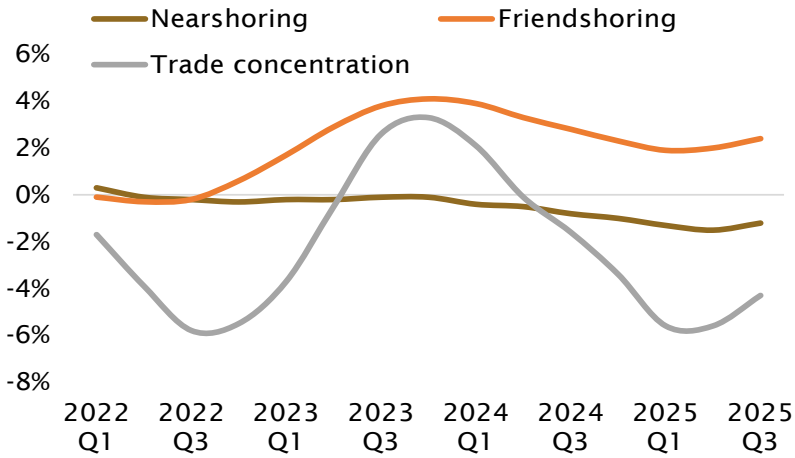




Global trade expected to have slowed in H2-2025; uptick in friend-shoring, nearshoring, and trade concentration in Q3



Source: WTO



Note: Annual changes are measured as deviation from baseline index of 2021. Source: UNCTAD

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