

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

LOK SABHA
UNSTARRED QUESTION NO. 697
TO BE ANSWERED ON DECEMBER 12, 2022

CURRENT ACCOUNT DEFICIT

697. Shri Dayanidhi Maran

Will the Minister of FINANCE be pleased to state:

- (a) the details of the country's Current Account Deficit (CAD) and the major factors behind it;
- (b) whether the Government has conducted any analysis or prepared reports on the said issue of CAD and if so, the details and the outcome thereof;
- (c) the list of net imports, net exports, and trade deficit for the last seven fiscal years, country-wise;
- (d) whether any analysis or report has been prepared or is available with the Government on the trade deficit with China and if so, the details and the outcome thereof;
- (e) the details of the country's net imports and exports itemised quarter-wise for the last seven fiscal years;
- (f) the details of the various sectors of the goods and services industries responsible for high imports and exports; and
- (g) whether the Government has held consultations with the industries and stakeholders regarding the issue and if so, the details thereof?

ANSWER

THE MINISTER OF STATE FOR FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) The trend in the movement of India's current account balance is as below:

	Current Account Balance (In US\$ billion)	Current Account Balance (As per cent of GDP)
2019-20	-24.6	-0.9
2020-21	24.0	0.9
2021-22	-38.7	-1.2
2021-22:Q1	6.6	0.9
2022-23:Q1	-23.9	-2.8

Note: (-) indicates current account deficit. **Source:** RBI.

India's current account balance recorded a deficit of US\$ 23.9 billion (2.8 per cent of GDP) in Q1:2022-23, largely due to the widening of the merchandise trade deficit to US\$ 68.6 billion and an increase in net outgo of investment income payments.

(b) Government's endeavour has always been to ensure macroeconomic stability, which involves seeking high growth in GDP, maintaining low inflation, and ensuring a manageable current account deficit. Government implements policies for achieving such outcomes and reviews the progress from time to time.

(c) & (e): The country-wise and item-wise list of net imports, net exports and trade deficit can be accessed at the website of the Department of Commerce, Ministry of Commerce and Industry, at: <https://commerce.gov.in/trade-statistics/>.

(d) The Government is regularly monitoring the trade deficit situation, including with respect to China.

(f) Commodities which are the largest imports and exports of India, as per trade data for April-Sept 2022 available with the Department of Commerce, are as under:

Rank	EXPORTS		IMPORTS	
	Exported products (HS 2 digit)	% share in total exports of India	Imported product (HS 2 digit)	% share in total imports of India
1	Mineral Fuels, Mineral Oils and Products of Their Distillation; Bituminous Substances; Mineral Waxes.	22.8	Mineral Fuels, Mineral Oils and Products of Their Distillation; Bituminous Substances; Mineral Waxes.	38.5
2	Natural Or Cultured Pearls, Precious or Semiprecious Stones, etc.	8.9	Natural Or Cultured Pearls, Precious or Semiprecious Stones, etc.	11.3
3	Nuclear Reactors, Boilers, Machinery and Mechanical Appliances; Parts thereof.	5.8	Electrical Machinery and Equipment and Parts thereof; etc.	8.9
4	Electrical Machinery and Equipment and Parts Thereof; etc.	5.6	Nuclear Reactors, Boilers, Machinery and Mechanical Appliances; Parts Thereof.	7.2
5	Organic Chemicals	4.9	Organic Chemicals	4.2

The top imports and exports of services, for the period April-June, 2022, based on data from RBI, are as under:

Rank	Exported services	% share in total exports of India	Imported services	% share in total imports of India
1	Telecommunications, computer, and information services	46.68	Other business services	31.77
2	Other business services	23.33	Transport	26.16
3	Transport	12.95	Travel	13.99
4	Travel	6.18	Telecommunications, computer, and information services	9.85
5	Others n.i.e.	4.12	Charges for the use of intellectual property n.i.e.	5.00

(g) Yes Sir. Consultations with Export Promotion Councils (EPCs) and stakeholders are held on a regular basis to get their perspectives on the situation of international trade and policy suggestions to further facilitate trade.
