

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT OF COMMERCE

LOK SABHA
UNSTARRED QUESTION NO. 2758
ANSWERED ON 16/12/2025

INCREASING TRADE DEFICIT

2758. SHRI BRIJENDRA SINGH OLA:

Will the Minister of **COMMERCE & INDUSTRY** (वाणिज्य एवं उद्योग मंत्री) be pleased to state:

- (a) whether trade deficit of India has increased recently;
- (b) if so, the main reasons therefor particularly as services exports registered a decline of 5.5% during September 2025 along with the details thereof; and
- (c) the volume of import and export with China during the last five years including the current year along with the year-wise and percentage comparisons for the last five years, including the current year?

ANSWER

वाणिज्य और उद्योग मंत्रालय में राज्य मंत्री (श्री जितिन प्रसाद)
THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY
(SHRI JITIN PRASADA)

- (a) India's export performance continues to reflect resilience amid persistent global uncertainty, geopolitical volatility, and uneven demand across major markets. Electronic goods, Agriculture-related categories such as other cereals, meat, dairy & poultry products, tea, marine products, coffee, rice, and fruits & vegetables are some of the sectors delivering strong expansions. Merchandise imports growth has been driven significantly by higher inbound shipments of gold and silver. Gold imports increase is led by significant increase in unit price. Significant increase in Silver import is attributed to increase in international price of silver and also due to increased industrial demand in sectors like Solar Panels, Electronics, Electric Vehicles and Pharma. These factors collectively led to an increase in trade deficit.

India's trade deficit remains comfortably manageable when viewed against the country's substantial foreign exchange reserves. Moreover, India is currently the fastest growing among major economies and that growth pattern naturally affects its trade dynamics. India's rapid economic growth is pushing up import demand as faster growth increases the need for machinery, electronics, industrial inputs and energy. As a result, strong domestic demand, investment-led expansion, and heavy energy dependence combine to make higher growth translate into higher

imports, for sustaining manufacturing expansion and India's integration into global value chains.

(b) As per the latest available data by RBI, services exports have shown a positive growth of 12.5% during September 2025 over September 2024, and not a decline as stated. It is further to be noted that the Quarterly Balance of Payments (BoP) statistics released by RBI come with a time lag of approximately three months and the figures are subject to revision once the quarterly data is released.

(c) It may be noted that volume-based aggregated trade data with China is not available. DGCI&S provides value-based aggregated data and volume at HS/PC levels as available with different units. Since the commodities are measured in different units, aggregate volume data cannot be provided. Hence, the information sought in terms of "volume" of imports and exports is not available in the form requested.

In terms of value, India's trade with China is as given below:

India's trade with China in last 5 years (US\$ billion) in value terms:

Year	Merchandise Exports	Growth %	Merchandise Imports	Growth %
2020-21	21.19	27.53	65.21	-0.07
2021-22	21.26	0.36	94.57	45.02
2022-23	15.33	-27.90	98.51	4.16
2023-24	16.67	8.70	101.74	3.28
2024-25	14.25	-14.49	113.45	11.51
Apr-Oct 2025	10.02	24.58	73.99	11.89

Source: DGCI&S
