



Asian Exporters' Chamber *Of* Commerce and Industry

**AECCI**

# VIEWPOINT

Stay Informed, Stay Ahead!

WWW.AECCI.ORG.IN

WWW.AECCI.ORG.IN

TODAYS LATEST INSIGHTS





# AECCI DIGITAL LIBRARY

**Viewpoint** is published every day, providing up-to-date news on bilateral relations, industry developments, opinions from industry leaders, and other relevant information.

**Weekly Viewpoint** is published every week and covers the latest news and developments in the industry, including insightful opinions and analysis.

**Newsletter** is published quarterly and provides a comprehensive roundup of industry news, analysis, and insights. This publication also includes feature articles, photos, and event information from around the world.

Each issue of AECCI Viewpoint, AECCI Weekly Viewpoint, and AECCI Newsletter is distributed to lakhs of individuals, and the publications are also archived on our website for easy access.



Our Featured Business Stories package includes professionally written, full-page articles that effectively showcase your business. The package also includes a full-page story advertorial in Connections, a quarter-page ad in the following issue, and a month-long business highlight in The Chamber's weekly e-newsletter.



Are you interested in featuring your brand on a website's full page?

Are you interested in generating leads through AECCI Viewpoint, a daily news publication?

Are you interested in reaching your audience through our AECCI weekly newsletter?

Would you like to feature your brand in our annual magazine, which has a readership of hundreds of thousands?

**"AECCI ADVERTISEMENT - Your Ultimate Answer for Advertising Solutions"**

+91-8433720996

www.aecci.org.in

info@aecci.org.in

CONTACT US

# INDIA HAS PROVEN ITS RESILIENCE AS A TRADING NATION IN RECENT TIMES

**R**

ecently, India released its trade statistics for the month of February. We have data for the first 11 months of the financial year 2022-23 (FY23). The

combined value of our exports of goods and services is a little over \$700 billion. Based on current trends, the number will cross \$750 billion or three-quarters of a trillion for the entire financial year. The value of goods and service imports was \$817.5 billion for the same period. The combined value of exports and imports of goods and services for FY23 will likely

exceed \$1.6 trillion. With the likely size of India's nominal GDP at the end of FY23 around \$3.4 trillion, India's overall trade-to-GDP Ratio (TGR) is likely to be around 47%. Does this suggest that India has become more open in FY23 than in the recent past? The answer is 'no' because India did not become less open in recent years, as several commentators claim.

India's growth continues to be resilient despite some signs of moderation in growth, says the World Bank in its latest India Development Update, the World Bank India's biannual flagship publication. The Update notes that although significant challenges remain in the global environment, India was one of the fastest growing economies in the world. The overall growth remains robust and is estimated to be 6.9 percent for the full year with real GDP growing 7.7 percent year-on-year during the first three quarters of fiscal year 2022/23. There were some signs of moderation in the second half of FY 22/23. Growth was underpinned by strong investment activity bolstered by the government's capex push and buoyant private consumption, particularly among higher income earners. Inflation remained high, averaging around 6.7 percent in FY22/23 but the current-account deficit narrowed in Q3 on the back of strong growth in service exports .



# IRAN INSISTS INDIA TO USE RUPEE & RIAL IN BILATERAL TRADE

Tehran nudged New Delhi to use respective national currencies, Rupee and Rial, for settling payment in bilateral trade, as Prime Minister Shri Narendra Modi's National Security Advisor, Ajit Doval, had a meeting with Ali Shamkhani, his counterpart in the Government of Iran, on Monday. Shamkhani told Doval that the use of national currencies in bilateral trade between Iran and India would help the two countries reach their joint economic objectives, according to the official news agency of the Islamic Republic in the Persian Gulf.

Sources told in New Delhi that the Indian and the Iranian NSAs had also discussed bilateral energy cooperation, including the possibility of India resuming the import of crude oil from Iran. India had completely stopped buying crude oil from Iran by June 2019 after the then United States President Donald Trump's administration had reimposed sanctions on the West Asian nation. The Trump Administration's move against Iran followed its withdrawal from the July 2015 agreement between Tehran and the five permanent members of the United Nations Security Council – United States, United Kingdom, France, Russia and China – as well as Germany and the EU. The volume of India's imports from Iran had dropped from \$13.52 billion in 2018-2019 to just \$1.39 billion in 2019-20 and to \$0.33 billion in 2020-21.


India, however, continued its trade and economic engagements with Russia, defying the sanctions the US and the other Western nations imposed over the former Soviet Union nation after President Vladimir Putin ordered the launch of "special military operations" in Ukraine. Moscow and New Delhi had worked out a Rupee-Rouble arrangement for settling payments in bilateral trade. However, the banks in India remained wary of getting into any kind of financial transactions with entities in Russia.






# HEADLINES

- India's industrial production averaged 6.05 percent between 1994 and 2022, reaching an all time high of 133.50 percent in April of 2021 and a record low of -57.30 percent in April of 2020.
- The World Bank has revised its FY23/24 GDP forecast to 6.3 percent from 6.6 percent (December 2022). Growth is expected to be constrained by slower consumption growth and challenging external conditions.
- The central government is likely to meet its fiscal deficit target of 5.9 percent of GDP in FY23/24 and combined with consolidation in state government deficits, the general government deficit is also projected to decline.
- The volume of Indias import from Iran has dropped from \$13.52 in 2021-22

Get your **e-CO(NP)** within Minutes!



**BEFORE**   **AFTER** 

Enjoy completely **Paperless e-Stamping & Attestation Facility** through **AECCI's e-Platform**.

- No Printing.
- No Scanning.
- No Long Wait Times.
- Submit your e-COO within minutes.
- Track your Documents via your Phone/PC.

**Register Today!**

Call us on +91- 8433720996, or mail us at [info@aecci.org.in](mailto:info@aecci.org.in)

ASIAN EXPORTERS' CHAMBER OF COMMERCE & INDUSTRY, 604 | 6TH FLOOR | HILTON CENTER | PLOT NO.66 | SECTOR NO.11 | CBD BELAPUR | NAVI MUMBAI-400614 | MAHARASHTRA-INDIA

# INDIA'S MERCHANDISE IMPORTS CONTINUE TO GROW BIG

Prime Minister Narendra Modi's initiative to substantially boost India's manufacturing industry has impacted little on the country's growing dependence on merchandise imports and large trade deficits. It is no wonder that the government and its commerce minister say little on the country's growing annual merchandise imports bill and trade deficit while highlighting its export growth. The steady domestic demand amidst the global slump has hardly pushed up local production and investment in manufacturing. Instead, it seems to be helping foreign producers dump their products into India. Strong industrial and foreign trade policies could stem the rot.

The government needs to work with industry to formulate such policies. There is no target before the government for achieving a zero balance of trade, if not a trade surplus, in the near future. India's foreign trade is highly imbalanced in favour of imports. Theoretically, balanced trade refers to a situation where a country has equal imports and exports. In essence, it points to a zero balance of trade. Unfavourable trade gaps lead to higher foreign borrowings to bridge the transaction gap, fall in the global exchange rate of local currency in case of large balance of payment (BoP) deficits. They weaken the economy.

Merchandise imports for the period April-January 2022-23 were US\$602.20 billion in comparison with \$494.06 billion during the period April-January 2021-22. The merchandise trade deficit for April-January 2022-23 was estimated at \$232.95 billion as against \$153.79 Billion in April-January 2021-22. Thanks to the growing inability of domestic manufacturers to meet the local demand, the country's overall imports in April-January 2022-23 is estimated to exhibit a growth of 22.92 per cent over the same period last year.

On the contrary, merchandise exports registered growth of only 7.55 percent during April-February 2022-23 over the same period last year (April-February 2021-22). The export of services, led by information technology and software, has been a face saver. The services sector exports during April-February 2022-23 grew at 30.48 percent over the same period last year. Thus, the overall exports is projected to grow at 16.18 percent.

Under these circumstances, the Global Trade Research Initiative (GTRI) projection of the country's foreign trade reaching the \$1.6-trillion mark in FY '23, or 48 percent of India's nominal GDP of \$3.4 trillion, does hardly call for a celebration. GTRI should have given an indication as to how this foreign trade growth impacts the country's balance of trade. It is a matter of concern that the country's economy continues to be heavily led by imports.

*With best complements from*

# *Excellency Legalisation Services Pvt. Ltd.*

APOSTILLE & LEGALISATION CONSULTANCY



Proud to be a member of AECCEI



SOURCING ENTERPRISE



Office no. 603, Hilton Centre, Sector-11, CBD Belapur, Navi Mumbai -400 614, Maharashtra, India, E-mail: [elspl@rediffmail.com](mailto:elspl@rediffmail.com)

CIN: U74999MH2013PTC250694

# OUR WINGS



SOURCING ENTERPRISE

Legal Wing

Sports Wing

Export Wing

Women Wing

Professional Wing

Business Advice Wing

Events and Seminar Wing

## ALL AECCI EVENTS & NEWSLETTERS

POWERED BY



*Creative Customised Solutions*

SPONSORED BY



*Eccellency Legalisation Services Pvt. Ltd.*  
APOSTILLE & LEGALISATION CONSULTANCY

FOR MORE INFORMATION ABOUT AECCI

Please Visit Our Website: [www.aecci.org.in](http://www.aecci.org.in)

### “Asian Exporters’ Chamber of Commerce and Industries”

offers many sponsorship opportunities, designed to maximize the visibility and presence of our members. If you are interested in sponsoring an event, or advertising with the Chamber, please contact to Ms. Tehrim Mulla- Executive Director

E mail- [ed@aecci.org.in](mailto:ed@aecci.org.in)

Latest News on Trade Business please to Our Weblink: <http://aecci.org.in/MediaCentre/news>

AECCI Members are invited to share their Views and Ideas for the Newsletter at [ed@aecci.org.in](mailto:ed@aecci.org.in)

Sponsorship Opportunities: If you wish to advertise in aecci Newsletter you can please write tous at [info@aecci.org.in](mailto:info@aecci.org.in)

To SUBSCRIBE OUR NEWSLETTER Please write us at [customercare@aecci.org.in](mailto:customercare@aecci.org.in)



@aecci.org.in



#AECCI



[www.aecci.org.in](http://www.aecci.org.in)