

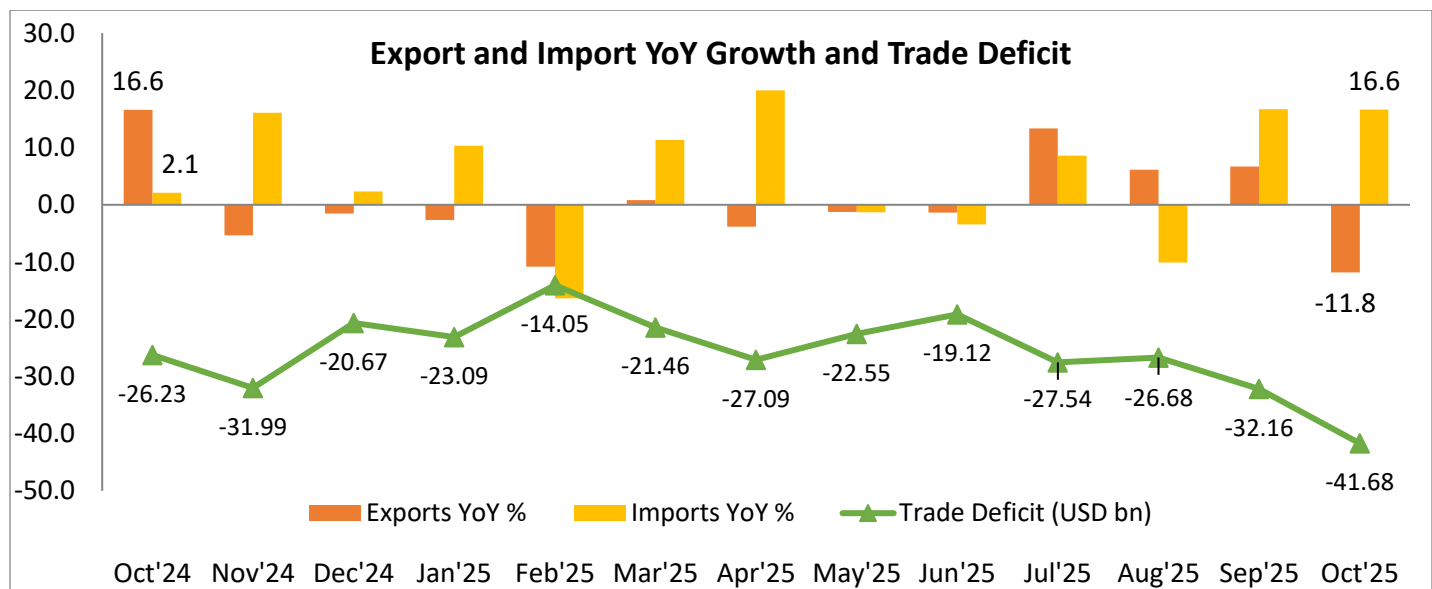
Macro Insights

Highlights:

Trade Deficit widens to an all-time high of 41.68 USD billion in October 2025

The difference between imports and exports of goods stood at \$41.68 billion in October 2025. It widened from \$32.16 billion in September 2025. It was recorded at \$26.23 billion in October 2024.

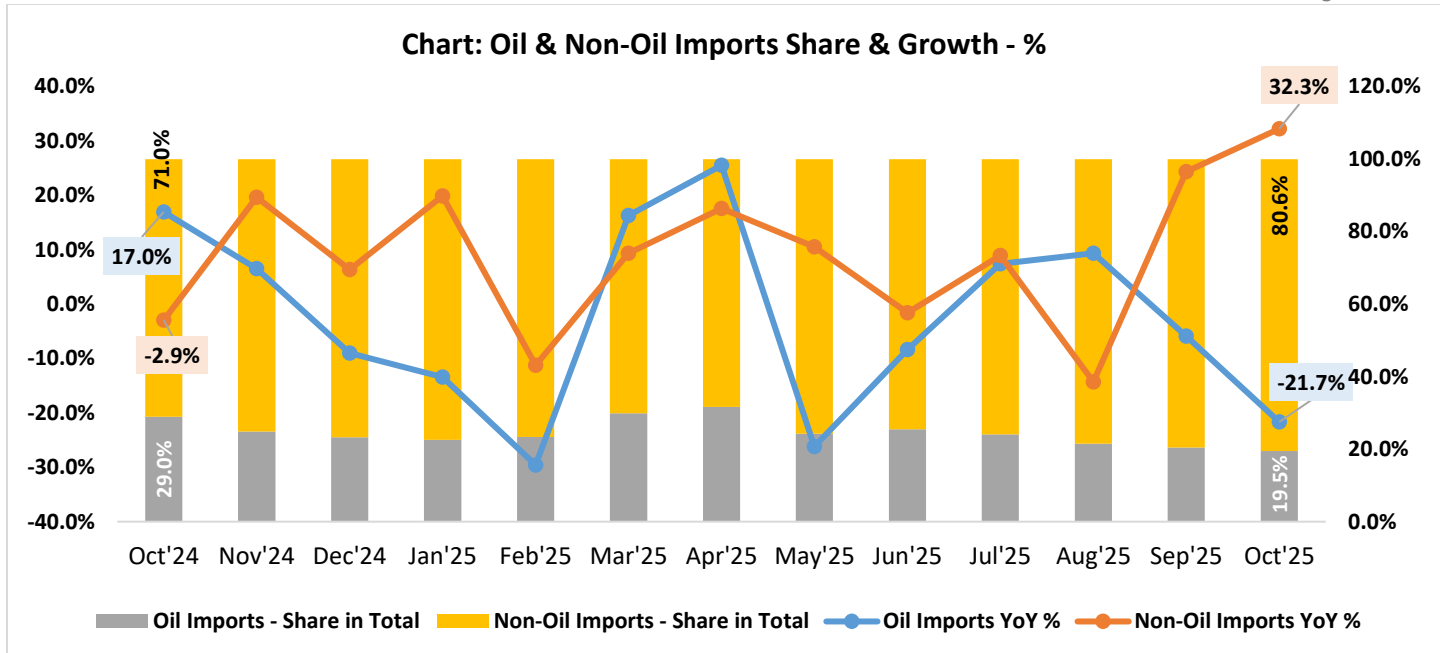
- Merchandise exports dropped to \$34.37 billion in October 2025, declining by 11.8% on year-on-year basis, from \$38.98 billion in October 2024.
- Exports of petroleum and non-petroleum products stood at \$3.95 billion and \$30.42 billion, recording a yearly decline of 10.5% and 12.0% respectively in October 2025.
- Meanwhile, merchandise imports increased by 16.6% YoY to reach \$76.06 billion in the month of October 2025.
- Imports of gold and silver spiked sharply to \$17.44 billion in October 2025, recording a YoY growth of 225.8%, the highest in 40 months.



Source: Ministry of Commerce & Industry, PNB (EIC)

Table: Merchandise Exports and Imports (USD Bn)

Month	Exports	Imports	Trade Deficit
Oct'24	38.98	65.21	-26.23
Oct'25	34.37	76.06	-41.68
YoY Growth (%)	-11.82	16.64	



Source: Ministry of Commerce & Industry, PNB (EIC)

Insights:

- ✓ The share of oil imports within merchandise decreased to 19.5% in October 2025 from 20.5% in the previous month. Correspondingly, the share of non-oil imports increased to 80.6% from 79.6% during this period.
- ✓ The fall in exports was broad-based with both petroleum and non-petroleum products registering a decline on a yearly basis. Out of the 30 major commodity groups, 24 recorded a contraction in October 2025. Major commodities that saw a decrease in exports were petroleum and crude products (-10.5% YoY), engineering goods (-16.7% YoY) and gems and jewelry (-29.5% YoY).
- ✓ Imports of crude oil and petroleum products witnessed a decline of 21.7% YoY while imports of non-crude oil and non-petroleum products rose by 32.3% on YoY basis in October 2025.
- ✓ Out of the 30 major commodity groups, 19 showed a YoY growth in imports. Major commodities among non-oil imports which recorded a growth in October 2025 were silver (528.7% YoY), gold (199.2% YoY) and fertilizers, crude & manufactured (86.8% YoY).
- ✓ Estimates of services exports during October 2025 stood at \$38.52 bn, recording a YoY growth of 11.9%, while services imports grew by 8.2% YoY to \$18.64 bn. Overall, services trade surplus stood at \$19.9 bn.
- ✓ India's exports to markets such as Spain (43.43%), China (42.35%), Sri Lanka (29.02%), Vietnam (21.42%), and Tanzania (17.92%) recorded the most significant growth in October 2025 compared to the previous year.
- ✓ India's imports for October 2025 grew the most from Switzerland (403.67%), the UK (194.41%), Hong Kong (93.98%), China (15.63%), and the UAE (14.38%) compared to the previous year.

Views:

- ✓ Merchandise trade deficit grew sharply to \$41.68 bn in October 2025, way higher than the average of \$25.86 bn recorded in the first 6 months of this financial year.
- ✓ On a cumulative basis, merchandise trade deficit stood at \$197.35 bn in April-October 2025 compared to \$171.48 bn in the same period last year.
- ✓ In the first 7 months of the current fiscal, exports grew by just 0.6% to \$254.14 bn, driven by a surge in electronic goods which grew by 37.7% during this period.
- ✓ While exports to the US experienced a decline of 8.6% on YoY basis in the wake of 50% tariffs imposed in August, earlier this year, exports to other regions fell more sharply by 12.5% in Oct'25. The fall in exports was driven by a high base effect; however, the silver lining is that exports to the US have growth sequentially from \$5.5 bn in Sep'25 to \$6.3 bn in Oct'25.
- ✓ Despite challenging global conditions, India's exports have remained resilient. However, imports grew at a much faster pace in October, primarily driven by significant increases in volume of gold and silver imports.
- ✓ The sharp rise in gold imports due to the high prices and festive season demand led to the record high trade deficit.
- ✓ Going forward, ongoing trade negotiations with the United States and various trade agreements like India-European Free Trade Association, Trade & Economic Partnership Agreement (member states – Iceland, Liechtenstein, Norway, and Switzerland), India-Chile CEPA, etc. are expected to positively influence India's overall trade position.

Top commodity groups exhibiting the most positive and negative growth (YoY) in Oct'25:

Exports (Non-Petroleum, Oil and Lubricants)				
Commodity groups exhibiting positive growth				
Sl. No.	Commodities	(Values in Million USD)		% Change
		Oct'24	Oct'25	
1	Cashew	27.1	61.5	126.84
2	Meat, diary & poultry products	446.6	584.4	30.87
3	Electronic goods	3,429.8	4,083.1	19.05
Commodity Groups exhibiting negative growth				
Sl. No.	Commodities	(Values in Million USD)		% Change
		Oct'24	Oct'25	
1	Oil meals	106.9	63.8	-40.31
2	Oil seeds	123.5	79.7	-35.48
3	Gems & jewellery	3,248.1	2,289.8	-29.50

Imports (Non-Petroleum, Oil and Lubricants)				
Commodity groups exhibiting positive growth				
Sl. No.	Commodities	(Values in Million USD)		% Change
		Oct'24	Oct'25	
1	Silver	432.6	2,719.5	528.69
2	Gold	4,920.9	14,723.8	199.21
3	Sulphur & unroasted iron pyrites	37.9	72.9	92.34
Commodity Groups exhibiting negative growth				
Sl. No.	Commodities	(Values in Million USD)		% Change
		Oct'24	Oct'25	
1	Pearls, precious & semi-precious stones	1,392.3	1,039.2	-25.36
2	Pulp & waste paper	233.6	183.8	-21.34
3	Iron & steel	2,159.7	1,742.3	-19.33

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