Economic Intelligence Cell

- Mansi Wahi, Economist

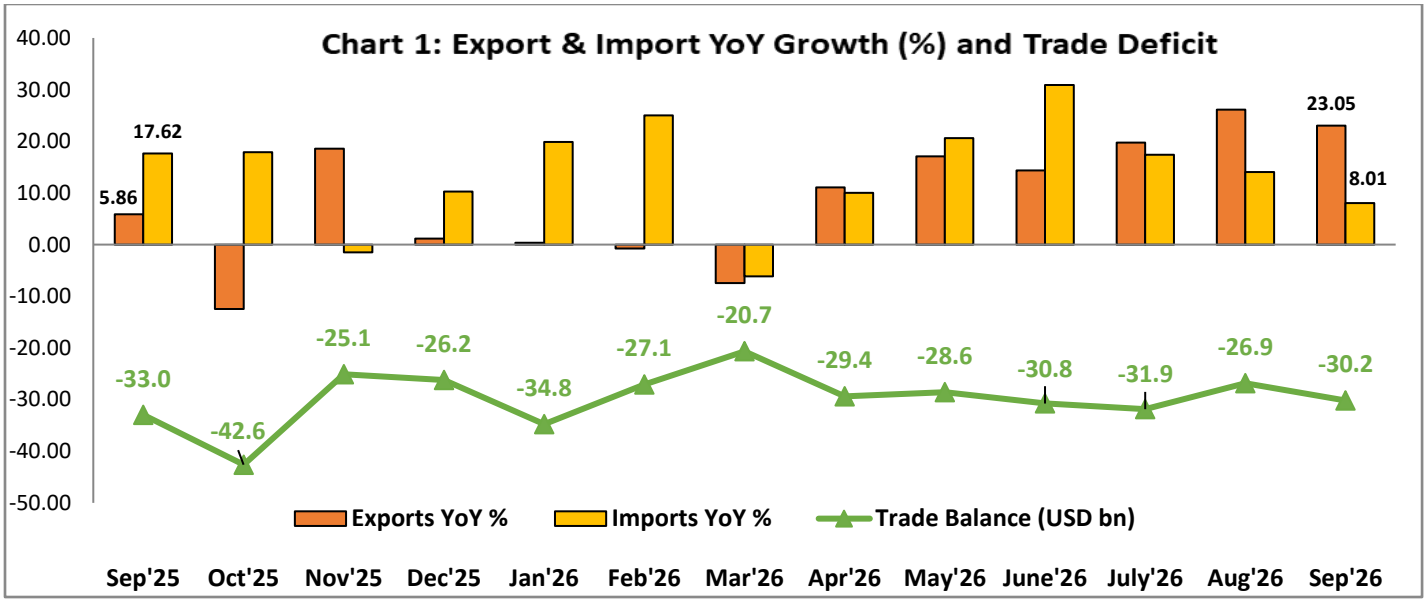
Macro Insights

Trade deficit widens to $30.21 in Sep'26 as compared to Aug'26

The gap between imports and exports of goods stood at $30.21 billion in Sep'26. It increased from $26.86 billion in Aug'26. It was recorded at $33.00 billion in Sep'25.

Highlights:

- *Merchandise exports jumped to a four-month high of $44.40 billion in September 2026 from $36.08 billion in September 2025, registering a YoY growth of 23.1%.*
- *Exports of non-petroleum products rose by 21.7% YoY to $38.18 billion, while petroleum product exports surged 31.9% YoY to reach $6.22 billion.*
- *Merchandise imports grew by 8.01% YoY to $74.61 billion in September 2026, largely driven by higher imports of crude oil and electronic goods.*
- *Imports of gold and silver declined by 81.27% YoY and 49.11% YoY to $1.80 billion and $0.67 billion respectively during the month, with both commodities also registering a sequential decline from Aug'26.*

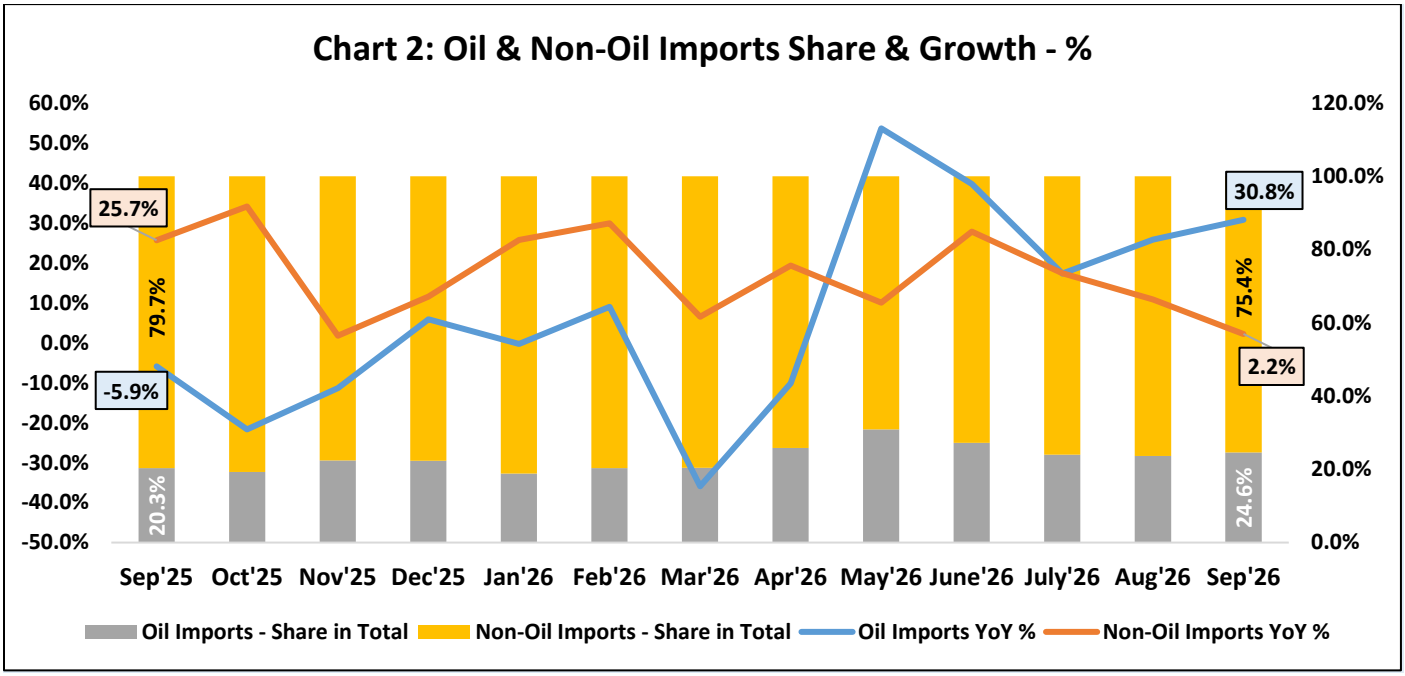


Source: Department of Commerce, Ministry of Commerce & Industry

Table: Merchandise Exports and Imports

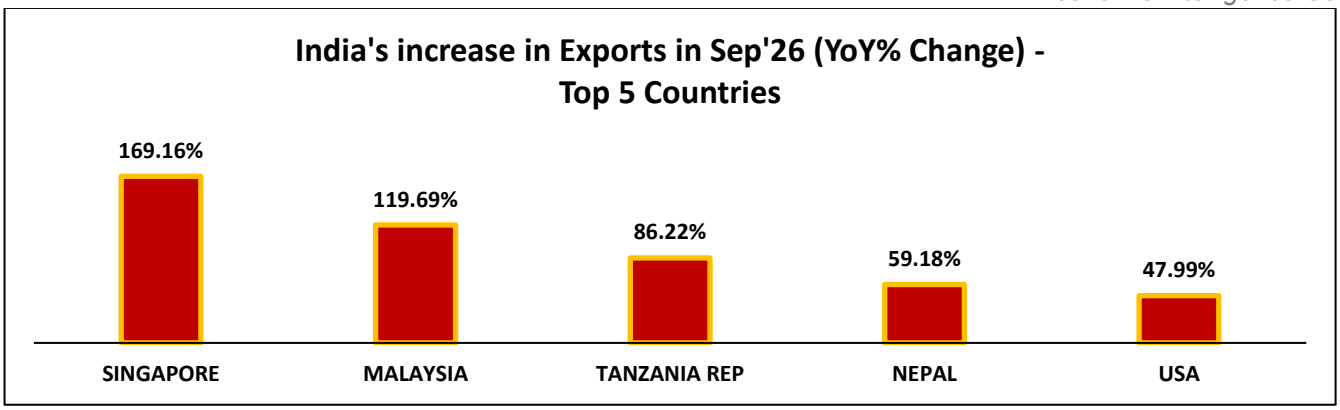
($ billion)

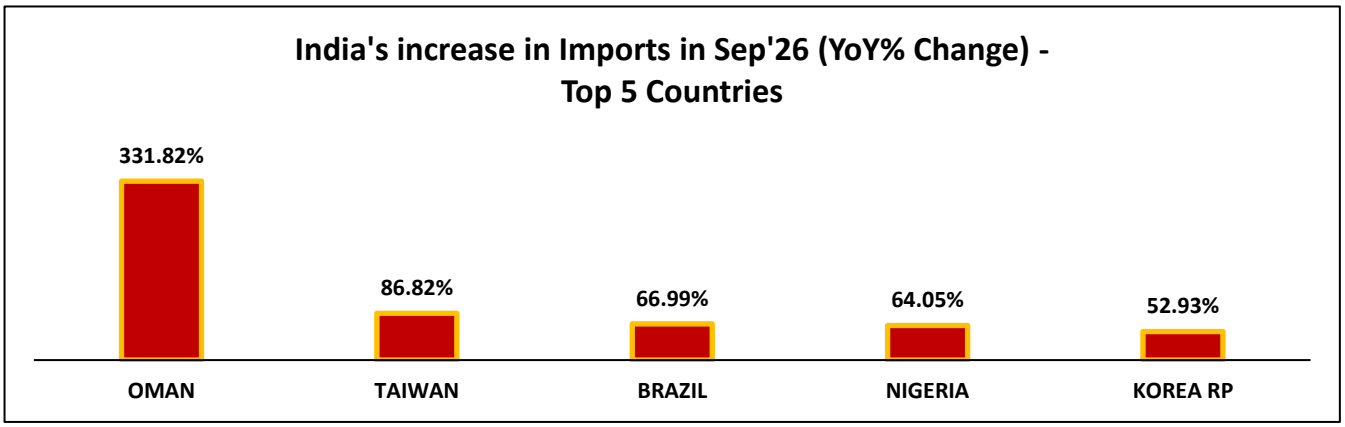
Month	Exports	Imports	Trade Balance
Sep'25	36.08	69.08	**-33.00**
Aug'26	43.81	70.67	**-26.86**
Sep'26	44.40	74.61	**-30.21**
YoY Growth (%)	**23.05%**	**8.01%**	



Insights:

- ✓ The share of oil imports within merchandise imports increased to 24.6% in Sep'26 from 23.6% in the previous month. Correspondingly, the share of non-oil imports decreased to 75.4% from 76.4% during the same period. On cumulative basis, the share of oil imports increased to 26.0% during Apr–Sep FY'27, from 24.5% in the corresponding period last year.
- ✓ Out of the 30 major commodity groups, 22 registered a YoY increase in exports. Major drivers of merchandise export growth include Electronic Goods, Petroleum Products, Organic & Inorganic Chemicals, Engineering Goods, Cotton Yarn/Fabs./Made-Ups, Handloom Products etc. Despite persistent geopolitical tensions in West Asia, India's exports remained resilient reflecting exporters' adaptability to the changing global economic environment and the success of ongoing market diversification efforts.
- ✓ Out of the 30 major commodity group, 22 showed a YoY increase in imports. Major commodities among non-oil imports which recorded a growth in Sep'26 were Sulphur & Unroasted Iron Pyrts, Cotton Raw & Waste and Electronic Good. Major commodities that saw decline were Project Good, Gold & Silver.
- ✓ Services exports are estimated to reach $36.35 billion in September 2026 as compared to $36.67 billion in September 2025 while estimated services imports increased to $19.44 billion from $17.84 billion a year earlier.





Views:

- ✓ The prolonged Iran conflict has heightened external sector vulnerabilities by raising energy costs, disrupting shipments to the Middle East and increasing volatility in financial markets.
- ✓ Crude oil imports surged 30.76% YoY to $18.34 billion in September'26, increasing the risk of imported inflation and pressure on the rupee. The RBI's recent repo rate hike and subsequent measures to support the rupee reflect efforts to contain inflationary pressures and maintain external stability.
- ✓ Merchandise export growth remained broad-based, with stronger momentum in Q2 FY'27 than in Q1 FY'27. Automobile exports rose 22.5% YoY to 6.84 lakh vehicles in Sep'26, supporting overall export performance.
- ✓ Gold imports declined to $1.8 billion in Sep'26 from $2.3 billion in Aug'26, partly offsetting higher oil imports. However, rising imports of electronics, machinery and chemicals underscore continued dependence on imported inputs.
- ✓ The US continues to account for a significant share of India's exports, with its share declining only marginally from 20.9% in April–September FY26 to 19.6% in April–September FY27, highlighting the need to accelerate export-market diversification. The operational India–UK trade agreement, the forthcoming implementation of the India–New Zealand pact and progress towards the India–EU agreement offer opportunities to broaden market access and reduce dependence on a few key destinations.
- ✓ Going forward, elevated energy prices and geopolitical uncertainty will remain key risks. Greater utilization of trade agreements, stronger domestic value addition and expansion of high-value manufacturing exports will be crucial to sustaining export momentum and strengthening external resilience.

Major commodities exhibiting the most positive and negative growth (YoY%) in Sep'26:

Exports (Non POL*)				
Major Commodities exhibiting positive growth				
Sl. No.	**Commodities**	**(Values in Million USD)**		**% Change**
		Sep'25	**Sep'26**	
1	**Electronic Good**	3114	5308	**70.44%**
2	**Other cereals**	26	39	**49.88%**
3	**Handicrafts excl. hand made carpet**	148	211	**43.19%**
Major Commodities exhibiting negative growth				
Sl. No.	**Commodities**	**(Values in Million USD)**		**% Change**
		Sep'25	**Sep'26**	
1	**Iron Ore**	143	42	**-70.84%**
2	**Oil Meals**	111	58	**-47.53%**
3	**Cashew**	41	25	**-39.44%**

Imports (Non POL)				
Major Commodities exhibiting positive growth				
Sl. No.	**Commodities**	**(Values in Million USD)**		**% Change**
		Sep'25	**Sep'26**	
1	**Sulphur & Unroasted Iron Pyrts**	41	126	**205.55%**
2	**Cotton Raw & Waste**	166	301	**80.92%**
3	**Electronic goods**	9808	14858	**51.49%**
Major Commodities exhibiting negative growth				
Sl. No.	**Commodities**	**(Values in Million USD)**		**% Change**
		Sep'25	**Sep'26**	
1	**Project goods**	222	29	**-86.85%**
2	**Gold**	9615	1800	**-81.27%**
3	**Silver**	1307	665	**-49.11%**

** POL - Petroleum, Oil and Lubricants*

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