



## Improvement in India's Trade Deficit

Recently, India's [trade deficit](#) showed significant improvement, with exports and imports both declining, leading to a narrower trade gap.

- Merchandise exports in November 2023 **decreased by 2.8%** Year over Year (YoY) to USD 33.9 billion, while **imports contracted by 4.3%** to USD 54.98 billion, resulting in a trade deficit of USD 20.58 billion.
  - The trade deficit showed a significant decline from the high of USD 29.9 billion recorded in October 2023.
- Trade Deficit is an **amount by which the cost of a country's imports exceeds its exports**. It is a part of the [Current Account Deficit](#).
- Decline in **petroleum and engineering product** shipments, which constitute nearly half of India's exports, contributed to the overall export contraction.
- Emerging sectors like **electronics (23.56% growth)** and positive contributions from gems and jewelry, iron ore, pharma, and minerals provided some support in November.

**Read more:** [Current Account Deficit](#), [India's Export Outlook](#)

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