

Will the October trade deficit pose risks?

CANARA BANK | ECONOMIC RESEARCH VERTICAL | HEAD OFFICE

24.11.2025

Internal

Foreign Trade (\$Bn)			
	APR-OCT 24	APR-OCT 25	% CHANGE
MERCHANDISE EXPORTS	250.71	255.46	1.89%
MERCHANDISE IMPORTS	424.13	450.21	6.15%
SERVICES EXPORTS	216.43	234.97	8.57%
SERVICES IMPORTS	114.95	119.04	3.56%
TOTAL EXPORTS (M+S)	467.14	490.43	4.99%
TOTAL IMPORTS (M+S)	539.08	569.25	5.60%
TRADE BALANCE	-71.94	-78.82	9.56%

TRADE BALANCE IN MERCHANDISE (Excluding Gold \$ Bn)			
	APR-OCT 24	APR-OCT 25	% CHANGE
MERCHANDISE EXPORTS	250.71	255.46	1.89%
MERCHANDISE IMPORTS	424.13	450.21	6.15%
TRADE BALANCE	-173.42	-194.75	12.30%
GOLD IMPORTS	33.96	41.24	21.44%
IMPORTS EXCLUDING GOLD	390.17	408.97	4.82%
TRADE BALANCE EXCLUDING GOLD	-139.46	-153.51	10.07%

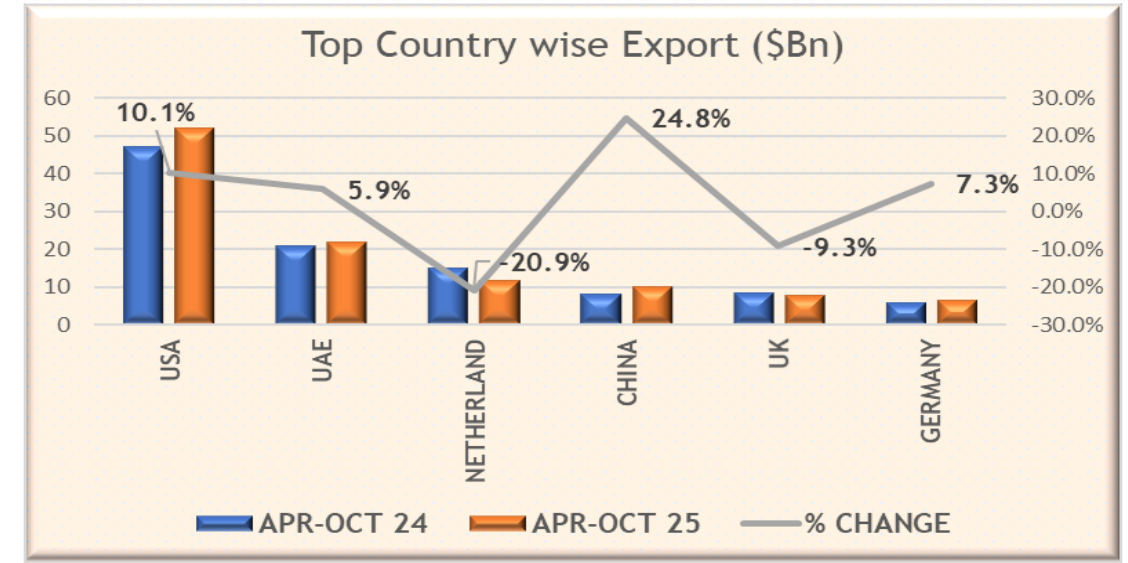
TRADE BALANCE IN MERCHANDISE+ SERVICES (Excluding Gold \$ Bn)			
	APR-OCT 24	APR-OCT 25	% CHANGE
TOTAL EXPORTS (M+S)	467.14	490.43	4.99%
TOTAL IMPORTS (M+S)	539.08	569.25	5.60%
TRADE BALANCE (M & S)	-71.94	-78.82	9.56%
GOLD IMPORTS	33.96	41.24	21.44%
TRADE BALANCE EXCLUDING GOLD	-37.98	-37.58	-1.05%

- ❑ For April to October period traded deficit rose 10% over the previous year
- ❑ Excluding gold the deficit shows a marginal improvement.

(in \$ Billion)	
Trade deficit Including Services	78.8
NRI remittances (Estimated)	70.0
Net Primary income (estimated)	25.0
Current account deficit	33.8
CAD as % of GDP	1.72
CAD % excluding GOLD	0.98

- ❑ For the first half CAD expected at 1.72%, or well within 2%
- ❑ Excluding gold imports the CAD falls below 1%
- ❑ Lower gold prices and end of festive demand could soften trade deficit going forward

Top Country wise Export (\$Bn)			
	APR-OCT 24	APR-OCT 25	% CHANGE
USA	47.31	52.11	10.1%
UAE	20.9	22.13	5.9%
NETHERLAND	15.13	11.97	-20.9%
CHINA	8.04	10.03	24.8%
UK	8.6	7.8	-9.3%
GERMANY	6.05	6.49	7.3%



- ❑ As far as top countries are concerned cumulative export decline is not alarming
- ❑ In October, exports to the US declined by 9%
- ❑ Front loading of shipments helped

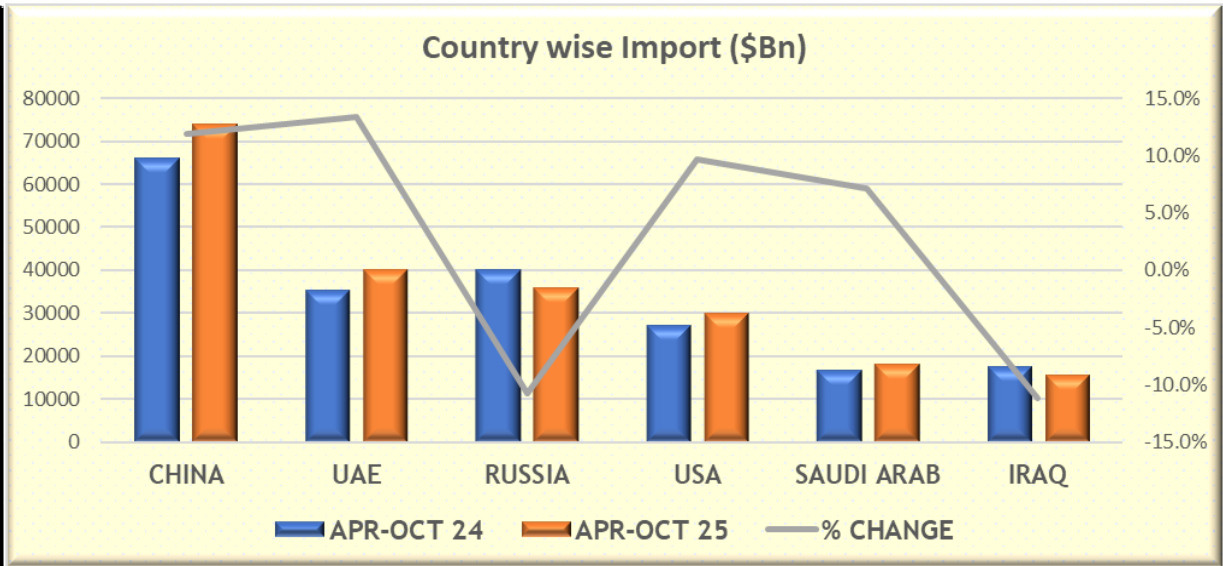
% Share of Exports of Goods & Services in GDP

% Share of Exports of Goods & Services in GDP (Rs. Lakh Crore)			
Quarter ended	Total GDP (at Current prices) Base Year	Exports of goods and services	% Share in GDP
Mar-24	79.61	17.47	21.94
Jun-24	79.08	16.61	21.00
Sep-24	78.40	16.55	21.11
Dec-24	85.02	17.96	21.13
Mar-25	88.18	18.86	21.39
Jun-25	86.05	17.96	20.87
Sep-25	85.85	18.33	21.35
Note: Sep -25 GDP esimated by assuming 9.5% yoy growth			
Gross Domestic Product at Current Prices: By Expenditure/Demand: Base Year 2011-12			

❑ Despite geo political shocks and tariffs, share of exports in GDP stayed remarkably firm

Country wise Import (\$Bn)

	APR-OCT 24	APR-OCT 25	% CHANGE
CHINA	66.13	73.99	11.9%
UAE	35.58	40.36	13.4%
RUSSIA	40.31	35.96	-10.8%
USA	27.39	30.05	9.7%
SAUDI ARAB	16.94	18.14	7.1%
IRAQ	17.58	15.61	-11.2%



❑ Imports from China continued to dominate.

THANK YOU !

Views/opinions expressed in this research publication are views of the research team and not necessarily that of Canara Bank or its subsidiaries. The publication is based on information & data from different sources. The Bank or the research team assumes no liability if any person or entity relies on views, opinion or facts and figures finding in this report.

Visit us at www.canarabank.com



Economic Research Vertical

Madhavankutty G (Chief Economist)

Samir Kumar | Jaya Kumari | Ankit Gupta | Sonal Rashmi Ekka | Ramakrishna Naik

For Suggestions and views please contact, Economic Research Vertical

080-2222 3169 (Chief Economist)
080-2227 3275 (Section)

chiefeconomist@canarabank.com
hoersection@canarabank.com

Confidential

Internal

Economic Research Vertical