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1. Share of exports in India's GDP at 19.4%
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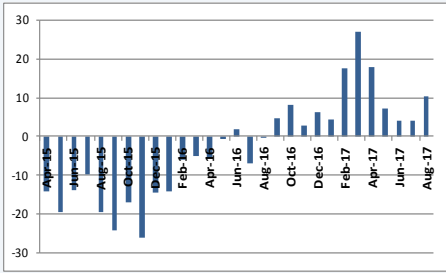
1. Share of exports in India's GDP in first quarter of the current financial year (FY18) accounted for 19.4%; it was 20% during FY17 and 20.2% during the corresponding quarter a year ago. Data suggests global growth in trade and other factors like oil prices have impacted overall economic growth since FY15. In relative terms, exports were up 1.2% during the first quarter of FY18 against 5.7% (y/y) growth in GDP during the period. Services exports to GDP percentage has declined since 2013-14, reaching 7.2% in 2016-17. Commerce Minister Suresh Prabhu recently responded to the trade situation by holding a consultation with industry stakeholders on strategies to boost exports. ([Tweet](#))

2. As GST implementation completes its first quarter, the government is looking at various measures to provide administrative and logistical relief, reduce working capital crunch and increase competitiveness. In particular, exporters have to pay GST upfront on inputs and capital goods production and procurement, whilst refunds come in later. Over July-August, an estimated \$10.2bn has accumulated as the integrated GST – tax on inter-state supplies and imports. Exporters are due about \$700mn - \$1.5bn as refunds. The GST Council met on 6 October to address these concerns and announced series of measures for exporters including disbursement of refunds by November-end, exemption from tax over the next six months, and an 'e-wallet' where exporters can pay tax and offset the refund - [details here](#). The GST Council expects these measures to provide immediate relief.

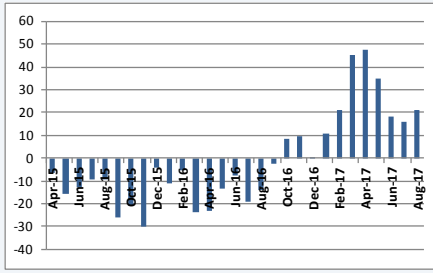
3. India – South Korea: India's Commerce and Industry Minister Suresh Prabhu visited South Korea from September 21-23 to participate in the 7th Asia-Europe Economic Ministers (ASEM) meeting and the 3rd Joint Ministerial Review of the India-Korea Comprehensive Economic Partnership Agreement (CEPA). During the visit, Prabhu and his Korean counterpart Hyun Chong Kim reviewed progress on negotiations to upgrade the existing CEPA, which was agreed in 2010. The agreement is among India's most comprehensive FTA and is currently in the process of concluding revisions to upgrade the pact. For instance, South Korea is keen to add more products such as machinery and certain kinds of steel products under the pact. Both Ministers reaffirmed their commitment to finalise negotiations within 2018. India's merchandise trade deficit with South Korea in 2016-17 was \$16.82 billion.

Merchandise trade: exports/imports / trade balance

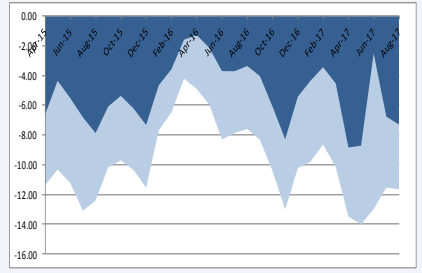
Export growth (% y/y)



Imports (% y/y)

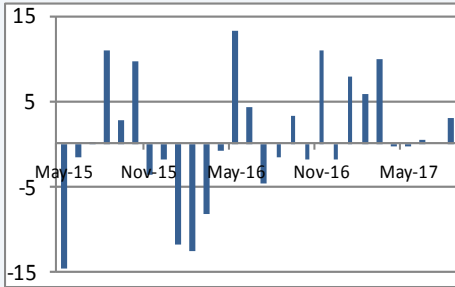


Trade balance (\$bn)

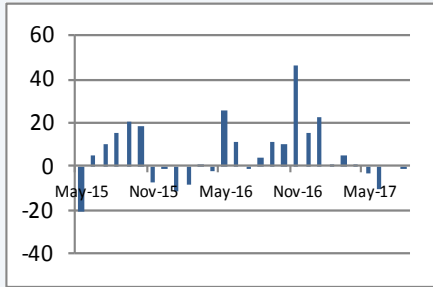


Services trade: exports / imports / trade balance

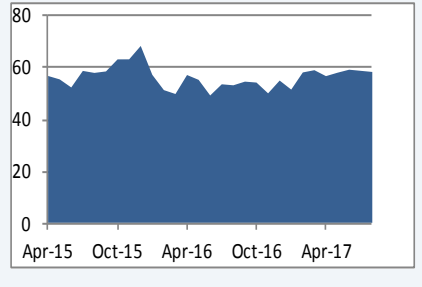
Export growth (% y/y)



Imports (% y/y)

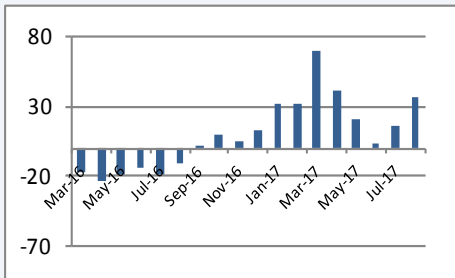


Trade balance (\$bn)

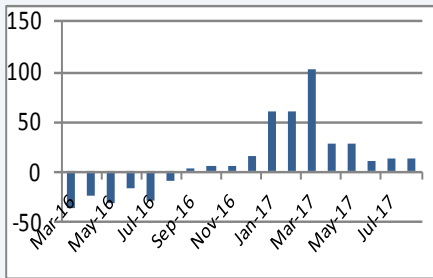


Petroleum Oil Lubricant (POL) trade

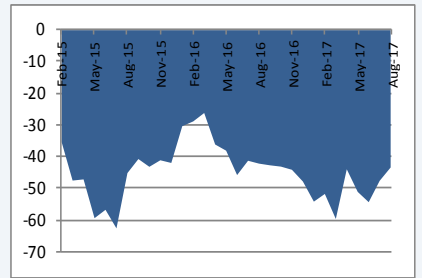
Export growth (% y/y)



Imports (% y/y)

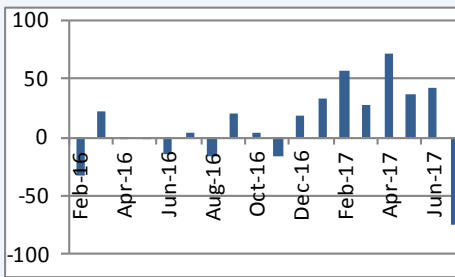


Trade balance (\$bn)

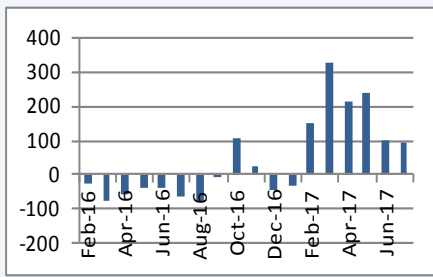


Gold trade

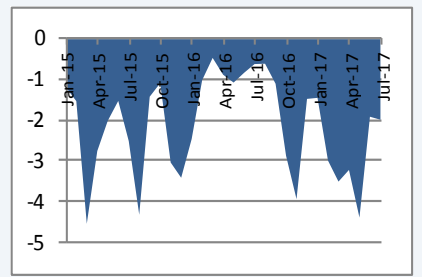
Export growth (% y/y)



Imports (% y/y)

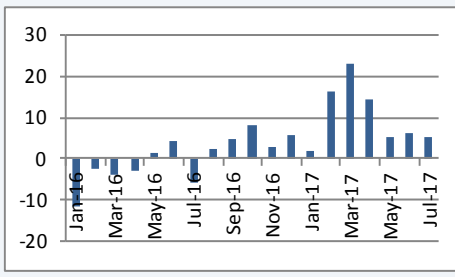


Trade balance (\$bn)

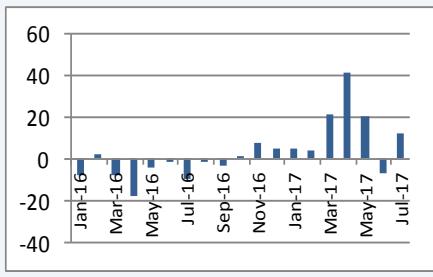


Non oil/Non gold trade

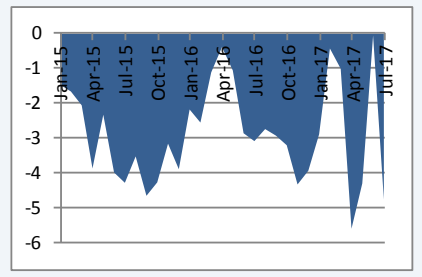
Export growth (% y/y)



Imports (% y/y)



Trade balance (\$bn)



Data Sources : Government of India and Reserve Bank of India official statistics

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