



India's exports rose 35.1 per cent in May to USD 16.1 billion year-on-year, but the trouble brewing in some European economies may weigh on future demand.

The seventh straight month of rise was registered on a low export base of USD 11.95 billion in May 2009, when shipments had plunged by over 29 per cent from the previous fiscal under the impact of the recession in the US and several other advanced economies.

For the April-May 2010-11 period, exports grew by 35.7 per cent to USD 33 billion against the year-ago period, according to official data released on Thursday.

President of the Federation of Indian Export Organisations A Sakthivel said that the crisis in some European countries is a cause for concern.

"We hope the growth trend will continue but the only worrying aspect is the crisis in the euro zone, which is likely to affect India's exports in that area," he said. He also added that the depreciation of euro would provide fierce competition to Indian products in countries where they are facing competition from Euro nations.

Ministry officials said that labour-intensive sectors like engineering, gems and jewellery, leather and man-made fibres have registered healthy growth rates in May.

Imports also surged 38.5 per cent in May to USD 27.4 per cent, indicating a rapid pace of domestic economic activity and leading to a trade gap of USD 11.29 billion during the month under review. Imports during the first two months of this fiscal grew 40.9 per cent to USD 54.7 billion against USD 38.85 billion in the same period last year.

Oil imports in May were valued at USD 8.8 billion while the non-oil import bill was about USD 18.6 billion.

Courtesy: DD News