

India Trade Data Oct 2025

Trade Deficit widens in October but poses little vulnerability to external shocks

India's trade in **October 2025** slowed sharply compared to the previous year as merchandise exports declined to **\$34.38 bn** from a high base of **\$38.98 bn** in October 2024, while imports surged to **\$76.06 bn**, attributable to spike in gold (\$14.72 bn) and silver (\$2.72 bn) imports. This has caused **merchandise trade deficit to widen to \$41.69 bn** versus **\$26.22 bn** a year earlier.

Over **April-October**, however, the cumulative picture appears more moderate as exports inched up **0.63%** to **\$254.25 bn**, while imports grew **6.37%** to **\$451.08 bn**, indicating that the massive October deficit could be largely a one-month shock rather than a uniform trend.

IMPORTS:

Imports – Highlights (USD Billion)	Country-wise (imports)
<ul style="list-style-type: none"> Total imports: \$76.06 bn (+16.64% YoY) Gold imports: \$14.72 bn (+199.22% YoY) Silver imports: \$2.72 bn (+528.71% YoY) Electronic goods: \$9.57 bn (+14.65% YoY) Machinery & electrical equipment: \$5.19 bn (+12.22% YoY) Fertilisers, crude & manufactured: \$2.47 bn (+86.85% YoY) Metalliferous ores & other minerals: \$ 1.25 bn (+20.40% YoY) Non-ferrous metals: \$ 2.60 bn (+13.87% YoY) 	<ul style="list-style-type: none"> China: \$11.10 bn (+15.63% YoY) UAE: \$7.33 bn (+14.38% YoY) Russia: \$4.85 bn (-27.73% YoY) Switzerland: \$5.09 bn (+403.67% YoY)

- Gold and silver imports inflated the deficit. Gold imports could show high volatility depending on international gold prices that tends to impact the deficit in either direction. The record spike in international gold prices in October touching more than \$4300 per ounce has witnessed moderation in November which is expected to soften trade deficit in the subsequent periods.
- Rising imports of **electronic goods, machinery, fertilizers and non-ferrous metals** signal stronger investment appetite and demand for intermediate and capital goods, which can support manufacturing and agriculture in coming months.
- India's import basket in Oct'25 shows strong growth from China & UAE, huge jump in gold imports from Switzerland and significant drop from Russia due to price volatility in crude oil and diversification towards Middle East supplies.

EXPORTS:

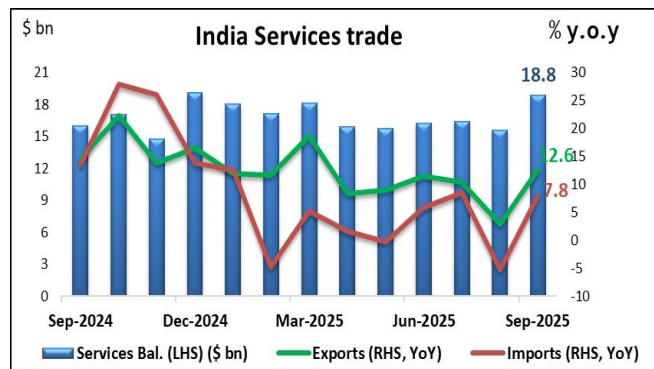
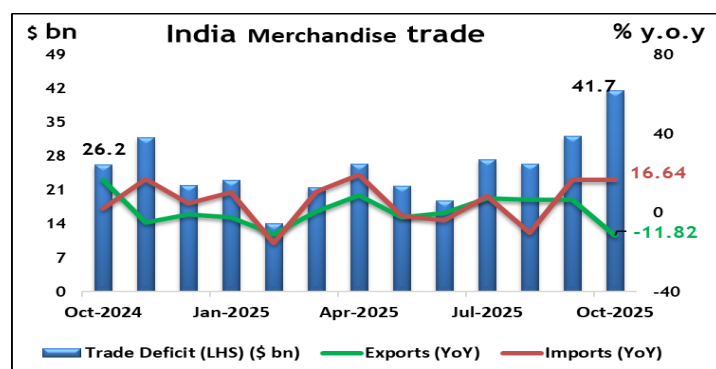
Exports – Highlights (USD Billion)	Country-wise (exports)
<ul style="list-style-type: none"> Total exports: \$34.38 bn (-11.82% YoY) Engineering goods: \$9.37 bn (-16.71% YoY) Gems & jewellery: \$2.29 bn (-29.50% YoY) Chemicals (organic + inorganic): \$2.14 bn (-21.02% YoY) RMG of all Textiles: \$1.06 bn (-12.88%) Petroleum products: \$ 3.94 bn (-10.51% YoY) Electronic goods: \$4.08 bn (+19.05% YoY) Marine products: \$0.90 bn (+11.08% YoY) 	<ul style="list-style-type: none"> USA: \$6.31 billion (-8.58% YoY) China: \$1.63 billion (+42.35% YoY) UAE: \$3.33 billion (-10.17% YoY) Netherlands: \$1.52 billion (-22.75% YoY) UK: \$1.00 billion (-27.16% YoY)

- Exports faced a broad-based contraction. Electronic goods exhibited resilience though Gems & Jewellery, engineering goods and chemicals dragged overall export growth.
- Exports to China rose because of higher shipments of seafood, electronics and chemicals and a low base.
- Exports to USA, UAE, Netherlands and UK declined in October due to weak demand, destocking, lower commodity prices and lower order flows.

India Services trade during Oct 2025 (Estimated)

Services exports are estimated at \$38.52 bn in Oct 2025 higher than \$34.41 bn a year ago, indicating strong global demand for IT services, consulting, R&D and financial services amidst moderation in merchandise exports.

Services imports are expected to have risen to \$18.64 bn from \$17.23 bn in Oct 2024, indicating higher spending on software, cloud services, licensing fees, logistics and business services by Indian firms-consistent with domestic economic activity. Services export growth is faster than import growth. This widens the services trade surplus, helping cushion current account deficit.



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%

Merchandise trade deficit widened 6.1% in Apr-Oct 2025, but a closer look reveals that the deterioration is largely driven by a 21% surge in gold imports. Excluding gold, imports rose a moderate 4.8%, reflecting stable domestic demand. However, exports grew only 1.9%.

Core trade deficit (excluding gold) increased by a modest 10%, compared to a 12.3% rise in the headline deficit, inclusive of gold. Overall, the underlying trade position remains relatively stable, and the headline deterioration mainly reflects temporary surge in precious metal imports accentuated by festive season demand and higher international gold price.

Economic Research Vertical

17th November, 2025

Merchandise and services trade deficit combined widened to \$78.8 bn in Apr-Oct 2025 from \$71.9 bn a year earlier. Exports grew nearly 5%, supported by strong services exports, while imports rose 5.6%, inflated by gold demand.

Excluding gold, trade deficit shows a slight improvement indicating very low vulnerability on external front cushioned by resilient services exports. The headline deterioration is therefore a gold-driven distortion rather and is not attributable to any fundamental weakening in trade dynamics. This has come about despite tariffs starting to impact our exports though the full picture becomes evident only by the end of the third quarter.

How export share in GDP (current prices) has moved?

% Share of Exports of Goods & Services in GDP (Rs. Lakh Crore)			
Quarter ended	Total GDP (at Current prices) Base Year 2011-12	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			

Source: CMIE, own calculations

The export share of goods and services in India's GDP remained broadly stable through Sep 24 to Sep 25, indicating that global headwinds have not materially weakened India's export contribution. A slight dip in the first quarter of FY26 followed by recovery into Sep suggests resilience, supported by strong services exports even as merchandise shipments faced global volatility. Frontloading of shipments to US also contributed. On a monthly basis merchandise exports declined only 5.5%.

Trends in Indian Exports - Top 20 Commodities (Value in USD Bn)																
Commodity	Share (%)	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	y-o-y% growth in Oct-2025	M-o-M % growth
Engineering Goods	27.27%	11.25	8.90	10.84	9.42	9.08	10.82	9.51	9.89	9.50	10.43	9.90	10.11	9.37	-16.71%	-7.33%
Electronic Goods	11.88%	3.43	3.47	3.58	4.11	3.79	4.56	3.69	4.57	4.15	3.77	2.93	3.12	4.08	19.05%	31.05%
Oil	11.49%	4.41	3.72	4.92	3.56	5.81	4.90	7.37	5.64	4.62	4.34	4.48	4.96	3.95	-10.51%	-20.32%
Drugs & Pharma	7.24%	2.62	2.16	2.49	2.59	2.47	3.68	2.49	2.48	2.62	2.66	2.51	2.62	2.49	-5.15%	-5.03%
Gems & Jewellery	6.66%	3.25	2.07	2.13	3.00	2.53	2.90	2.50	2.38	1.79	2.39	2.31	2.84	2.29	-29.50%	-19.24%
Org & Inorg Chemicals	6.23%	2.71	1.99	2.45	2.35	2.23	2.87	2.27	2.68	2.33	2.47	2.42	2.38	2.14	-21.02%	-9.90%
Ready Made Garments	3.11%	1.23	1.12	1.46	1.61	1.53	1.53	1.37	1.51	1.31	1.34	1.23	1.00	1.07	-12.88%	7.21%
Cotton Yarn/Fab	2.64%	1.05	0.87	1.05	1.04	0.98	1.12	0.96	0.97	0.93	1.02	0.99	0.93	0.91	-13.31%	-2.59%
Marine Products	2.62%	0.81	0.76	0.72	0.54	0.51	0.68	0.58	0.73	0.63	0.65	0.60	0.78	0.90	11.08%	15.12%
Rice	2.55%	1.05	1.14	1.43	1.37	1.19	1.18	1.08	0.97	0.86	0.92	0.88	0.92	0.88	-16.51%	-5.15%
Plastic & Linoleum	1.84%	0.81	0.70	0.78	0.73	0.68	0.81	0.70	0.76	0.71	0.78	0.73	0.70	0.63	-21.59%	-9.18%
Meat, dairy & poultry	1.70%	0.45	0.45	0.51	0.52	0.45	0.48	0.37	0.44	0.37	0.48	0.51	0.57	0.58	30.87%	2.86%
Coal, Mica	1.20%	0.44	0.34	0.49	0.47	0.50	0.52	0.46	0.47	0.43	0.46	0.46	0.42	0.41	-6.96%	-1.03%
Man-made Yarn/Fabs	1.12%	0.44	0.35	0.42	0.43	0.40	0.44	0.38	0.41	0.37	0.42	0.41	0.41	0.39	-11.75%	-4.71%
Spices	0.93%	0.38	0.32	0.37	0.34	0.43	0.52	0.44	0.40	0.31	0.35	0.34	0.32	0.32	-15.81%	1.42%
Leather & pdts	0.91%	0.37	0.33	0.37	0.38	0.33	0.36	0.32	0.39	0.39	0.45	0.41	0.34	0.31	-15.66%	-7.07%
Ceramic products	0.91%	0.36	0.30	0.37	0.33	0.30	0.36	0.34	0.37	0.32	0.36	0.35	0.32	0.31	-12.45%	-3.46%
Fruits & Vegetables	0.84%	0.33	0.29	0.33	0.30	0.41	0.48	0.38	0.31	0.26	0.30	0.31	0.30	0.29	-12.07%	-4.90%
Cereal preparations	0.72%	0.28	0.22	0.26	0.26	0.26	0.28	0.26	0.26	0.27	0.28	0.29	0.28	0.25	-11.02%	-9.98%
Tobacco	0.47%	0.20	0.18	0.16	0.17	0.14	0.14	0.20	0.18	0.13	0.15	0.16	0.17	0.16	-19.78%	-6.22%
Grand Total Exports	92.34%	38.98	32.04	38.01	36.43	36.91	41.97	38.49	38.73	35.14	37.24	35.10	36.38	34.38	-11.82%	-5.52%

Trends in Indian Imports - Top 20 Commodity (Value in USD Bn)																
Commodity	Share (%)	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	yoy% growth in Oct-25	M-o-M % growth
Oil	19.45%	18.88	16.11	15.27	13.43	11.89	19.01	20.72	14.75	13.80	15.58	13.27	14.03	14.79	-21.7%	5.42%
Gold	19.36%	4.92	9.84	4.70	2.69	2.34	4.48	3.10	2.55	1.84	3.97	5.44	9.62	14.72	199.2%	53.13%
Electronic goods	12.59%	8.35	7.62	8.34	9.36	7.57	9.43	9.25	9.09	8.42	9.84	9.73	9.82	9.57	14.7%	-2.56%
Elec & non-elect Machinery	6.82%	4.62	4.49	4.70	4.73	4.32	4.65	4.67	5.01	4.43	5.36	5.15	5.00	5.19	12.2%	3.76%
Transport equipment	3.82%	2.75	2.60	2.79	2.68	2.61	2.55	2.60	2.37	2.01	2.80	2.29	2.62	2.90	5.7%	10.72%
Silver	3.58%	0.43	0.66	0.42	0.88	0.43	0.12	0.16	0.57	0.23	0.51	0.45	1.31	2.72	528.7%	108.09%
Non-ferrous metals	3.42%	2.29	2.12	1.75	1.94	1.79	2.11	2.32	2.39	2.12	2.45	2.48	2.44	2.60	13.9%	6.66%
Fertilisers	3.25%	1.32	1.35	1.21	0.84	0.60	0.62	0.65	0.69	0.76	1.59	1.66	2.36	2.47	86.8%	4.49%
Org & Inorg Chemicals	3.07%	2.34	2.30	2.32	2.54	2.04	2.26	2.45	2.56	2.26	2.53	2.49	2.33	2.34	-0.1%	0.33%
Coal, Coke, Briquettes	2.96%	2.35	2.38	1.95	2.69	2.06	2.25	2.71	2.66	2.38	2.36	2.06	1.92	2.25	-4.2%	17.47%
Artificial resins, plastic	2.58%	2.04	1.93	1.79	1.72	1.57	1.88	1.95	1.98	1.86	2.06	2.02	1.95	1.97	-3.6%	1.01%
Iron & Steel	2.29%	2.16	1.78	1.87	2.20	1.57	1.78	1.76	1.91	1.59	2.00	2.02	1.86	1.74	-19.3%	-6.51%
Vegetable Oil	2.09%	1.54	1.88	1.32	1.38	1.20	1.23	1.23	1.40	1.65	1.93	2.03	1.74	1.59	3.4%	-8.78%
Metalliferous ores	1.65%	1.04	0.86	1.14	1.25	0.83	0.79	1.05	0.84	1.14	1.19	1.09	1.16	1.26	20.4%	8.17%
Chemical & Pdts	1.41%	1.06	0.99	1.13	1.35	1.25	1.26	1.97	3.43	1.43	1.01	1.00	1.03	1.07	0.8%	4.15%
Pearls, precious stones	1.37%	1.39	0.96	1.27	1.23	1.28	2.14	1.67	1.56	1.48	1.74	1.41	1.80	1.04	-25.4%	-42.27%
Medicinal & Pharma	1.08%	0.78	0.79	0.83	0.79	0.70	0.74	0.75	0.79	0.71	0.85	0.78	0.77	0.82	5.6%	7.36%
Professional instrument	1.03%	0.74	0.74	0.77	0.68	0.63	0.82	0.73	0.75	0.73	0.82	0.79	0.78	0.78	6.0%	1.13%
Wood & Pdts	0.84%	0.66	0.61	0.62	0.66	0.52	0.53	0.54	0.55	0.53	0.59	0.56	0.58	0.64	-2.4%	10.62%
Machine tools	0.73%	0.47	0.45	0.54	0.54	0.43	0.49	0.53	0.63	0.53	0.57	0.53	0.50	0.55	17.2%	11.42%
Total Imports	93.40%	65.21	63.86	59.95	59.42	50.96	63.51	64.91	60.61	53.92	64.59	61.59	68.53	76.06	16.6%	10.99%

Implications:

Current account & FX pressure: A merchandise deficit of \$41.69 bn in one month is large and even after services surplus, the overall deficit jumped to about \$21.81 bn. If sustained, this will widen the Q3 FY26 current-account gap and could exert depreciatory pressure on the INR.

A large part of the widening is driven by festival/pent-up gold/silver imports which could moderate in Nov-Dec.

Monetary and fiscal considerations: If CAD widens materially, policy response (FX intervention, liquidity adjustments) could be needed. Higher imports of productive goods (machinery, electronics, fertilisers) are positive for investment and growth but may also raise short-term import bills.

Export competitiveness & trade diplomacy: Tariff actions and market access issues (notably with the US) are visibly weighing on key sectors (textiles, gems & jewellery, engineering). Re-engagement to resolve tariffs and boost competitiveness (logistics, input costs) and trade diversification will be important.

Despite current account deficit, overall flows in the capital account is likely to be adequate to finance it due to improving interest towards India, likely inclusion in Bloomberg bond index and strong macros.

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