

China is India's second largest export market

China has replaced the United Arab Emirates as India's second-biggest export destination in fiscal year 2021, with outbound shipments to the neighboring country rising 27% to over \$21 billion despite the pandemic.

Official data shows that the US remained the country's top export partner, but shipments declined 2.78% to \$51.63 billion.

Iron ore, organic chemicals, and oil were the top exports to China in the year ending March 31, despite border tensions between the two nations. China's share of India's export basket increased to 7.29% in fiscal 2021 from 5.3% in the previous year.

"There was a strong increase in exports of rice, wheat, corn, other cereals, processed food products, fruits and vegetables in 2020-21 with the incorporation of new export markets," Chairman of Agricultural and Processed Food Products Export Development Authority (APEDA). *The exporter's are seeing a rebound in organic and value-added products such as processed vegetables and alcoholic beverages, driven by high demand in the Middle East, the Far East, the US and the UK.*

India's overall exports contracted 7.3% to \$290 billion, while imports dropped 18% to \$389 billion, leading to a trade deficit of \$98.6 billion.

In line with the contraction in world trade in 2020, India's exports also suffered a similar fate, but this was no small feat considering national and local blockades, and the disruption in logistics that affected manufacturing and trade.

Source: The Business Line