

Macro Insights

Highlights:

Trade Deficit narrows to a 5-month low of 24.53 USD billion in November 2025

The difference between imports and exports of goods stood at \$24.53 billion in November 2025. It narrowed from \$41.71 billion in October 2025. It was recorded at \$31.93 billion in November 2024.

- ☞ Merchandise exports surged to \$38.13 billion in November 2025, representing a robust year-on-year growth of 19.36% from \$31.94 billion in November 2024. This marks the highest export value recorded for November in last 10 years.
- ☞ Exports of petroleum and non-petroleum products stood at \$3.93 billion and \$34.20 billion in November 2025 respectively, recording a yearly improvement of 11.6% and 20.3%.
- ☞ Meanwhile, merchandise imports declined by 1.89% YoY to reach \$62.66 billion in the month of November 2025.
- ☞ Imports of gold fell sharply by 59.15% YoY while silver imports saw a substantial increase of 125.40% YoY in the month of November 2025.

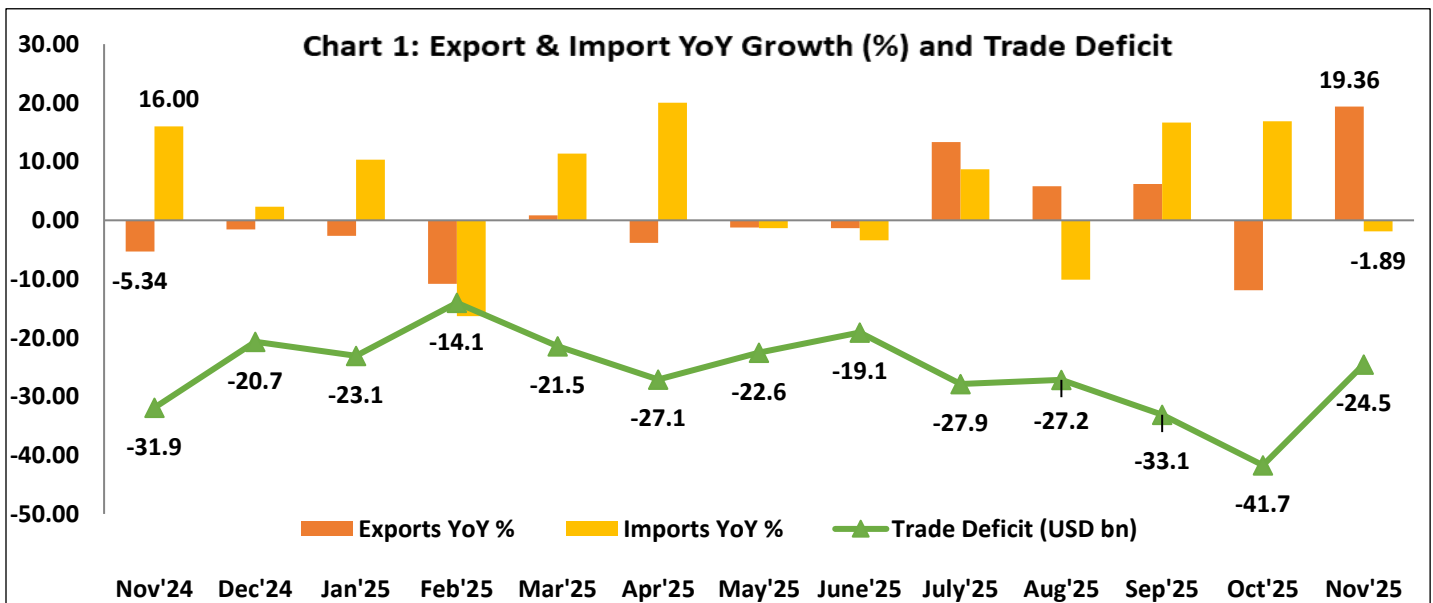
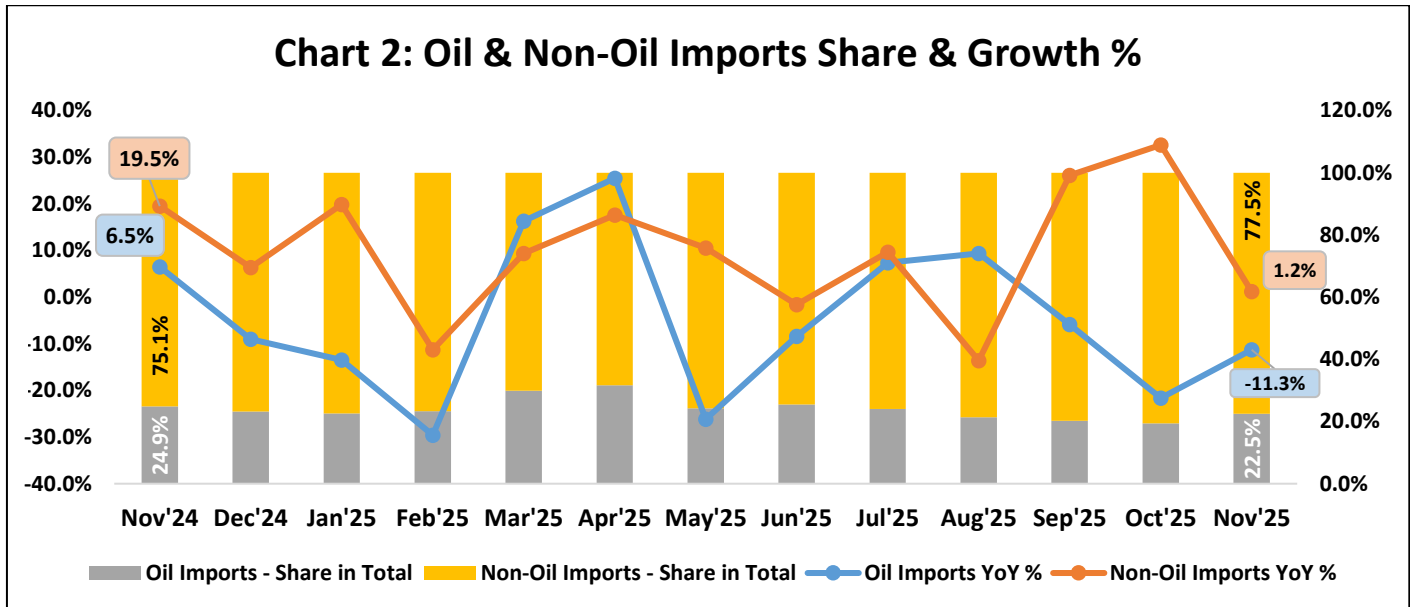


Table: Merchandise Exports and Imports (USD Bn)

Month	Exports	Imports	Trade Balance
Nov'24	31.94	63.87	-31.93
Oct'25	34.35	76.06	-41.71
Nov'25	38.13	62.66	-24.53
YoY Growth (%)	19.36	-1.89	



Insights:

- ✓ The share of oil imports within merchandise increased to 22.5% in November 2025 from 19.5% in the previous month. Correspondingly, the share of non-oil imports decreased to 77.5% from 80.5% during the same period.
- ✓ Exports of petroleum products grew by 11.6% year-on-year to \$3.9 billion in November 2025, while exports of non-petroleum products increased by 20.3% during the same period. Out of the 30 major commodity group, 25 recorded a YoY increase in exports. Major commodities that saw an increase in exports were iron ore (70.2% YoY), cashew (57.2% YoY) and oil meals (40.3% YoY).
- ✓ Imports of crude oil and petroleum products witnessed a decline of 11.3% YoY while imports of non-crude oil and non-petroleum products rose by 1.2% on YoY basis in November 2025.
- ✓ Out of the 30 major commodity group, 21 showed a YoY increase in imports. Major commodities among non-oil imports which recorded a positive growth in November 2025 were Sulphur & unroasted iron pyrites (214.0% YoY), silver (125.4% YoY) and Pearls, precious & semi-precious stones (90.6% YoY).
- ✓ Estimates of services exports during November 2025 stood at \$35.86 billion, registering an improvement of 11.7% YoY, while services imports increased by 4.1% YoY to \$17.96 billion.
- ✓ India's exports to markets such as Spain (181.33%), Tanzania (126.36%), China (90.12%), USA (22.61%) and UAE (13.16%) recorded the most significant growth in November 2025 compared to the previous year.
- ✓ India's imports for November 2025 grew the most from Thailand (80.96%), Brazil (77.42%), Hong Kong (41.44%), USA (38.29%) and China (18.28%) compared to the previous year.

Views:

- ✓ Despite persistent global headwinds, India witnessed a narrowing of the trade deficit in November 2025, primarily driven by record-high merchandise exports for the month and a declining import.
- ✓ The recent depreciation of the Indian rupee has boosted exports, as a weaker rupee makes Indian goods more competitive in international markets.
- ✓ Exports to the US increased by 22.61% YoY in November 2025, led mainly by tariff-free sectors such as electronics and pharmaceuticals. Simultaneously, India has been diversifying exports from tariff-hit segments to alternate markets, including China, Hong Kong, Brazil, and Spain, thereby mitigating concentration risks.
- ✓ Notwithstanding challenging global conditions, India's export performance remained resilient, supported by a sharp moderation in imports of gold, crude oil, and petroleum products.
- ✓ A significant decline in gold imports by 59.16% YoY from US\$ 14.72 billion in October 2025 to US\$ 4.02 billion in November 2025 played a crucial role in narrowing the merchandise trade deficit.
- ✓ However, ongoing trade negotiations, particularly with the US and the risk of proposed tariffs from Mexico, continue to pose downside risks to India's trade deficit.

Top commodity groups exhibiting the most positive and negative growths YoY:

Exports				
Commodity groups exhibiting positive growth				
Sl. No.	Commodities	(Values in Million USD)		% Change
		Nov'24	Nov'25	
1	Iron ore	105.0	178.7	70.23
2	Cashew	36.5	57.4	57.17
3	Oil meals	74.3	104.2	40.28
Commodity Groups exhibiting negative growth				
Sl. No.	Commodities	(Values in Million USD)		% Change
		Nov'24	Nov'25	
1	Rice	1127.3	791.9	-29.75
2	Jute manufacturing including floor covering	33.9	31.4	-7.37
3	Carpet	122.8	120.0	-2.25
Imports				
Commodity groups exhibiting positive growth				
Sl. No.	Commodities	(Values in Million USD)		% Change
		Nov'24	Nov'25	
1	Sulphur & unroasted iron pyrites	33.2	104.1	213.99
2	Silver	476.9	1075.0	125.40
3	Pearls, precious & semi-precious stones	963.6	1836.9	90.63
Commodity Groups exhibiting negative growth				
Sl. No.	Commodities	(Values in Million USD)		% Change
		Nov'24	Nov'25	
1	Gold	9844.0	4021.0	-59.15
2	Newsprint	32.9	25.3	-23.37
3	Vegetable oil	1887.0	1514.0	-19.77

Disclaimer: The opinion/information expressed/compiled in this note is of Bank's Research team and does not reflect opinion of the Bank or its Management or any of its subsidiaries. The contents can be reproduced with proper acknowledgement to the original source/authorities publishing such information. Bank does not take any responsibility for the facts/ figures represented in the note and shall not be held liable for the same in any manner whatsoever.

For any feedback or valuable suggestions: Reach us at eicsmead@pnb.co.in

Follow our Official Page: www.pnbindia.in

