

Macro Insights

Highlights:

Trade Deficit widens to 25.04 USD billion in December 2025

The difference between imports and exports of goods stood at \$25.04 billion in December 2025. It expanded from \$24.55 billion in November 2025. It was recorded at \$20.63 billion in December 2024.

- Merchandise exports saw a modest rise to \$38.51 billion in December 2025, compared with \$37.80 billion in December 2024, registering 1.8% YoY growth.
- Exports of non-petroleum products rose to \$34.11 billion in December 2025, recording a yearly growth of 3.08%. In contrast exports of petroleum products declined by 6.49% YoY, amounting to \$4.40 billion.
- Meanwhile, merchandise imports increased by 8.8% YoY to reach \$63.55 billion in the month of December 2025.
- Imports of gold fell by 12.08% YoY while silver imports saw an increase of 79.67% YoY in the month of December 2025.

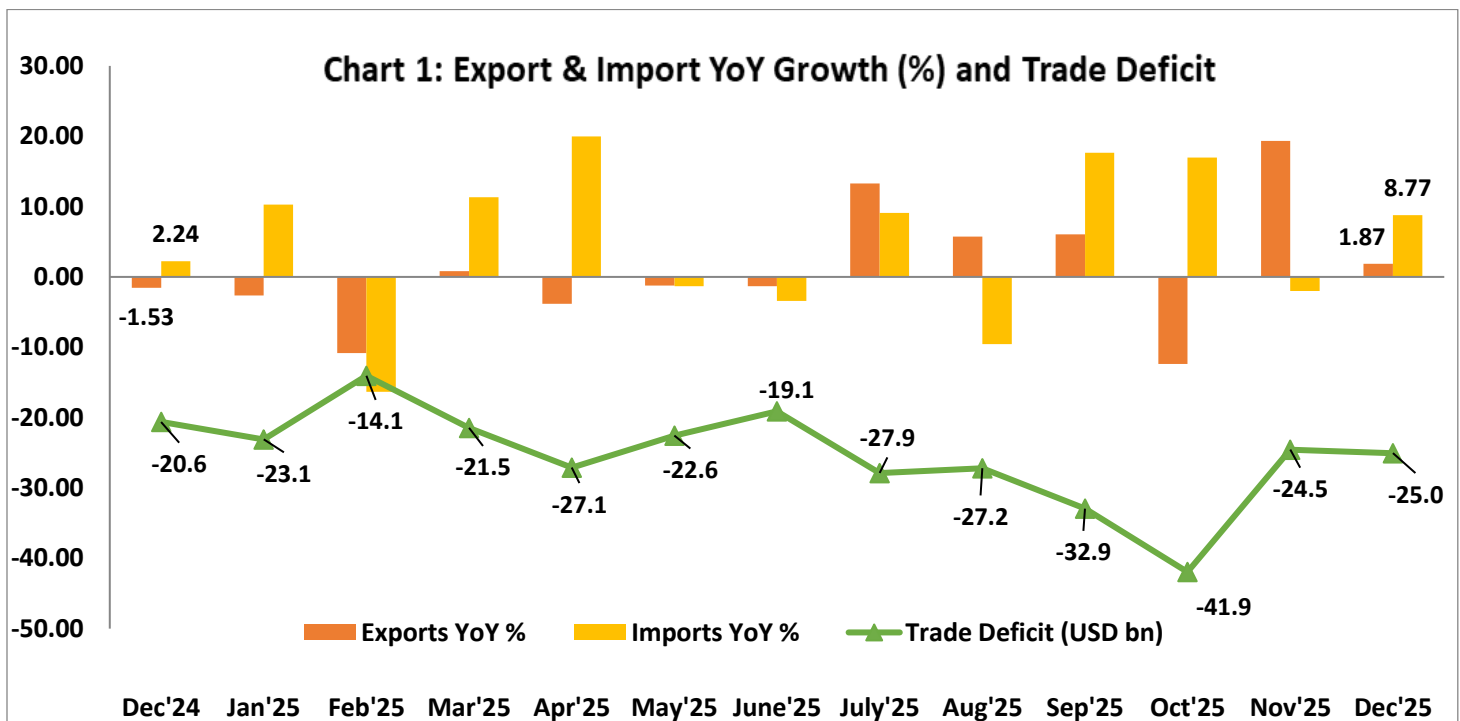
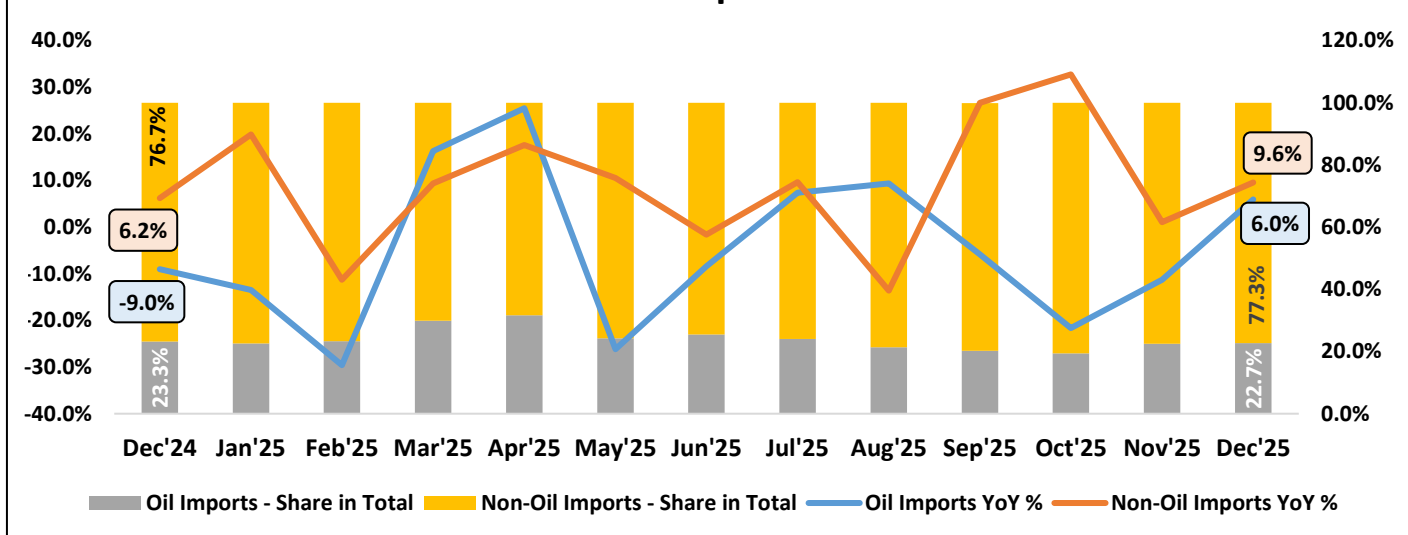


Table: Merchandise Exports and Imports (USD Bn)

Month	Exports	Imports	Trade Balance
Dec'24	37.80	58.43	-20.63
Nov'25	38.11	62.66	-24.55
Dec'25	38.51	63.55	-25.04
YoY Growth (%)	1.87	8.77	

Chart 2: Oil & Non-Oil Imports Share & Growth %



Insights:

- ✓ The share of oil imports within merchandise increased marginally to 22.7% in December 2025 from 22.5% in the previous month. Correspondingly, the share of non-oil imports decreased to 77.3% from 77.5% during the same period.
- ✓ Export growth remained subdued during the month, mainly due to a decline in petroleum product exports and only a marginal rise in non-petroleum exports. Out of the 30 major commodity group, 17 recorded a YoY increase in exports. Major commodities that saw an increase in exports were other cereals (85.8% YoY), coffee (53.1% YoY) and iron ore (50.0% YoY).
- ✓ December 2025 saw a 5.9% YoY rise in crude and petroleum product imports, alongside a 9.6% YoY increase in non-crude and non-petroleum imports.
- ✓ Out of the 30 major commodity group, 19 showed a YoY increase in imports. Major commodities among non-oil imports which recorded a positive growth in December 2025 were cotton raw & waste (212.5% YoY), silver (79.7% YoY) and non-ferrous metals (40.3% YoY).
- ✓ Estimates of services exports during December 2025 stood at \$35.50 billion, registering a decline of 3.97% YoY, while services imports decreased by 2.35% YoY to \$17.38 billion.
- ✓ India's exports to markets such as China (67.35%), Malaysia (65.42%), Hong Kong (61.28%), Spain (48.48%) and UAE (14.94%) recorded the most significant growth in December 2025 compared to the previous year.
- ✓ India's imports for December 2025 grew the most from Chile (116.34%), Brazil (95.62%), Peru (59.08%), Saudi Arab (28.85%) and China (20.01%) compared to the previous year.

Views:

- ✓ Despite persistent global headwinds, India registered positive growth in merchandise trade, with total exports for the current financial year up to December exceeding \$330 billion, compared with \$322.41 billion during the same period last year. Key export segments—including electronics, pharmaceuticals, meat and dairy, marine products, and engineering goods—continued to support this expansion, aided by greater market diversification.
- ✓ Exports to the US rose on a month-on-month basis in December, indicating sustained demand despite higher tariffs, particularly in tariff-exempt sectors such as electronics. At the same time, India has been redirecting exports from tariff-impacted sectors toward alternative markets such as China, Hong Kong, Brazil, and Spain to mitigate supply-chain pressures and reduce concentration risks.
- ✓ India's export performance remained resilient amid challenging global scenario, supported by stable policy frameworks and diversification of export destinations. Looking ahead, ongoing trade negotiations with the US, as well as trade agreements with the EU and other countries are expected to help reduce 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
		Dec'24	Dec'25	
1	Other Cereals	43.3	80.4	85.84
2	Coffee	99.2	151.9	53.13
3	Iron Ore	148.5	222.9	50.03
Commodity Groups exhibiting negative growth				
Sl. No.	Commodities	(Values in Million USD)		% Change
		Dec'24	Dec'25	
1	Oil Meals	139.7	80.2	-42.59
2	Rice	1,428.7	1,003.4	-29.77
3	Jute manufacturing including floor covering	37.9	29.6	-21.71
Imports				
Commodity groups exhibiting positive growth				
Sl. No.	Commodities	(Values in Million USD)		% Change
		Dec'24	Dec'25	
1	Cotton Raw & Waste	142.9	446.4	212.46
2	Silver	421.9	758.0	79.67
3	Non-ferrous metals	1,753.0	2,459.2	40.29
Commodity Groups exhibiting negative growth				
Sl. No.	Commodities	(Values in Million USD)		% Change
		Dec'24	Dec'25	
1	Gold	4,701.8	4,134.3	-12.07
2	Leather & leather products	81.9	74.6	-8.92
3	Wood & wood products	622.7	567.8	-8.82

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