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Dispute over 20% export duty on parboiled rice holds up over 100 containers in Chennai

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Chennai

Over 100 containers of parboiled rice meant for exports have been held up in Chennai port in a dispute over the payment of 20 per cent export duty which came into effect on August 25.

The dispute over the payment continues despite a clarification from the Department of Revenue, Ministry of Finance, on September 6 that export duty will not be applicable to goods that have entered the port or the container freight station before 10.49 p.m on August 25.

AUGUST 25 ORDER

The Official Gazette had published the imposition of



BOXED. Trade analysts said the hold-up could be one way of delaying shipments and curbing exports

20 per cent export duty at that time. The August 25 order said the duty would come into force from October 16. It said goods should have entered the customs station for exports before the said time on August 25 and it should be backed by irrevocable letters of credit (LCs). Communications from banks on the opening of the LCs should be clear

that they were opened before August 25. The September 6 order said the goods should have been loaded before 10.49 pm on August 25. Chennai Customs officials, who did not wish to be identified, told *businessline* that the consignments would be permitted only if "let export go" orders had been passed.

"You have to amend the shipping bill under duty for

the goods to be cleared," an official, who did not wish to be identified, said.

The official said consignments should not only have entered the port premises by August 25, but should have got the "let exports go" orders.

DELAYING TACTICS?

According to trade sources, exports would be allowed duty-free till October 15 if shippers had LCs. "So, where is the need for the cargo to be inside the Customs area?" wondered an exporter.

Trade analysts said the hold-up could be one way of delaying shipments and curbing exports. "The 100-odd containers hold up is only for Chennai. There could be similar hold-ups in other ports too," an analyst said.

Auto firms clock best August sales, exports up too: Siam

SHINE JACOB

Chennai, 11 September

Passenger vehicle wholesales grew 9 per cent in August year-on-year on the back of demand for utility models, said a manufacturers association on Monday. Passenger vehicles and three-wheelers saw their best sales in August, but two-wheeler numbers remained static. As many as 359,228 passenger vehicles were sold this August compared to 328,376 units during the same month last year, said the Society of Indian Automobile Manufacturers (Siam) on Monday.

Three-wheeler dispatches to dealers increased 69 per cent to 64,763 units in August 2023, compared to 38,369 units the same month last year. Two-wheeler sales increased 0.5 per cent to 1.57 million units as against 1.56 million units during the same period last year. In August 2023, utility vehicle sales saw a 34 per cent increase to 181,825 units, while passenger car dispatches dipped 10 per cent to 120,031 units

from 133,477 units. Van wholesales too declined to 11,859 units from 12,236 units.

"Last month saw the highest ever August sales for passenger vehicles and three-wheelers, while two-wheeler sales remained at levels similar to a year ago. We have also

observed good growth in the commercial vehicle segment in August 2023. Based on the performance of last month, we are even more optimistic for demand to pick up during the festive season, enabled by positive economic outlook and the revival of monsoon after a def-

icit in August," said Vinod Aggarwal, president of Siam.

In passenger vehicles, market leader Maruti Suzuki's domestic sales increased 16 per cent to 156,114 units in August 2023, compared to 134,166 units in August 2022. Hyundai Motor also witnessed a 9 per cent rise in sales during the period to 53,830 units versus 49,510 units last year.

"Around 359,000 units of passenger vehicles were sold in the month of August, with a growth of 9.4 per cent compared to August 2022. Three-wheelers also reported a significant growth of 68.79 per cent, posting sales of about 65,000 units in August 2023," said Rajesh Menon, director general of Siam. Passenger vehicle exports increased by 17 per cent to 63,883 units in August 2023 compared to 54,698 units in August 2022. On the other hand, three-wheeler exports dipped 41 per cent during the month, from 44,166 in August 2022 to 25,970 in August 2023. Two-wheeler exports were also seen down 4 per cent to 290,855.

GAINING PACE

Domestic wholesales ■ 2022 ■ 2023

Category	August	% change
Two-wheelers	1,557,429 1,566,594	0.5
Three-wheelers	38,369 64,763	69
PVs*	328,376 359,228	9

*Passenger vehicle wholesales data for BMW, Mercedes, JLR and Volvo Auto not available
Source: Siam



'Export of auto parts must hit \$100 bn by 2030'

There is a need to have a task force solely for automotive exports in order to boost the export of components to \$100 billion by 2030 from \$20 billion now. Also, by then 25 per cent of the automobiles made here should be exported, said **PAWAN GOENKA**, chairman, Steering Committee for Advancing Local Value-Add and Exports (SCALE), under the commerce ministry, at the 63rd Siam Convention. Speaking to Sohini Das in New Delhi, Goenka said startups were playing a huge role in the transition to EVs. Edited excerpts.

How can automotive exports from India pick up?

We are used to double-digit growth in India. I don't think 13-15 per cent growth can happen without exporting. Our export should be at least triple of what it is today.

A lot of work is happening on localisation. The Society of Indian Manufacturers and Automotive Component Manufacturers Association are working with SCALE on how to localise what we use in our vehicles.

The automotive industry is the only sector that can bring huge growth in manufacturing and export. We export automotive components worth \$20 billion, which is less than 2 per cent of the global export, and we are number 10 in the pecking order. And 15 per cent of our automobiles manufactured are being exported. Japan, South Korea, and Thailand export more than 50 per cent of the automobiles they manufacture.

The industry needs to set a big target. I will propose component exports of \$100 billion, and 25 per cent of vehicles manufactured in India should be exported by 2030. Business as usual will not make this happen. We need to make it a national mis-

sion. There is a need for a national task force with a singular objective to increase automotive exports.

How are startups playing a role in local value addition?

In automotive, startups are playing a pretty significant role in the transition to electric vehicles. They are playing a big role in two- and three-wheelers but not that big in large buses, trucks, or even passenger vehicles. However, in small commercial vehicles they are indeed playing some part. In electric-mobility service, there are several startups. When startups for electric vehicles began, most were importing and selling here with little value addition.

But now with the government's Faster Adoption and Manufacturing of (Hybrid & Electric Vehicles scheme, there is more local value addition happening. It's the beginning of a journey. Not just startups, but even big original equipment manufacturers are now doing it.



More on business standard.com

Business Line Dt: 14/09/23

Upasi calls for strategy change to boost tea exports

V Sajeew Kumar
Kochi

United Planters Association of South India (Upasi) has suggested marketing strategies for South Indian teas to augment exports in order to achieve better price realisation.

South India traditionally used to export more than 50 per cent of its production and its share in the country's total export was nearly 50 per cent. However, it exported only 36 per cent of its production in 2022. Given the relatively high export intensity from South India, increasing the quantum of export turns critical to South India's supply-demand dynamics.

The disintegration of the Soviet Union, which used to be an assured destination for Indian teas in



The presence of South Indian teas in the domestic market is largely region-specific

general and South Indian teas in particular, has necessitated the tea industry to work with the Government in identifying and developing suitable markets, says the Plantation Sector - Overview report 2023 prepared by Upasi.

The presence of South Indian teas in the domestic market is largely re-

gion-specific and that market being finite; there is a need to export more volumes of teas. The report also called for diversifying the market portfolio with an objective to retain and sustain the existing key markets besides making a footprint in the emerging markets as a consistent supplier of dependable teas.

NEW OPPORTUNITIES

Towards developing and sustaining the export momentum, there is a need for nurturing traditional markets and developing new opportunities in emerging markets.

The South Indian tea sector has put in tremendous effort towards enhancing the quality profile of the teas, by reformatting field and factory practices and by restructuring the business process to be

properly projected. The benefits of these additional efforts are reaped through various promotional activities by showcasing single estate origin teas, promoting tea growing regions, reinforcing Brand India in the overseas market and enhancing global visibility of Indian tea in general and South Indian tea in particular.

Upasi also proposed the Tea Board to explore the possibility of setting up an Atal Incubation Centre for Tea that can bring about much-needed innovation, in the fields of vending machines (Make-in-India), blockchain technology for traceability, Artificial Intelligence, and many other areas.

Upasi data shows that overall tea exports between January-June this year dropped 0.8 per cent to 96.3 million kg.

Business Line Dt: 15/09/23

ONDC forays into B2B exports, ropes in Proxtera as buyer app

GLOBAL ACCESS. Move likely to give SMEs more visibility, entry into newer markets

Our Bureau
New Delhi

Open Network for Digital Commerce (ONDC) has forayed into the international B2B exports with Proxtera coming in as its first international buyer app.

Proxtera was established for the operationalisation of the Business sans Borders (BsB) initiative led by the Monetary Authority of Singapore (MAS) and the Infocomm Media Development Authority (IMDA).

It will connect B2B platforms and SMEs to explore trade opportunities, secure essential financing, and embrace digital transformation through the ONDC network.

"With the ONDC network enabling B2B exports, Indian businesses will benefit from increased product visibility and access to newer markets digitally.



ONE-STOP SOLUTION. Businesses can eventually expect a seamless experience in negotiating the best deal, completing cross-border payments within a digital framework

Businesses can eventually expect a seamless experience of being discovered, negotiating the best deal, exchanging relevant documents, completing cross-border payments and managing shipments, all facilitated within a fully digital framework," the official statement added.

In addition, SignCatch and Rapidor, with Bechapp

and placeorder.com respectively, will be among the first seller network participants to join ONDC for international B2B trade, facilitating the reach of Indian products to global markets.

ACROSS BORDERS

Liquid Group, a fintech company within Proxtera's specialising in digital pay-

ments, joins as a cross-border payments provider for B2B buyers in Singapore.

T Koshy, MD and CEO, ONDC, said, "The demonstration today is a step towards enabling digital market access across borders for Indian businesses and SMEs. Proxtera, as the first international buyer app from Singapore, and the roles of SignCatch and Rapidor on the seller side in bridging the gaps between businesses through cross-border trade, are thus highly instrumental in this journey."

Saurav Bhattacharyya, CEO, Proxtera, added, "This collaboration is a pioneering step towards democratising access to international trade for SMEs in India, Singapore and across the globe. Together with ONDC, we are simplifying global commerce, breaking down barriers, and unlocking a world of opportunities for B2B SMEs worldwide."

SAP I plans

Haripriya Sureb
Bengaluru

SAP Labs Bengaluru-headquartered R&D hub, is better celeration of Artificial Intelligence (AI) adoption in Business AI capabilities.

For the global market, SAP has emerged as a critical player for its AI transformation, enabling its worldwide.

The company plans to double its AI talent by 2024 to infuse with AI capabilities to meet the demands of the business landscape. SAP has 15,000 employees in India.

SAP AI

Sindhu Gangadhar and MD of SAP Labs India, Head of SAP AI, said, "Generative AI is mentally changing businesses run. In a new world, no one is positioned than SAP. Power businesses have the advantage of this

Business Line Dt: 15/09/23

Vegoil import up 35% as demand rises on price dip

Our Bureau
Mangaluru

A sharp drop in domestic and global prices in August boosted demand for edible oil, leading to an increase in imports.

Data compiled by Solvent Extractors' Association of India (SEA) showed that India imported 18.52 lakh tonnes (lt) of edible oil in August, against 13.75 lt a year ago, registering a growth of 34.69 per cent. India imported 17.55 lt of edible oil in July 2023.

India imported 139.74 lt of edible oil during November-August of the oil year 2022-23, against 110.70 lt in the corresponding period of 2021-22, recording a growth of 26.23 per cent.

With the import of ve-

getable oils, including edible and non-edible oils, touching 141.21 lt during the first 10 months of 2022-23, BV Mehta, Executive Director of SEA, said there could be a record import of over 165 lt during the current oil year ending in October. India's highest import ever was 151 lt in 2016-17.

AUGUST BOOST

Stating that there was a surge in import of edible oil during August, Mehta said a sharp drop in domestic edible oil prices reignited demand, despite ample availability in the domestic market.

He said crude palm oil (CPO) imports rebounded, regaining competitiveness against soyabean and other oils, totalling 8.24 lt in Au-



ON THE BOIL. Edible oil imports from Nov 2022 to Aug 2023 surged by 26.23%, reaching 139.74 lt (110.70 lt)

gust, slightly down from 8.41 lt in July.

Meanwhile, RBD palmolien imports increased from 2.17 lt in July to 2.83 lt in August. In total, palm product imports reached 11.28 lt in August, up from 10.86 lt in July.

He said soyabean oil im-

ports rose to 3.58 lt in August against 3.42 lt in July, while sunflower oil imports increased to 3.66 lt in August from, surpassing the 3.27 lt reported in the previous month.

Mehta said the surge in this influx of imports is driven by the currently low 5.5 per cent duty on CPO, soyabean oil, and sunflower oil, transforming India into a prime destination for excess oil supplies.

He said the import of palm products increased sharply to 82.46 lt during November-August of the oil year 2022-23 due to price parity, against 58.56 lt in the corresponding period of 2021-22. Shipment of sunflower and soyabean oils has gone up significantly in the last five months of the oil year 2022-23, he said.

Financial Express
Date: 15/09/23

Govt: Solar module exports to hit 60 GW a year by 2026

MANISH GUPTA

New Delhi, September 14

NEW AND RENEWABLE energy secretary Bhupinder Singh Bhalla on Thursday said that India aims to have about 100 giga watt (GW) solar PV module manufacturing capacity by 2026 and will be a major exporter by then.

"We aim to create India as a leading global supplier of renewable energy equipment," Bhalla said a conference on clean energy organised by industry body CII and the ministry of new and renewable energy (MNRE).

India has manufacturing capacities of 28 GW of solar module, 6 GW of solar cell and 15 GW of wind energy (turbine). With help from the ₹24,000 crore PLI scheme, 48 GW new manufacturing capacity is expected in next three years, he said.

"We expect to have 100 GW module capacity by 2026 and our requirement is 30-40 GW. So, we will have the capacity to export 60 GW or more by 2026," Bhalla said on the sidelines of the event.

India's solar module imports from China have declined from 9.8 GW in the first half of 2022 to 2.3 GW during the corresponding period in 2023, according to energy think tank Ember.

India had levied a customs duty of 40% on solar modules and 25% on solar cells from April 2022 to restrict imports.

Business Live Dt: 18/09/23

Govt may ease or postpone the import curbs on laptops, tablets

MAKING IT EASY. Mulls replacing proposed licensing norm with registration

Amrit Sen
New Delhi

To address industry concerns on import curbs on laptops, computers and tablets announced recently, the Centre is looking at options such as allowing importers to register online instead of going through the hassle of getting a licence. Or, the government may even postpone the implementation of the restrictions by a year or more, sources said.

INDUSTRY CONCERNS

"MeitY (Ministry of Electronics and Information Technology) is holding consultations with the industry on the latter's concerns on the import restrictions that are to kick in from November 1. It will discuss its proposals with the DGFT (Directorate-General of Foreign Trade) by the end of September," a source tracking the matter told *businessline*.

The options being discussed include online registration for importers instead of the cumbersome licensing process. "The government already has a monitoring sys-

SORTING OUT ISSUES

- IT Ministry holding consultations with industry on latter's concerns on proposed licensing restrictions
- Based on industry feedback, MeitY to make proposals to DGFT by month-end
- A registration system on the lines of that for steel imports could be considered
- The Centre may also consider the industry demand for further postponing the licensing decision



which is being strongly demanded by the industry, the source said.

PUSH TO LOCAL MAKING
On August 3, a notification imposing licensing conditions on imports of laptops, tablets, all-in-one PCs, and ultra-small form factor computers and servers was issued by the DGFT.)

The government said this was to address security concerns, especially on items shipped from China, as well as to boost local manufacturing which was already being incentivised by the PLI scheme. The Centre, however, decided to postpone implementation by about three months, till October 31, following protests from the industry.

The industry, including the India Cellular and Electronics Association, which represents companies such as HP, Dell, HP Enterprises, Apple, Acer, Asus, and Lenovo, has been pressing for further postponement of the licensing norm, and a reassessment of the situation.

US Trade Representative Katherine Tai also took up the matter with Commerce Minister Piyush Goyal last month.

choose to keep out companies that it believes may pose a security risk," the source added.

CHINA IMPORTS ISSUE

A large part of the \$7.8 billion worth laptops, tablets, and computers imported annually into the country comes from China, which could also be checked through the registration process, the official said.

The government may also decide to postpone the implementation of the licensing decision by a year or more,

tem for steel imports wherein importers don't need a licence but only register online. A unique code is generated that has to be put in the bill of entry on imports. Something similar could be tried for laptops and computers, if required," the source said.

A registration done by an importer can be valid for a long time depending on what the government decides, he added.

"Through the registration process, the government can

2023-24 Import Policy Study of India 68

Source: India Cellular and Electronics Association

Business Standard. Dt: 18/09/23

Nearing \$20 bn: Cocaine set to beat oil to be Colombia's main export

BLOOMBERG
17 September

Colombia's top export is about to shift from oil to cocaine, according to a recent note from *Bloomberg Economics*.

The shift comes as Colombian President Gustavo Petro keeps a lenient policy towards the coca crop industry in place that dates back to 2013, when the cocaine industry generated just \$2.2 billion in export revenues, according to *Bloomberg* estimates.

Fast forward to 2022, and Colombia's cocaine industry generated an estimated \$18.2 billion in

export revenues, just behind oil export revenue of \$19.1 billion. With the country's oil exports dropping 30 per cent in the first half of this year, and its cocaine industry still growing steadily, *Bloomberg* estimates that 2023 will be the year when Colombia's cocaine revenues outpace revenues from oil.

Colombia, which is the world's largest producer of the drug, has seen its cocaine production jump to its highest level since 1991. The country produced 1,738 tons of the drug in 2022, with a total street value of \$193 billion.

"From a purely economic standpoint, higher cocaine production

IN NUMBERS

► Revenue derived from Colombia's cocaine business is nearing \$20 billion, ahead of the country's \$19.1 billion in 2022 oil exports

► Cocaine production in Colombia is at its highest level since 1991 amid lenient policies from Colombian President Gustavo Petro

and exports have supported short-term activity, domestic demand and external accounts," *Bloomberg*

economist Felpi Hernandez said.

Instead of attempting to eradicate coca bush farms, as it did in the past, the Colombian government is instead targeting exporters and laboratories that turn the coca leaf into cocaine. That's led to a surge in crop yields for coca bushes in the past few years, with 230,028 hectares of the plant being cultivated in 2022.

As the country's drug war shifts from the growers to the producers, the growers are getting more efficient.

Colombia's illicit cocaine business represented 5.3 per cent of the country's GDP last year, Hernandez estimates.

Jeep plans new models, eyes India as export hub

SWARAJ BAGGONKAR

Mumbai, September 17

JEEP, THE WORLD'S most popular sports utility vehicle (SUV) brand, is planning a business overhaul in India. In an effort to accelerate growth amidst rising premiumisation, it plans to enter new product segments, make India an export base and shore up local content in its vehicles.

In addition, the company, part of the Stellantis group (formed after the merger of the Fiat Chrysler and PSA Group), is also exploring electric and hybrid vehicle options.

In one of his first interviews since taking charge as the deputy managing director of Stellantis India and head of Jeep India, Aditya Jairaj told *FE*, "My mandate is very simple; put in the elements needed for growth because Jeep has great potential in India."

Jeep is an SUV-only, US-based auto brand which sells four models in India. On Saturday, the company lowered its entry price to ₹20.49 lakh (ex-showroom) with the launch of the 4X2 version (manual) of its best-seller model Compass. The automatic 4X2 variant now starts at ₹23.99 lakh compared to nearly ₹30 lakh.

"The launch of the 4X2 is part of our effort to strengthen the base and we will see more

ADITYA JAIRAJ,

Deputy MD, Stellantis India
& head, Jeep India

We are evaluating 'what' and 'when' (on electrification). It can be hybrids, or plug-in hybrids, or battery electric vehicles... the customers are asking for it



of this in the next couple of years. We have to be competitive, add value and use India very strategically," Jairaj added. The company expects volumes to double over the next quarter to 1,200-1,600 units per month with the launch of the new Compass 4X2 and the Meridian Overland, which was also unveiled on Saturday.

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