Business Line dt. 3.1.23

Indian coffee exports top 4 lt in 2022 as instant coffee demand surges

Vishwanath Kulkarni
Bengaluru

India's coffee exports for calendar 2022 topped the 4-lakh-tonne mark on demand for instant coffees from countries such as Russia and Turkey touching a new high of $1.11 billion. In dollar value, shipments registered an 18 per cent growth over the previous year's $945 million, while in rupee terms exports were up 26 per cent at ₹8,762 crore (₹6,984 crore in 2021). The per unit value realisation rose to ₹2,18,923.82 per tonne during the calendar year, an increase of 23 per cent over the previous year's ₹1,77,406.89.

Overall shipments at 4 lakh tonnes was up over 2 per cent on the previous year's 3.93 lakh tonnes, based on the permits issued by the state-run Coffee Board. Instant coffee shipments registered 10 per cent growth at over 1.34 lakh tonnes, over 1.21 lakh tonnes during the same period last year. This included higher re-exports of over 99,513 tonnes (91,960 tonnes). India imports lower grades coffee from countries such as Vietnam and re-exports them after conversion into value-added instant coffees. "The year 2022 has been very good for the Indian coffee growers and exporters as our exports hit a new record both in value and volume terms. The supply chain disruption in Brazil and the post-Covid rebound in consumption triggered demand for the Indian coffees. Also, the hand-holding assistance provided by the Coffee Board to exporters and buyers contributed to the record shipments," said KG Jagadeesha, CEO and Secretary, Coffee Board.

The per unit value realisations of coffee exports increased by 23% over the previous year

Shipments of green coffees, mainly arabicas registered a slight decline, while robustas were up marginally. Arabica parchment exports were down at 35,624 tonnes (37,802 tonnes). Similarly, the arabica cherry shipments were down at 8,918 tonnes (12,253 tonnes).

ITALY AHEAD

Italy continued to be the largest buyer of Indian coffees, although volumes declined by about 14 per cent over the previous year.During 2022, CCL Products India Ltd continued to be the largest exporter shipping about 40,549 tonnes (39,992 tonnes in 2021).

Maruti Suzuki's exports at all-time high of 2.63 lakh

S Ronendra Singh
New Delhi

Maruti Suzuki India (MSIL) on Tuesday said its exports grew 28 per cent year-on-year to 2,63,068 units in 2022, its highest ever overseas shipments. The previous record was in 2021 (2,05,450 units).

The highest exported models in 2022 were Dzire, Swift, S-Presso, Baleno and Brezza and the vehicles were popular in Africa, West Asia, Latin America, ASEAN and neighbouring regions, the company said.

JIMNY SUV

MSIL also exports Suzuki's Jimny SUV, which it started manufacturing in India and exporting from January 2021. Sources said the company has exported 29,316 units of Jimny cumulatively since then. "In 2021-22, 18,486 units were exported and in 2022-23 (till December), 9,195 units have been exported," sources said.

"This achievement further aligns with our strong commitment to the 'Make in India' initiative to manufacture products to delight global customers," Hisashi Takeuchi, MD & CEO, said.

It may also be noted that the exports in 2022 were more than double of pre-Covid year (2019) — 1,07,190 units.

Business Line dt. 16.1.23.

'Europe has imported 6 times more oil from Russia than India since Feb'

Press Trust of India

Vienna

External Affairs Minister S Jaishankar has defended India's move to import crude oil from Russia notwithstanding the growing disquiet over it by Western powers, saying that Europe has imported six times the fossil fuel energy from Russia than India has done since February 2022.

Jaishankar, who arrived here from Cyprus on the second leg of his two-nation tour, also said that if the European political leadership would like to soften the impact of the ongoing Russia-Ukraine conflict to their population, it's a privilege they should extend to other political leaderships as well.

THE TRUE PICTURE. External Affairs Minister S Jaishankar with Austrian Foreign Minister Alexander Schallenberg

DEFENDING THE MOVE

"Europe has managed to reduce its imports while doing it in a manner that is comfortable. If at a (per capita income) of €60,000s, you are so caring about your population, I have a population at $2,000. I also need energy, and I am not in a position to pay high prices for oil," Jaishankar said during an interview to Austria's national public broadcaster ORF on Monday. Jaishankar also pointed out that Europe has imported six times the energy from Russia than India has done since February 2022.

"Essentially, if it was a matter of principle, why didn't Europe cut off energy from Moscow on February 25," he asked while replying to a question.

Russia, which made up for just 0.2 per cent of all oil imported by India in the year to March 31, 2022, supplied 9,09,403 barrels per day (bpd) of crude oil to India in November. It now makes up for more than a fifth of India's oil supplies.

The Western countries are gradually bringing down their energy purchases from Russia following its attack on Ukraine in February 2022.

"What Europe is doing is also moving into the Middle-East and diverting production out of the Middle-East and raising prices. European actions are putting pressure on the global oil markets," Jaishankar said.

Business Line dt. 16.1.23.

DGFT extends ban on palm oil imports through Kerala ports

V Sajeev Kumar
Kochi

The Director-General of Foreign Trade (DGFT) has extended the ban on palm oil imports through Kerala ports until further orders. It has also extended import duty waiver on refined palm oil and palmolein oil.

Both the duty waiver and the ban on imports at Kerala ports were to end on December 31. The government banned the import of palm group of oils through Kerala ports in 2007 to protect coconut growers.

The extension of the ban on palm oil imports reportedly comes on the Coconut Development Board's request and pleas from various farmer organisations, fearing increased arrivals, especially when Indonesia lifted restrictions on palm oil imports. This may further depress coconut oil prices in the domestic market now ruling at ₹139.

The government banned import of palm group of oils through Kerala ports in 2007 to protect coconut growers

CONSUMPTION

Official sources said the Kerala's annual edible coconut oil consumption is around 3 lakh tonnes in the last few years. However, consumption is almost stagnant even at low prices against the production of 5.56 lakh tonnes in 2021-22.

The Board has occasionally taken up marketing campaigns to increase consumption, citing its health benefits. However, industry sources pointed out that, of late, there was no generic promotion from the Board.

Cochin Port Users Forum had urged the DGFT to lift the palm oil import restrictions to shore up the port's revenue. They pointed out that the government implemented the ban to curb the sliding of coconut oil prices with no desired results.

Industry sources noted that there is no point in continuing with the ban through Kerala ports, as imported palm oil is still flowing freely to the State by road after unloading it at Tuticorin and New Mangalore ports.

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Sugar exporters almost exhaust shipments quota

SWEET DEALS. Contracts signed to ship over 5.3 million tonnes at 'high' parity till December 31; 1.5 million tonnes physically exported

Subramani Ra Mancombu
Chennai

Sugar exporters, including mills, have almost exhausted the 6 million tonnes (mt) export quota allocated by the Centre for the current sugar season (October 2022-September 2023), striking to sell nearly 5.5 mt by December 31.

"Deals to export 5.3 mt to 5.5 mt have been signed for sugar. Only a small quantity is left now for shipments," said Rahil Shaikh, Managing Director, MEIR Commodities India Pvt Ltd.

SURPLUS PRODUCTION

"The 6 mt export quota has almost been sold. The Centre may have to come up with a second tranche of allocation to allow additional volume," said Praful Vithalani, Chairman, All India Sugar Traders Association (AISTA).

In its weekly sugar report, UK-Based Marex Group said only 0.7 mt remained to be sold out of the 6 mt export quota. "Although India's exports will be down, the net result will be to produce a 3-5 mt surplus in 2023," it said.

"The going is good on sugar exports. About 1.5 mt have been physically shipped out. The movement was affected after some deals were renegotiated since some sellers defaulted," said an industry source, not wishing to be identified.

"Almost all of the deals signed by December 31 will be exported by March 31," said Shaikh.

While white sugar has been contracted at over $530 a tonne, raw sugar has been sold at $510 with a 200-point premium for consignments with 96 per cent polarisation.

KEY BUYERS

London white sugar futures are currently quoted at $547.30 a tonne for delivery in March, while raw sugar futures on InterContinental Exchange, New York, are ruling at 18.59 cents a pound (₹34,250/tonne) for March.

MEIR Commodities' Shaikh said Bangladesh, Iran and Indonesia have emerged as the biggest buyers of Indian sugar this season. "Some consignments are heading to Dubai too," he said. Marex said parity for Indian sugar exporters was "sky high". Domestic sugar prices are currently ruling at ₹3,200-3,250 a quintal,

Trade sources said reports of Indonesia wanting to import 3.5 mt of raw sugar was keeping the market interested. "We have nothing more to give after exhausting the export quota," said AISTA's Vithalani.

GOOD HAUL. UK-Based Marex Group said only 0.7 mt sugar remained to be sold out of the 6 mt export quota REUTERS

SACCHARINE STATS

- White sugar has been contracted at over $530 a tonne
- Raw sugar has been sold at $510
- ISMA said there is scope for the export of 9 mt of sugar this season
- Bangladesh, Iran and Indonesia have emerged as the biggest buyers of Indian sugar this season

EXPORT CAP

Trade sources said the Centre may review the sugar production scenario after January before deciding on allowing further exports. According to the Indian Sugar Mills Association (ISMA), sugar production is projected to be a record 36.5 mt this season against 36 mt last season. The output is up 3.5 per cent in the first three months, ISMA said.

"Production of sugar is good this season," said Vithalani. "The yield got affected due to rains in November-December but the situation is neither alarming nor worrisome," said Shaikh. "The situation will be clear in a week to 10 days time," he said. Trade sources said production in Uttar Pradesh has also been affected.

The Indian government capped sugar exports at 10 mt last season after record shipments raised fears of a domestic shortage. In order to ensure ample stocks during the festival season, it capped the exports from June 1, 2002. Still, it allowed an additional 1.2 mt, taking total shipments to a record 11.2 mt.

ETHANOL DIVERSION

In view of last season's experience, the Centre permitted sugar exports from November 2022, only fixing a 6 mt quota. It has also stipulated that the shipments must be done by May 31.

Besides sugar production being estimated at a record high, about 4.5 mt of sugar is being diverted for the production of ethanol, a new high.

ISMA said there is scope for the export of 9 mt of sugar this season which would leave 5.5 mt of closing stocks, the same as last season after domestic sales of 27.5 mt.

Economic Times dt. 4.1.23.

Top carmakers post double-digit export growth with Maruti at the wheel

SOHINI DAS & SHINE JACOB
Mumbai/Chennai, 3 January

Notwithstanding global headwinds, passenger vehicle (PV) exports from India grew at a fast clip in Calendar 2022 (CY22), led primarily by a 28 per cent growth in exports by the country's largest PV maker — Maruti Suzuki India (MSIL) — during the year.

According to the Society of Indian Automobile Manufacturers (Siam) data, the overall PV exports clocked 11 per cent growth during the first 11 months of 2022, to 535,352 units. The December export data is yet to be released by the automotive industry body.

MSIL beat its Korean rival Hyundai Motor India (HMIL) in exports in 2021-22 and managed to maintain momentum. HMIL, too, saw strong growth of 13.7 per cent in exports in CY22, to 148,300 units, up from 130,380 units in 2021, reveals data.

MSIL, on the other hand, exported 263,068 units in CY22, up from 205,450 units in Calendar 2021.

MSIL's exports grew threefold, stacked up against Calendar 2020 (85,208 units) and more than twofold versus the pre-pandemic year of 2019 (107,190 units).

MSIL's Managing Director and Chief Executive Officer Hisashi Takeuchi said: "Crossing the 200,000 milestone in exports for the second consecutive year signifies the trust, quality, reliability, performance, and affordability of our products. This achievement further aligns with our strong commitment to the Government of India's Make in India initiative to manufacture products to delight global customers."

He added, "We are thankful for the support from our parent company — Suzuki Motor Corporation — to enable us to leverage a wider distribution network across the globe. Further, adding more models to our portfolio helped sustain excitement in the export markets."

BEATING THE ODDS

Passenger vehicle exports by key players

	2021	2022	Growth (%)
Maruti Suzuki India	205,450	263,068	28
Hyundai Motor	130,380	148,300	13.7
M&M*	29,910	33,568	12.23
Tata Motors	795	783	-1.5

Note: For full year; *Includes farm sector sales Sources: Companies, Siam

Overall PV exports

Jan-Nov '21: 481,792

Jan-Nov '22: 535,352

% growth 11.1

MSIL's export market network got a leg-up, thanks to its partnership with Toyota Motor Corporation.

Puneet Gupta, director, S&P Global Mobility, pointed out: "Last year has been one of the best years for MSIL. It has since shown manifold increase. One reason is that it has partnered Toyota that is using the Suzuki portfolio for exports also. The upside: India's largest player is not only focusing on the domestic market, but on exports as well."

For instance, the Grand Vitara, produced by Toyota Kirloskar Motor, is exported from the country, apart from domestic sales.

The company primarily exports to countries in Africa, West Asia, Latin America, the Association of Southeast Asian Nations, and neighbouring regions. It exports 16 models at present. In 2022, the highest exported models by MSIL were the Dzire, Swift, S-Presso, Baleno, and the Brezza, said MSIL.

In July, MSIL Executive Director (Corporate Planning and Government Affairs) Rahul Bharti said in an analyst call that uncertainties of one market or one country having some kind of economic cycle always exist in exports.

"But the only strategy is that you have to spread yourself across more such markets and gain from more... The distribution network of our parent is helping us. So far fortunately, there is no such signal of inflation or any economic cycle affecting it," Bharti had said.

HMIL, meanwhile, which is a critical part of Hyundai Motor Company's global export hub, currently exports to around 85 countries across Africa, West Asia, Latin America, Australia, and Asia Pacific. According to experts, a major challenge with both Hyundai and Kia is to maintain the pace of exports, as well as rising demand from the domestic market. "Exports have become more of a constraint for Hyundai and Kia because of limited production capacity. Their exports in 2022 were good but in the years to come, they will be in a pickle whether to export or sell in the domestic market," said Gupta.

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Economic Times dt. 4.1.23.
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Maruti...

He added that for Hyundai, focusing on the domestic market is crucial as it cannot afford to cede market share. Hyundai posted its highest-ever sales in the domestic market in 2022, selling 552,500 units, up 9 per cent from 505,033 units in 2021. It has an installed capacity of roughly 750,000 units per year.

After the semiconductor chip shortage issue tapered off, carmakers briskly ramped up production. From mid-2022, capacity utilisation shot up for most players — MSIL nearly used 95 per cent of its capacity in specific months.

It has an installed capacity of 2.25 million units per annum, Manesar, and Gujarat plants combined. The firm has commenced work at its new facility in Haryana's Kharkhoda. The plant is expected to be operational by 2025 with an installed production capacity of 250,000 units in the first phase.

One major drawback for the Indian export market in recent years was the withdrawal of players like Ford and General Motors. While upbeat about the domestic market that is expected to grow 5-6 per cent in 2023, experts indicate that to sustain this domestic growth, Indian manufacturers will have to compromise on exports.

M&M, too, saw a 12.2 per cent jump in exports for 2022, including exports from its farm equipment sector. According to Siam data, its PV exports saw marginal dip, from 6,376 units in April-November 2021 to 5,444 units during April-November 2022.

, 4 JANUARY 2023 Business Standard

EU import of Russian oil 6x India's: Jaishankar

PRESS TRUST OF INDIA
Vienna, 3 January

External Affairs Minister S Jaishankar has defended India's move to import crude oil from Russia, notwithstanding the growing disquiet over it by Western powers, saying that Europe has imported 6x the fossil fuel energy from Russia since February 2022.

Jaishankar, who arrived from Cyprus on the second leg of his two-nation tour, also said that if the European political leadership would like to soften the impact of the ongoing Russia-Ukraine conflict to their population, it's a privilege they should extend to other political leaderships as well.

"IF AT A (PER CAPITA INCOME) OF 60,000 EUROS, YOU ARE SO CARING ABOUT YOUR POPULATION, I HAVE A POPULATION AT $2,000. I ALSO NEED ENERGY, AND I AM NOT IN A POSITION TO PAY HIGH PRICES FOR OIL"

S Jaishankar,
External Affairs Minister

"Europe has managed to reduce its imports while doing it in a manner that is comfortable. If at a (per capita income) of 60,000 euros, you are so caring about your population, I have a population at $2,000. I also need energy, and I am not in a position to pay high prices for oil," Jaishankar said during an interview to Austria's national public broadcaster ORF on Monday.

"Essentially, if it was a matter of principle, why didn't Europe cut off energy from Moscow on February 25," he asked while replying to a question. India's appetite for Russian oil has swelled ever since it started trading on discount as the West shunned it to punish Moscow for its invasion of Ukraine. The government has been vehemently defending its oil trade with Russia..