

East Africa is now top supplier of tur to India

Displaces traditional supplier Myanmar, thanks to recent pact with New Delhi

VISHWANATH KULKARNI

Bengaluru, September 12

The East African pigeon pea (tur/arhar) producing block of countries, including Tanzania and Mozambique, have emerged as the largest supplier of the pulses to India in recent years, displacing the traditional supplier Myanmar.

This is even as India remains a net importer of pulses to meet its growing domestic demand.

Over the past five years, imports of tur have risen sharply from countries like Tanzania, Mozambique and Malawi.

This jump has been facilitated by agreements that the Indian government has signed with Mozambique and Malawi in the recent years for annual import of two lakh tonnes and 50,000 tonnes, respectively.

"As far as the imported tur is concerned, East Africa has emerged as the largest supplier of tur. It has been help-

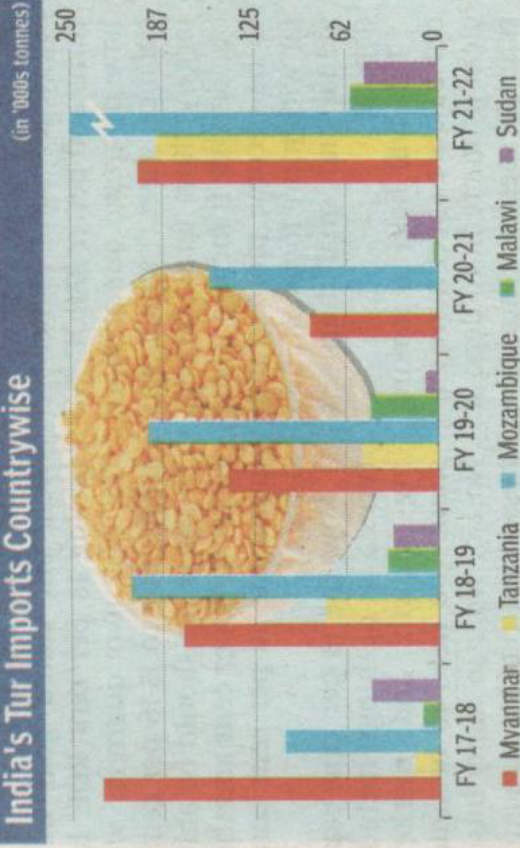
ful we are getting tur from Africa. Normally, the harvest in Africa starts in August and most of the time cargoes are shipped by end of August or early September. The arrivals time is right at the time of festival. Our harvest is during December-January and by that time, most of the goods are sold out. If there is a shortfall in the domestic production, it starts reflecting in the market during September-October, the last 2-3 months before the new crop comes in," said Bimal Kothari, Chairman, India Pulses and Grains Association.

Rising consumption

Though India's tur production has increased from 25.6 lakh tonnes (lt) in 2015-16 to 43.4 lt in 2021-22, as per the fourth advance estimates, the consumption is seen on the higher side.

"Definitely we need more pulses. The kharif production has not kept the pace

India's Tur Imports Countrywise



Source: Trade

with the demand due to weather vagaries and other factors, while consumption is on the rise," Kothari said. In the entire East African block, which includes Mozambique, Malawi, Tanzania, Sudan and Kenya, total production of tur annually varies between 6 and 7 lt.

Trade expert Lalit Bangar, at a recent webinar, said earlier the tur imports were largely from Myanmar, but gradually Africa has increased their share.

"Of late, Mozambique has emerged the largest exporter to India. Production and ex-

ports were increasing in Mozambique. Though there were some quality issues relating to moisture and other parameters, but with experience and continuous trade they have improved the quality.

"Farmers are also encouraged to grow more in these countries, which has proved helpful for addressing the demand-supply gap in tur," Bangar said.

Outside India, tur is grown only in East Africa and Myanmar. Myanmar produces 1.5-2.5 lt.

The East African block has

really helped us in meeting our requirement. Many years ago Myanmar was producing about 4-4.5 lt of tur, but due to the Indian import policy, which restricted imports on and off, the Myanmar farmers switched over to other crops, resulting in a dip in output.

Moreover, the tur harvest cycle in Myanmar closely follows the Indian harvest cycle.

Myanmar vs Africa

Rahul Chauhan, Director, IGRain India, said production of pulses has grown in Africa after the Indian Government has signed agreement with these countries.

The prices in African countries are lower by 10 per cent compared with that of Myanmar mainly due to the quality issues.

Annual import of tur stood at 8.6 lt in 2021-22, almost double than the previous year's 4.42 lt. Tur acreage in Myanmar this year is likely to be lower as farmers are seen preferring maize due to higher prices, Chauhan said.

Ecuador impact: Shrimp exports to US may be hit

Covid curbs in China forced Ecuador to aggressively market its products in the US

V SAJEEV KUMAR

Kochi, September 12

Ecuador is emerging as a major competitor for India's shrimp exports to the US, after the Latin American country shifted its focus from China due to Covid restrictions.

Industry officials said China made up 75 per cent of Ecuador's shrimp market, but the pandemic restrictions have forced it to aggressively market its products in the US, thanks to its proximity to the US coast. This has reduced the shipment transit time, facilitat-

ating Ecuador to dump its products in the US markets at lower prices, thereby giving a stiff competition to India.

Shipments from India to the US take around 40 days depending on the ports, leading to increased freight charges and higher landing cost.

Decisive year

According to Nitin Awasthi, Incred Equities, India and Ecuador tried to lock horns to surpass the one million tonnes mark in shrimp exports in calendar year 2022. But the year

ation of India, Kerala region, said, "Currently, there is a raw material shortage because several farmers have not carried out farming. Once the situation improves, there could be emerging issues. The sector is anticipating a significant drop in export volume to the US."

Experts in the sector pointed out that shrimp inventory in the US continue to be on the higher side in the first six months. However, the end of the year is likely to be sluggish. The total import volume to the country reached 508,957 tonnes, a six per cent increase. However, Indian imports to the US dropped in July to 23,617 tonnes. Despite being the



belongs to Ecuador with July exports surpassing the mark.

The loss of market will be permanent and next year will be a decisive year for Indian shrimp market, he said.

Alex K Ninan, president of the Seafood Exporters Associ-

largest supplier, the difference with Ecuador has reduced to just 4,000 tonnes.

Drop in revenue

Official figures also pointed out that there was a drop in revenue in shrimp exports to the US market from India to \$1,253 million during April-August this year against \$1,479 million in the corresponding period of previous year.

Ecuador was the second largest supplier to the US at 19,832 tonnes in July with a stable supply. At a price of \$7.42 per kg, it has become the only country supplying at a lower price. Indian price is reported to be in the range of \$9.10/kg.

Dwindling forex reserve spells risk for EM currencies

BLOOMBERG

12 September

Emerging Asian central banks have seen a sharp depletion in their foreign-exchange reserves, stoking concerns it may crimp market interventions to curb currency losses in the face of the mighty dollar.

A closely-watched measure of reserves cover — the number of months of imports a country can finance with its foreign-exchange holdings — has dropped to about seven for EM Asia ex-China, the lowest since the global financial crisis in 2008, according to Standard Chartered. It was about 10 months at the beginning of the year and as high as 16 in August 2020, pointing to an erosion of developing nation firepower to defend currencies.

"The deterioration indicates that central bank intervention to support local currencies might be much more limited going forward," Divya Devesh, head of Asean and South Asia FX research at Standard Chartered in Singapore said last week. "Overall, we expect central banks' FX policy to turn less supportive."

Thailand saw the biggest drop in reserves as a percentage of the gross domestic product, followed by Malaysia and India, according to data compiled by Bloomberg. Reserves cover about nine months of imports for India, six for Indonesia, around eight for Philippines and seven for South Korea, Standard Chartered said.

Central bankers across emerging Asia have relied on reserves to protect their currencies against a resurgent dollar as aggressive Federal Reserve policy tightening spurred flows back to the US. Any indication of a slowdown in market interventions may exacerbate losses for Asian currencies, many of which hit record or multi-year lows recently.

Central bank interventions may also see a change — from dollar sales to purchases — as their focus is likely to shift from containing imported inflation to boosting export competitiveness if Asia's exports come under pressure, said Devesh.

Using the drop in reserves as a proxy for FX intervention, India and Thailand have been among the most aggressive, with reserves declining by about \$81 billion and \$32 billion, respectively, this year. Reserves dropped by \$27 billion in South Korea, \$13 billion in Indonesia and \$9 billion in Malaysia.



A STEEP SLIDE



Business Standard dt. 13.9.22

Bangladesh caps forex rates for export inflows

BLOOMBERG
12 September

Bangladesh capped exchange rates for remittances and export proceeds to curb volatility in the foreign-exchange market.

Banks will offer a maximum rate of 108 taka against the dollar for remittances and 99 taka for export proceeds, the central bank said.

"The new uniform rates will bring discipline to the foreign exchange market," spokesman Serajul Islam said by phone Monday. "Now we'll monitor if the foreign-exchange dealers and banks are following the new rates."

Bangladesh is stepping up measures to protect its currency after a shortage of dollars pushed the taka to a record low of 97.45 to the greenback last month.

This prompted traders to turn to the so-called kerb, or

TAKA VS \$



FOREX RESERVE (\$ mn)



underground, market where the taka dropped past 100 per dollar. For importers, the exchange rate will be the weighted average of the maximum rates, plus 1 taka.

Are exports holding up?

Whether India's exports are holding up is an important question. Goods and services sold abroad, like mobile handsets and IT services, have become an important driver of India's growth. The recently released gross domestic product (GDP) print for June 2022 made that all too clear. The economy has grown just 4 per cent since June 2019, while exports have surged by a staggering 20 per cent over the same period.

The rise in exports also explains the improvement in India's current account balance between FY19 and FY22. In fact, the improvement in India's external accounts over those years helped raise buffers, i.e. India's foreign exchange reserves, which the Reserve Bank of India (RBI) is now being able to use to keep the rupee stable in a period of high global volatility.

To understand what happens from here, we need to study export volumes, product by product. But we do not get an official disaggregated data series for the volume of goods and services exports. We only get "nominal" data, which isn't that useful given a lot of the change is based on price movements and not export volumes.

So we created the "real" overall exports series ourselves, using nominal exports, relevant price indices and exchange rates. Our calculations are across sectors (such as textiles, software services, etc), and we aggregate up to get the overall "real" (goods and services individually) series.

We divide India's export basket into four sub-components — high, medium and low technology goods exports, and services exports, respectively.

We find that real high-technology goods exports have grown the fastest over the last few years, alongside an impressive rise in real services exports, particularly IT exports. High-tech goods include electronics, engineering goods and pharmaceutical products.

Medium- and low-tech exports have been much weaker, currently just about at pre-pandemic levels.

Real medium-tech exports have remained weak for much of the pandemic period, but have seen a sharp rise in gems and jewellery in recent months. Over and above gems and jewellery, this category includes chemicals (excluding pharmaceutical products), refined petroleum, etc.

After rising in 2021, real low-tech exports have begun to inch lower since early 2022. This category includes food products, textiles, leather products, etc. It can be argued that this divergence between strongly growing high-tech exports and weak low-tech exports has also exacerbated India's K-shaped recovery where some have prospered and others stagnated.

Firms and employees associated with high-tech exports have enjoyed better profits and salaries than those associated with medium- and low-tech exports.

The export story over the last few years is clear. What's happened to it in the last few months?

Recent data shows that overall real goods export growth is softening. After rising by an average 8.7 per cent year-on-year (in the April-July period of 2019-2021), it has fallen to 4.9 per cent (in the April-July period of 2022).

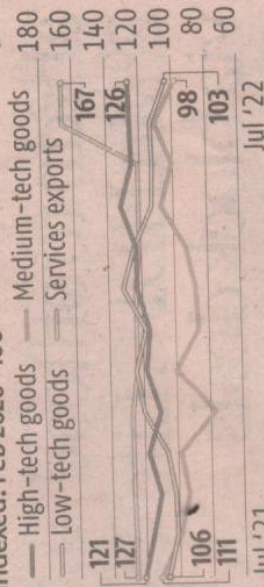
A closer look shows that while all categories have weakened, high-tech exports continue to grow the fastest, followed by medium-tech goods, and finally low-tech goods.

There's both good and bad news from our analysis so far. The good news is that India was able to ramp up production in those goods and services which were most in demand during the pandemic period, namely IT services, mobile handsets, and pharmaceutical products. In fact, India has been gaining global market share in high-technology exports since 2017. Some of these new trade opportunities could outlast the pandemic.

The not-so-good news is that if the ongoing softening in export growth carries on for the rest of the year, the contribution of the exports sector to GDP growth will only be a quarter of what it was last year. In simpler terms, a drag on India's GDP growth, arising from softening exports is imminent.

REAL EXPORTS INDEX

High-tech exports have soared more than others Indexed: Feb 2020=100



REAL EXPORTS GROWTH (in %)

Growth in all export categories has softened in 2022 April-July ■ 2019-2021 ■ 2022



Source: CEIC, OECD, HSBC calculations

Also, while it is good to see high-tech exports doing relatively well, it is low-tech exports that create a significant number of jobs. India needs to work hard on sectors like textiles, leather and food exports.

And there are some policy implications too. A competitive rupee is one strategy to nurture exports growth during uncertain times. The dollar index has strengthened about 10 per cent since the start of the year, while the rupee has only weakened about 6 per cent during this time. The RBI has conducted substantial intervention in the foreign exchange market to keep the rupee relatively stable in the face of a balance of payments deficit.

Some gradual depreciation from here, we believe, could help nurture India's exports and its economic growth.

The writer is chief India Economist, HSBC Securities and Capital Markets (India)



PRANJUL BHANDARI

'Exporters shouldn't rely on Re fall to be competitive'

On scope for further trade expan-

sion with largest partner US.

In fact, sky is the limit. There is scope for further expansion in India's exports to the US in every possible sector, given the size of the American market and the fact that it's a big player in international trade and is looking for a massive expansion in technology. I think the Indian IT sector, particularly, will stand to gain consistently because of the huge talent pool that we have. In goods, whether it's textiles, ceramics, or auto components (and going forward cars), electric vehicles, there is a huge scope. We have to focus our energies on producing high-quality products at competitive prices. We aim to raise bilateral trade with the US from the current \$159 billion to at least \$500 billion dollars in the next six to eight years. Also, the US is going to be a big source of investments in India as well.

On export target for this fiscal.

I am doing comprehensive stakeholder consultations on it. It's not yet decided, as the situation across the globe is in a flux.

On likely talks on the IPEF trade pillar with the US, and the way forward.

We have a trade policy forum where all bilateral issues are discussed (with the US). As such, there will be discussion (on the trade pillar) at the IPEF. We will also partic-

ipate in those discussions as an 'observer' and whatever will be in India's interests, we will do that. You don't necessarily have to do what others are doing. If we get a deal that is good for the country, we can also join (the trade pillar) later.

We have the status of an 'observer'. This was just the first in-person ministerial discussion (on the IPEF). We follow a comprehensive process before joining an agreement. We have to see what level of commitments we have to give (at the IPEF).

Defence Stocks Fly High on Strong Order Books, Export Potential

Cos' investor outreach programmes also boost market's interest

Rajesh Mascarenhas
@timesgroup.com

Mumbai: Defence stocks rallied Monday after several public-sector companies from the industry, such as Hindustan Aeronautics (HAL), Bharat Dynamics, Garden Reach Shipbuilders & Engineers and Mishra Dhatu Nigam, started conducting investor outreach programmes normally associated with top-draw banks and technology powerhouses.

Swelling order books from the ministry of defence have caused defence stocks to surge. With comfortable valuations, better outlook on profitability led by a higher indigenisation theme, and better operating leverage, analysts are bullish on stocks such as HAL, BEL, Bharat Dynamics, and Garden Reach, among others.

Top Guns

Defence and Related Stocks

Stock	LTP (₹)	% Chg on Monday	PE FY23E	YTD Rtns (%)
Hindustan Aeronautics	2,614.0	7.4	19.5	115.9
Garden Reach	359.4	4.3	11.5	60.9
Astra Microwave	343.4	4.2	44.6	46.6
Paras Defence	772.2	4.0	--	3.9
Bharat Dynamics	838.7	3.4	12.2	115.3
Bharat Electronics	338.6	3.2	29.1	61.3
Dynamatic Tech	2,260.2	0.7	--	-1.4
Data Patterns India	1,133.8	-2.3	45.5	49.2
BEML	1,569.7	-2.8	29.6	18.4



Shares of Hindustan Aeronautics surged 7.4% on Monday, while Garden Reach Shipbuilding, Paras Defence, and Bharat Dynamics gained 4% each. Bharat Electronics rose 3%.

"The defence sector is buzzing currently on the back of a strong order book, orders from the government of India under the Ministry of Defence, technological advancements and require-

ments in keeping with the geopolitical environment and export orders," said Ashwin Patil, analyst, LKP Securities. "Valuations, too, seem comfortable to us for the entire sector. We are bullish on the sector, particularly on BEL due to additional positives like a lean balance sheet, better working capital management, and emphasis on some non-profitable non-defence sectors."

Business Line dt. 14.9.22

Tyre exports up 31% in Q1

OUR BUREAU

Kochi, September 13

Tyre exports from India went up by 31 per cent and stood at ₹6213 crore in Q1FY23, data released by the Commerce Ministry has shown. In the year-ago quarter, the exports stood at ₹4754 crore.

Even in number terms, double digit growth has been witnessed in major categories. The growth performance in Q1 comes in the wake of robust growth in the tyre exports in FY22 when exports grew by 50 per cent to cross ₹21,000 crore.

'Impressive performance'

"Notwithstanding challenges to the global economy in view of high inflation, rising interest rates, supply-chain disruptions and heightened energy prices owing to Russia-Ukraine conflict, Indian tyre industry has weathered the storm well and has turned out an impressive ex-

port performance", said Satish Sharma, Chairman Automotive Tyre Manufacturers Association.

Indian technology is converging with the world, leading to an increase in addressable market for Indian tyre manufacturers. However, for widening the footprint of exports, quality consistency needs to be maintained. Accordingly the tyre industry and Rubber Board are collaborating to ensure that raw material producers and the entire value chain align themselves to the exacting standards, Sharma said.

The curb on indiscriminate import of tyres has helped the industry increase size and scale of production and integrate with global supply chains. Truck & Bus Radial (TBR) tyre segment, which witnessed indiscriminate imports suppressing domestic manufacturing till a few years ago, has come into its own after the import curbs.

Business Line dt. 14.9.22

Consumer electronics brand Elista to set up production unit, focus on exports

NARAYANAN V

Chennai, September 13

Elista, a home-grown consumer electronics brand, plans to set up a manufacturing facility to meet the growing demand in the domestic market and to support its foray into international markets.

Elista is part of TeknoDome Group, a sole distributor for Toshiba Lifestyle products.

Exceeding target

"We managed to touch a revenue of ₹158 crore in FY22 against a target of ₹125 crore. Revenues from TV sales were ₹110 crore, exceeding the target of ₹80 crore," said Saket Gaurav, CMD, Elista.

At present, 70 per cent of Elista's business comes from the television segment. The company is targeting to sell 110,000



Saket Gaurav, CMD, Elista

units of Smart TVs by FY23 and cross 200,000 units landmark by FY24.

"Currently, we are doing outsourced manufacturing. The strategy is to create a market for about 2,00,000 TVs per year and also focus on exports and set up a manufacturing unit to meet that demand," Gaurav said. The Noida-based company said it is in talks with some States to set up a manufacturing plant,

preferably in north India, at an estimated cost of about ₹100 crore.

Demand from the south

Gaurav said the south is the best performing market for the company with over 30 per cent of business coming from this region. "We need to develop in northern and western States like Gujarat, Maharashtra, Bihar, Jharkhand and Uttar Pradesh," he said.

Elista also plans to commence exports by the end of the current year. "We will launch in Dubai and then spread to other markets where our channels are already existing," Gaurav said.

The company is targeting revenue of ₹350 crore from domestic markets in FY24 and over ₹100 crore from the exports market.

Business Line dt. 14.9.22

Pharma exports back on growth path in FY23

Exports expected to breach \$25 billion mark after flat growth last fiscal

G NAGA SRIDHAR

Hyderabad, September 13

After registering a flat growth last fiscal, India's pharmaceutical exports are back on a growth path this fiscal despite geopolitical challenges in global markets. Pharma exports are set to breach the \$25-billion mark in total exports this financial year.

"Exports have grown by about 6 per cent till August this fiscal as per provisional data," R Uday Bhaskar, Dir-

ector General, Pharmaceuticals Export Promotion Council (Pharmexcil), told *BusinessLine*.

Rise in total exports

Total exports increased 5.83 per cent in April-August 2022 to \$10,523 million, compared to \$9,943 million in the same period the previous year, he said.

India exported pharmaceuticals worth \$24.6 billion in FY22. In the current financial year, pharma exports would not only breach the \$25 billion mark but also grow much beyond it.

"The Department of Commerce has given an export target of \$27.43 billion for the current financial year

of treatments for non-Covid ailments, are driving the growing demand for Indian products overseas, he added.

Notwithstanding initial fears of the possible adverse impact of the Russia-Ukraine war on exports, exports to Russia, too, registered a 4.54 per cent increase during April-August this year, compared to the same period last year.

According to Chava Satyanarayana, Founder and CEO of Laurus Labs, during the pandemic, too, the Indian pharma industry proved its worth in drugs and vaccines, living up to the image of 'Pharmacy of the World.' This would boost



US makes up nearly 29% of India's pharma exports

(FY23). Given the current pace of exports, we are confident of achieving the target," said Bhaskar. The regulators and the beginning

global demand further for Indian pharma products, he added.

India has the maximum number of USFDA-approved manufacturing sites outside the US and holds 18 per cent of global manufacturing sites catering to the US market. US makes up nearly 29 per cent of India's total pharma exports.

Market authorisations

As on March 22, India has 4,573 market authorisations granted by the US drug regulator manufactured in units located in the country, while 1,678 authorisations were granted to Indian subsidiaries with overseas units.

Edible oil imports surge 35% in August

RBD palmolein shipments during the current oil year rise nearly five times

OUR BUREAU

Mangaluru, September 13

With prices of edible oils dropping in the global markets, India cashed in on the fall importing 13.75 lakh tonnes (lt) last month against 10.16 lt in August 2021, recording a growth of 35.29 per cent. India's import of edible oil was at 12.05 lt in July this year.

Details of the rise in imports had an immediate impact on Malaysian palm oil with benchmark futures on Bursa Malaysia Derivatives Exchange rising 5.84 per cent to 3,898 ringgits.

According to Solvent Extractors' Association of India (SEA) data, the country imported 110.70 lt of edible oil in the first 10 months of the oil year 2021-22 (November to October) against 103.86 lt in same period a year ago, recording a growth of 6.58 per cent.

BV Mehta, Executive Director of SEA, said the import of RBD palmolein witnessed a jump during

the first 10 months of the oil year 2021-22. The country imported 13.46 lt of RBD palmolein during November-August of 2021-22 against 2.30 lt in the corresponding period a year ago, recording a growth of 483.63 per cent.

He attributed this growth to the high export levy on CPO (crude palm oil) and lower duty on RBD palmolein by Indonesia. This favoured Indonesian exporters to discount RBD palmolein to push its export. Now RBD palmolein constitutes 12 per cent of the total import of edible oils. This was just 2 per cent last year.

As a result of this, import of CPO declined to 44.42 lt during the first 10 months of the oil year 2021-22 against 60.20 lt in a year ago, recording a decline of 26.21 per cent.

Pricefall

Stating that the international prices of edible oils have fallen sharply in last four months, he



India imported 16.38 lt of sunflower oil during November-August of the oil year 2021-22 as against 15.96 lt in the year-ago period

Palm vs soft oils

However, the share of palm oil (including CPO and RBD palmolein) in the overall edible oil import has come down during the first 10 months of the oil year 2021-22 and the share of soft oil has gone up.

He said the overall palm oil import decreased to 58.56 lt (53 per cent) during November-August of 2021-22 against 63.65 lt (61 per cent) in the corresponding period a year ago. Meanwhile, the share of soft oils in the overall edible oil import increased to 52.14 lt (47 per cent) during the first 10

months of 2021-22 from 40.08 lt (39 per cent) in the corresponding period of the previous oil year. He attributed this growth to the higher import of soyabean oil during the period.

However, he said, the price spread between soft oils and palm oil now is nearly \$250-350 a tonne. This encourages the larger import of palm oil in spite of a 5.5 per cent duty payable on the import of CPO. "High prices have apparently motivated Indian farmers to push soyabean plantings above expectations this year, regardless of the still unusually large old crop stocks," he said.

Russian factor

Russia and Argentina are emerging as the major exporters of sunflower oil to India. In August, India bought about 1.35 lt of sunflower oil mainly from Russia (72,780 tonnes) and Argentina (30,600 tonnes).

India imported 16.38 lt of sunflower oil during November-August of the oil year 2021-22 as against 15.96 lt in the corresponding period of the previous oil year.

Soyameal exports down 67% in Oct-Aug

Higher domestic prices affect soyabean crushing

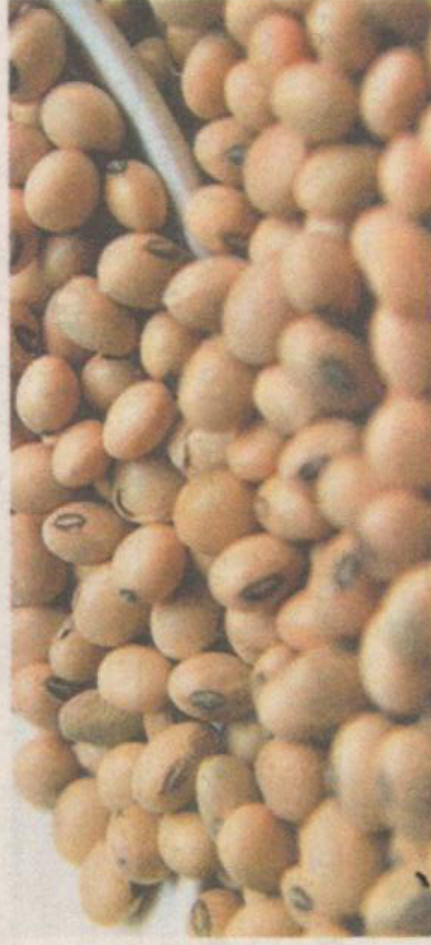
OUR BUREAU

Bengaluru, September 13

Soyameal exports during the first 11 months of oil year 2022 (Oct-Sept) stood at 6.25 lakh tonnes, down 67 per cent over 19.12 lakh tonnes recorded in the same period in the previous year.

Though the soyabean meal exports have reversed the trend in the last two months, registering a growth, overall shipments for the oil year are likely to remain lower than last year.

Lower soyameal crushing during the year, coupled with higher domestic prices contributed to the decline in shipments. Soyabean meal crushing during the October-



Soyabean meal crushing during the Oct-August period stood at 74 lakh tonnes, down by about 20 per cent

August period stood at 74 lakh tonnes, down 20 per cent over 92 lakh tonnes in the same period a year ago, as per the latest supply-demand data released by the Soyabean Processors Association of India (SOPA), the apex trade body for the oilseed..

Soyameal prices in Indore have now declined to ₹42,000 a tonne compared with ₹45,000/tonne a week

ago, ₹50,000/tonne a month ago and ₹77,000/tonnes a year ago.

Prices under pressure

The soyabean and soyameal prices are likely to remain under pressure as the new crop is set to hit the market next month. SOPA has reported that the crop is in good to normal condition, while the market is expecting a higher

output due to likely improvement in yields.

As of September 1, the soybean stocks with the plants, traders and farmers stood at 34.90 lakh tonnes. The higher carryforward stocks are also seen weighing in on the prices of the new crop.

The offtake of soyabean meal from the feed sector is higher at 51.25 lakh tonnes during October-August over 48.75 lakh tonnes a year ago. Similarly, the use of soyabean meal by the food sector has increased to 7.20 lakh tonnes (5.50 lakh tonnes). The meal stock stood at 2.17 lakh tonnes as of September 1.

During October-August, SOPA estimates the soyabean meal imports at 5.40 lakh tonnes (0.37 lakh tonnes) and soyabean imports at 5.09 lakh tonnes (4.84 lakh tonnes).

Business Line dt. 14.9.22

Amul, NDDB can jointly explore dairy machinery manufacturing: Amit Shah

'Dairy processing still dependent on imported machines'

RUTAM VORA

Greater Noida, September 13

After having assigned the dairy major Amul a task to provide a marketing platform for organic food products, Union Minister for Cooperation, Amit Shah on Monday gave the Gujarat Cooperative Milk Marketing Federation Ltd (GCMMF) and the dairy body, National Dairy Development Board (NDDB), a responsibility to make India self-reliant in dairy machinery manufacturing.

At the International Dairy Federation (IDF)'s World Dairy Summit 2022 here, Shah asked the co-operative dairy leaders to consider becoming self-reliant in equipment manufacturing. "We have achieved self-reliance in milk production. But we are still dependent on imported processing machiner-



Amit Shah, Union Minister for Home Affairs VIJAY SONEJI

ies for value-added dairy products. I am fully confident that NDDB and Amul can jointly take this up. The NCDC (National Cooperative Development Corporation) has a lot of funds available, so there is no issue of finance. If we take this up, then we would be self-reliant even in the dairy machinery production and could contribute to the world market," said Shah.

Co-operative model

Addressing the IDF-WDS 2022, Shah also stated that the world can take examples of co-operative model in India and apply

it as an alternative economic models to achieve inclusion and broader welfare objectives. "India's co-operatives history is about 120 years old. India has offered the world an alternative and yet successful model to communist model (which has state-controlled production), and a market model (which works on mass production by corporate).

In India there are about 1.8 crore farmers spread across two lakh villages of the country. Most of them are connected to co-operative dairying through the model of operation flood, which was implemented in early 1970s. India's annual milk production grew at a meagre 1 per cent rate, while a decade following the operation flood implementation, this rate grew to 4.6 per cent and subsequently to 5 per cent. India's annual growth rate of milk production is about 6 per cent at present and milk production of about 210 million tonnes.

Financial Express dt. 14.9.22

Govt may cut windfall taxes on fuel exports, domestic crude in next meet

PRASANTA SAHU

New Delhi, September 13

THE CENTRE MAY trim windfall taxes on domestic crude production as well as exports of diesel and jet fuel on Thursday given the moderation of refining margins in fuels and global crude prices.

In the fifth fortnightly review, the tax on crude may be trimmed as the Indian basket of crude has moderated to \$92.53/barrel on an average so far in September compared with the August average of \$97.4/barrel.

"Benchmark Singapore

Taxes to be adjusted in tandem with the movement of crude prices and refining margins

gross refining margin (GRM) has been trading in the range of ~\$8-12/bbl since August. Diesel cracks have been in the range of \$25-50/bbl since last month. Petrol cracks were around \$6-15/bbl while ATF cracks were around \$25-50/bbl," said ICICI Direct in a report on September 10.

The combination of volatile geopolitical worries, steady

demand and refinery supply woes had kept GRMs elevated in Q1FY23, with benchmark Singapore GRMs at \$21/bbl and a record \$31.8/bbl for IOC during the period. "If the crude prices have cooled and refining margins are shrunk, it will reflect in the review," an official told FE.

In the fourth review on August 31, the government had raised the windfall taxes with the exports of diesel attracting a tax of ₹13.5/litre, up from ₹7 previously. Similarly, shipments of ATF were subjected to an impost of ₹9/litre, up from ₹2. The gov-

ernment has also raised the tax on domestically produced crude oil to ₹13,300/tonne from ₹13,000.

On July 1, the Centre imposed special additional excise duty of ₹23,250/tonne on crude and export taxes on petrol, diesel and ATF at ₹6/litre, ₹13/litre and ₹6/litre, respectively. The tax on petrol was removed subsequently.

The government's rationale for introducing these taxes is to lay its hands on a chunk of the "windfall profits" reaped by some of the domestic firms, on the back of elevated global oil prices.

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Palm oil imports up 87% m-o-m in Aug to 11-month high

**RAJENDRA JADHAV
& ARPAN VARGHESE**
Mumbai, September 13

INDIA'S PALM OIL imports in August jumped 87% from a month ago to the highest level in 11 months as a sharp drop in prices prompted refiners to ramp up purchases, a trade body said on Tuesday.

Higher palm oil purchases by the world's biggest vegetable oil importer could support palm oil futures and help top producer Indonesia in bringing down ballooning inventories.

India's palm oil imports in August rose to 994,997 tonne from 530,420 tonne in July, the Solvent Extractors' Association of India said in a statement.

Refiners were aggressively buying palm oil for August shipments as its discount over rival soya oil and sunflower oil widened above \$300 per tonne in July, said a Mumbai-based dealer with a global trading firm. "The discount made palm oil attractive even after paying duty," the dealer said.



Palm oil imports attract 5.5% tax, while New Delhi has allowed duty-free imports of 2 million tonne each of soya oil and sunflower oil for the current and next fiscal.

India could import around 1 million tonne of palm oil in September as it was trading at a hefty discount to soya oil, said a New Delhi-based dealer with a global trading firm.

Crude palm oil is being offered at \$955 a tonne, including cost, insurance and freight in India for September shipments, against \$1,315 for crude soya oil, according to SEA data.

— REUTERS

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Sunflower oil imports increase 89.6% over last August

RUSSIA AND ARGENTINA have emerged as major suppliers of sunflower oil to India after the Ukraine crisis. Imports of the oil jumped 89.6% to 1.35 lakh tonne in August, as per Solvent Extractors' Association (SEA).

Before the Russia-Ukraine crisis, 70% of sunflower oil imported by India used to come from Ukraine, and 20% from Russia. But imports have been severely affected after the invasion.

According to the SEA, shipments

from Russia increased to 72,780 tonne in August, from 28,840 tonne in the year-ago period, while those from Argentina rose to 30,600 tonne from 12,500 tonne. About 14,588 tonne has been imported from Turkey. In all, this was 89.6% higher than 71,340 tonne in the same month of the previous year. In August 2021, the country had imported 30,000 tonne sunflower oil from Ukraine, SEA data showed.

—PTI