

Business Line, dt. 26.12.23

# Oilmeal exports may exceed 4.5 mt this fiscal on record rapemeal shipments

Our Bureau  
Chennai

India's oilmeal exports will likely top 4.5 million tonnes (mt) with rapeseed meal accounting for 2.5 mt and soya-bean meal 1.5 mt during the current fiscal. Exports are set to surpass 4.34 mt last fiscal despite a ban on shipments of deoiled rice bran, the Solvent

Extractors Association of India (SEA) has said. "Cumulative exports of all oilmeals till November (in the current fiscal) have increased by around 21 per cent over the preceding period and crossed 28 lakh tonnes," said SEA President Ajay Jhunjhunwala.

Soyameal shipments have turned buoyant as India has gained a competitive edge, while there is short-supply

from Argentina. "Also exports of rapeseed meal was a record at 2.30 mt last fiscal and the trend is continuing in the current year with exports of around 1.6 mt till November. It will likely cross last year's record export," he said.

## RABI SOWING UP

Exports of castor meal are on track and are a notch above last year's level.

Jhunjhunwala said sowing of oilseeds in the current rabi season has exceeded the five-year average of 84.45 lh and 98.1 lh last year. Rapeseed/mustard leads the pack.

The acreage has increased mainly in Uttar Pradesh, the SEA president said, adding the area under groundnut, sunflower, safflower and sesamum is down a tad currently, though.

The agro-climatic conditions during the rabi season are expected to be close to normal, indicating a promising harvest of rabi oilseed crop, he said.

Referring to the ban on exports of deoiled rice bran, Jhunjhunwala said the Centre extended the ban despite the industry's appeal that not permitting exports will not reduce the price of dairy

products. Solvent extraction units will lose their export market that has been developed painstakingly, he said.

## REFINED OILS DUTY

The SEA president said with the duty difference between crude and refined edible oils being only 8.25 per cent, imports of RBD palmolein in November doubled com-

pared with October. "This is to the detriment of our processing industry and of benefit to the exporting countries such as Indonesia and Malaysia. The association has urged the government to increase the import duty on refined edible oils to at least 15 per cent higher than that on crude edible oil to enable our domestic industry to have a level playing field," he said.

Business Line, 21.12.23

# Coal imports by power sector up 84% y-o-y in November

**TREND REVERSAL.** With domestic supply likely to climb in Dec, Kpler expects m-o-m fall

Rishi Ranjan Kala  
New Delhi

Coal imports by the power sector rose 84 per cent y-o-y last month as thermal power plants (TPPs) imported the critical commodity which accounted for 6 per cent of their total consumption.

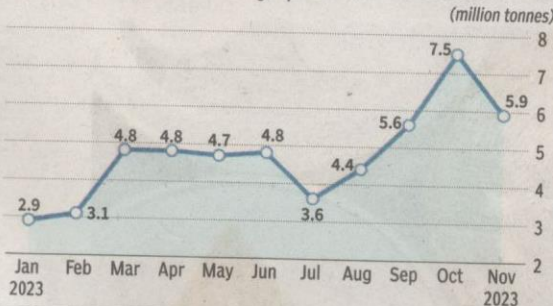
However, imports were down by 21 per cent on a monthly basis as more supplies were made available by Coal India (CIL) and Singareni Collieries Company (SCCL).

According to the latest numbers, TPPs imported 5.9 million tonnes (mt) in November 2023, compared to 7.5 mt in October 2023 and 3.2 mt in November 2022.

## IMPORTS TO DECLINE

Sources said that the higher imports are also due to the Power Ministry's mandate of importing higher quantities at 6 per cent from 4 per cent earlier. The direction was

## Coal imports by power sector



Source: Central Electricity Authority (CEA)

given after power demand rose substantially. Imports by the world's second-largest importer of seaborne coal have started to decline in line with the seasonal (October-March) upturn in domestic supply and reduced power demand as temperatures fall, which is also supporting restocking at TPPs.

Coal supply by mining PSUs stood at 67.7 mt in November 2023, compared to 65.5 mt in October 2023 and 60.6 mt in November last year. During

the April-November period of FY24, domestic supply rose by 9 per cent y-o-y to 514.7 mt. However, coal imports during the same period fell by 2 per cent to 41.2 mt.

According to the energy intelligence firm Kpler, India imported a total of 17.51 mt of thermal coal, lower than the 15-month high of 18.66 mt recorded in October 2023.

Kpler expects coal imports to decline in December on a monthly basis. "With do-

mestic supply expected to climb in December, we expect a further m-o-m fall in seaborne thermal coal imports this month; however, shipments should still exceed the year-ago level in December and into Q1 2024," Kpler's Lead Major Dry Bulks Analyst, Alexis Ellender, told *businessline*.

## POWER DEMAND

Power generation by TPPs during November 2023 stood at 103,666.97 gigawatt hours (GWh), compared to 94,462.84 GWh in November 2022. During April-November 2023, the power generation stood at 875,296.01 GWh, compared to 789,147.41 GWh a year ago.

TPPs plant load factor, or capacity utilisation, last month was 66.33 per cent against 61 per cent in November last year. During April-November 2023, the PLF stood at 68.44 per cent compared to 62.53 per cent in the same period last year.



# Russian oil imports averted price surge

Financial Express, dt. 26.12.23

SUKALP SHARMA

New Delhi, December 25

**GLOBAL CRUDE OIL** prices would have surged and created "havoc" in the international oil market had India not ramped up oil imports from Russia in the aftermath of Moscow's February 2022 invasion of Ukraine, the petroleum and natural gas ministry told the parliamentary standing committee.

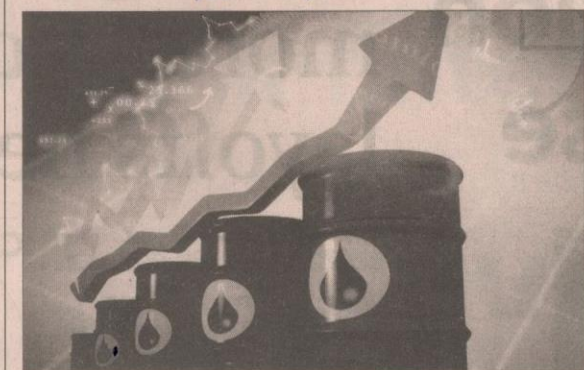
"If they (Indian refiners) had not imported Russian oil into India, which may be a big number of 1.95 million barrels per day, that deficiency would have created a havoc in the crude oil market and the prices would have shot up by about \$30-40," a petroleum ministry representative was quoted as saying in a recent report of the standing committee on petroleum and natural gas. The report was tabled in Parliament on December 20.

"The crude oil market is such that in the market of 100 million barrels per day, if the OPEC (Organization of the Petroleum Exporting Countries) says that they are going to reduce it by one or two million barrels per day, prices increase by 10 to 20 per cent and reach up to \$125-130. If India does not absorb— I would call it absorption— 1.95 million barrels per day, these prices would have reached \$120-130. It would have created a havoc," the petroleum ministry representative added. The report did not name the representative.

Usually, senior bureaucrats of the petroleum ministry represent the ministry before the standing committee.

India is the world's third-largest consumer of crude oil and depends on imports to meet over 85% of its requirement. It has a refining capacity of over 250 million tonnes per annum, or 5 million barrels a day.

From a marginal player in India's oil imports before the war in Ukraine, Russia now tops the list of New Delhi's crude suppliers. As the West began shunning Russian oil following Moscow's February 2022 invasion of Ukraine, Russia started



## OIL MINISTRY REPORT IN PARLIAMENT

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offering deep discounts on its oil to willing buyers. Indian refiners started snapping up the discounted Russian crude, irking many in the West, which wanted Russian oil to be shunned by buyers to curb Moscow's ability to finance the war in Ukraine through oil sales. India has maintained that as one of the top importers of crude, it will buy oil from anywhere it can strike a good bargain.

While crude oil prices did breach the \$100-per-barrel mark in initial months following Russia's invasion of Ukraine, they retreated as oil markets regained supply balance. In 2023, the price of global benchmark Brent crude has not breached the \$100 mark even once. Currently, Brent is hovering around \$80 per barrel.

"Diplomatically, we are a sovereign country and could say that we have been doing what is good for the country as well as the world," the petroleum ministry representative said.

On the question of difficulties being faced by Indian refiners in importing oil from Russia, the ministry told the panel that due to Western sanctions on Russia, challenges include pay-

ments and logistical arrangements like shipping and insurance. The ministry said in its submission that not all Indian banks "smoothly process" payment in dollars for Russian oil purchases.

"Due to economic sanctions...crude oil buyers are facing challenges in making logistics arrangement (ships availability, insurance for ships), getting insurance coverage for crude oil and making payments. Hence, Indian buyers...arrange import of Russian origin crude oil grades from the counterparties on delivery basis, where the seller takes responsibility in delivering crude oil (with suitable insurance coverage) at discharge ports in India," the ministry said.

With major Western powers imposing a \$60-per-barrel price cap on seaborne Russian crude from December 5, 2022 and Russian oil being bought on delivered basis, Indian refiners have faced some issues with banks demanding documentary proof from them that the price of oil, excluding delivery-related overheads like freight and insurance costs, was indeed in line with the price cap.



# Global staple food supplies to be strained by adverse El Nino weather, export curbs

Reuters

Singapore

High food prices in recent years have prompted farmers worldwide to plant more cereals and oilseeds, but consumers are set to face tighter supplies well into 2024, amid adverse El Nino weather, export restrictions and higher biofuel mandates.

Global wheat, corn and soybean prices — after several years of strong gains — are headed for losses in 2023 on easing Black Sea bottlenecks and fears of a global recession, although prices remain vulnerable to supply shocks and food inflation in the New Year, analysts and traders said.

“The supply picture for grains certainly improved in 2023 with bigger crops in some of the key places which matter. But we are not really out of the woods yet,” said Ole Houe, director of advisory services at agriculture brokerage IKON Commodities in Sydney.

“We have El Nino weather forecast until at least April-May, Brazil is almost certainly going to produce less corn, and China is surprising the market by buying larger volumes of wheat and corn from the international market.”

## WEATHER FORECAST

The El Nino weather phenomenon, which brought dryness to large parts of Asia this year, is forecast to continue in the first half of 2024,



**GROWING CONCERN.** The El Nino weather phenomenon, which brought dryness to large parts of Asia this year, is forecast to continue in the first half of 2024, putting at risk supplies of rice, wheat, palm oil and other farm products REUTERS

putting at risk supplies of rice, wheat, palm oil and other farm products in some of the world's top agricultural exporters and importers.

Traders and officials expect Asian rice production in the first half of 2024 to drop as dry planting conditions and shrinking reservoirs are likely to cut yields.

World rice supplies tightened this year already after the El Nino weather phenomenon cut into production, prompting India, by far the world's biggest exporter, to restrict shipments.

While other grains markets were losing value, rice prices rallied to their highest in 15 years in 2023, with quotations in some Asian export hubs gaining 40-45 per cent.

India's next wheat crop is also being threatened by lack of moisture, which could force the world's second-largest wheat consumer to seek imports for the first time in six years as domestic

inventories at state warehouses have dropped to their lowest in seven years.

**FARMERS DOWN UNDER** Come April, farmers in Australia, the world's No. 2 wheat exporter, could be planting their crop in dry soils, after months of intense heat curbed yields for this year's crop and ended a three-decade run of record harvests. This is likely to prompt buyers, including China and Indonesia, to seek larger volumes of wheat from other exporters in North America, Europe and the Black Sea region.

“The (wheat) supply situation in the current 2023/24 crop year is likely to deteriorate compared to last season,” Commerzbank wrote in a note.

“This is because exports from important producer countries are likely to be significantly lower.”

On the bright side for grain supplies, South Amer-

ican corn, wheat and soybean production is expected to improve in 2024, although erratic weather in Brazil is leaving some doubt. In Argentina, abundant rainfall over farming heartlands is likely to boost production of soybeans, corn and wheat in one of the world's largest grain exporting nations.

According to Argentina's Rosario grains exchange (BCR), 95 per cent of early planted corn and 75 per cent of soybeans are in “excellent to very good” conditions, thanks to rains since the end of October across the country's Pampas region.

Brazil is set for near-record farm output in 2024, although the country's soybean and corn production estimates have been reduced in recent weeks due to dry weather.

Global palm oil production is also likely to fall next year due to dry El Nino weather, supporting cooking oil prices that dropped more than 10 per cent in 2023.

“We see more upside price risk than down,” said CoBank, a leading lender to the US agriculture sector.

“Global grain and oilseed stock inventories are tight by historic measures, the northern hemisphere will likely have a strong El Nino weather pattern during the growing season for the first time since 2015, the dollar should continue its recent decline, and global demand should return to its long-term growth trend.”



# India guzzled more cooking oils as imports surged, prices dipped

*Business Line, dt. 27.12.23*

**SETTING A RECORD.** Edible oil shipments soared to become the third largest import commodity in 2022-23 oil year, with an import bill of ₹1.38 lakh crore

AJ Vinayak  
Mangaluru

In 2023, the edible oil sector experienced a record increase in imports, a scenario of low import duties and reduction in domestic prices providing relief to consumers.

India's import of edible oils reached an all-time high of 164.66 lakh tonnes (lt) during the oil year 2022-23 (November-October) against 140.29 lt in the corresponding period of 2021-22, registering a growth of 17.36 per cent.

BV Mehta, Executive Director of Solvent Extractors' Association of India (SEA), told *businessline* that edible oils surged to become the third largest import commodity in the oil year 2022-23, with an import bill of around ₹1.38 lakh crore. Latest data show that India imported 145.29 lt till November of the calendar year 2023 against 132.02 lt in the corresponding period of 2022.

## DOMESTIC PRICE

Keeping the domestic prices of edible oils under check was one of the main objectives of the government during the year. In 2023, domestic price of edible oils returned back to the 2021-22 levels, leading to an increase in imports.

In June, the government reduced the import duty on refined soyabean and sunflower oil from 17.5 per cent to 12.5 per cent. Now the effective import duty, including cess, for refined oils is 13.75 per cent. Major crude edible oils attract 5 per cent import duty, and the



**TIMELY MOVE.** In June, the Centre reduced the import duty on refined soyabean and sunflower oil from 17.5% to 12.5%. Now, the effective import duty, including cess, for refined oils is 13.75 per cent

effective duty is 5.5 per cent after including cess. This move of the government was aimed at keeping the price of edible oils under control.

As of December 20, the retail price of sunflower oil decreased by 25.5 per cent year-on-year, while prices of other oils like mustard oil, soyabean oil, and palm oil declined by 18.2 per cent, 17.9 per cent, and 13.7 per cent, respectively.

## IMPORT PRICES DIP

Import prices of edible oils witnessed a significant decline in 2023. RBD palmolein saw its CIF import price drop from \$982 a tonne in January to \$876 a tonne in November, and CPO price from \$997 a tonne in January to \$897 a tonne in November.

While crude soyabean oil's import price declined from \$1,285 a tonne in January to \$1,068 a tonne in November, crude sunflower oil's price came down from \$1,295 a

tonne in January and \$979 a tonne in November.

## CONSUMPTION UP

These factors also led to the increase in the per capita consumption of edible oils by at least 1 kg in 2023. For this, Mehta said, "Earlier we were consuming around 16.5-16.75 kg of edible oil a year. Now it's around 17.5 a kg. Main reasons for this being the cheaper oil and increase in the per capita income of consumers."

## PRODUCTION RISES

Both oilseeds and edible oil production in India increased during the year. According to SEA estimates, there was 267.63 lt of marketable surplus of oilseeds and 75.19 lt of edible oil availability during the oil year 2022-23. During 2021-22, marketable surplus of oilseeds was at 243.96 lt and edible oil availability was at 70.86 lt.

However, the government's



BV Mehta, Executive Director, Solvent Extractors' Association of India

first advance estimates of production of major kharif crops for 2023-24 estimated the production of oilseeds at 215.33 lt against final estimates of 261.50 lt in 2022-23.

Soyabean crop output was estimated at 115.28 lt this year (149.85 lt in final estimates of 2022-23). According to first advance estimates, the kharif groundnut crop is estimated at 78.29 lt (85.62 lt).

However, SEA's recent crop survey assessed Gujarat's groundnut crop at 33.4 lt, up from 30 lt last year, despite decrease in acreage by 74,000 hectares.

The year 2024 promises to be another crucial one for the Indian edible oil sector. Balancing the need for affordable edible oils with the protection of domestic refiners, and the long-term goal of self-sufficiency will require careful policy adjustments and increased focus on domestic production.



# Mobiles power 24% rise in electronics exports till Nov

*Business Standard, st. 27.12.23*

Electronics exports up from sixth to fifth position this financial year

**SURAJEET DAS GUPTA**

New Delhi, 26 December

**E**xports of electronics goods has risen by 24 per cent from April to November as compared with the same period in the last fiscal, the largest increase out of India's top 10 export categories

The increase has been propelled by mobile exports under the Production Linked Incentive (PLI) scheme and has pushed electronics up from sixth to fifth position in the top 10.

A gap of \$200 million separates electronics from occupying the fourth position, currently held by drugs and pharmaceuticals at \$17.9 billion. The gap has narrowed considerably from the earlier figure of \$1.3 billion in 2022. (Drugs and pharmaceuticals also grew 8 per cent in the first eight month of the current fiscal as compared with last year).

According to data released by the Ministry of Commerce & Industry, electronics exports reached \$17.7 billion at the end of November, as compared with \$14.4 billion last year for the same period.

In the top 10 exports, seven categories registered a negative change in the first eight months. Only three categories—electronics, drugs and pharmaceuticals and cotton yarn/fabs/made-ups (6 per cent rise)—ended up in positive territory.

According to the Indian Cellular and Electronics Association, not only do mobile exports form the single largest product category in electronics exports, they also form nearly 90 per cent of the \$3.3 billion increase in electronics exports.

Mobile exports have expanded dramatically since the introduction of the smartphone PLI Scheme in 2021. Apple manufactured over \$10 billion worth of iPhones in the first two years—FY 2021-2023—of which nearly two-thirds were exported from India.

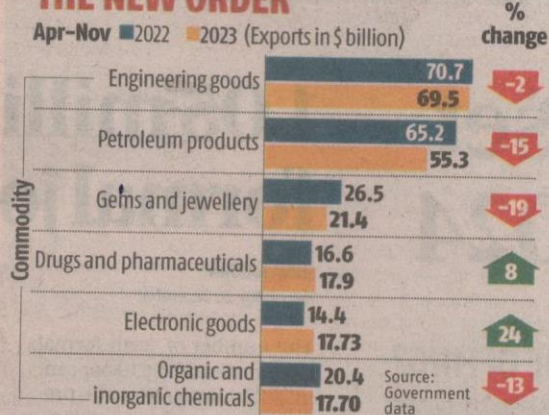
In the current fiscal too, iPhone production is expected to reach \$10 billion and, following previous years' trends, iPhone exports are likely to be in the range of \$7 billion, say sources in the know.

Samsung, which has been operational in India for over a decade, has also begun mobile exports under the PLI scheme, along with some Indian companies which are exporting smartphones in relatively small numbers.

ILLUSTRATION: AJAY MOHANTY



## THE NEW ORDER



Communications Minister Ashwani Vaishnav had estimated that mobile device production would hit \$50 billion in FY24, out of which \$15 billion would be exports.

He also predicted that in the next year or two, electronics exports would rise to the top two or three slots.

If current trends continue, electronics is poised to end FY24 as one of the top five Indian exports.



*Business Line, dt. 28.12.23*

# At 24.75 mt, iron ore exports to China zoom 400% y-o-y in April-Nov

**Abhishek Law**

New Delhi

China has emerged the highest buyer of iron ore from India with nearly 24.75 million tonnes (mt) being exported for April-November period (eight months), a 400 per cent year-on-year rise, sources across different Ministries told *businessline*. This is the highest export to China in absolute terms in over the last three years, and second highest since FY20.

Iron ore is a key feedstock, with China using the bulk commodity only for steel-making. Incidentally, India competes with China in global markets in finished steel offerings like hot rolled coils.

## EXPORTS RISE

So far this fiscal, nearly 95 per cent of India's iron ore shipments have gone to China, data show while small stocks went to Indonesia, Malaysia and South Korea.

The country's steel-makers have raised concerns over rising steel shipments coming in, thereby impacting domestic market dynamics, including prices. India is now a net importer of steel, reversing a three-year record.

Over the last five years, ex-



ports to China (from India) have gone up sharply.

From 18.15 mt for 8 months of FY20 or 76 per cent of total shipments, it shot up to 92 per cent at 35.19 mt in FY21 — the highest in absolute numbers.

Shipments dropped to 90 per cent-odd at 17.23 mt in FY22 in view of Covid-led restrictions impacting trade and supplies.

Last fiscal, supplies from India were at just 5 mt, but even that accounted at 72 per cent of the total exports of 7 mt, for the period under review, data from consultancy firm BigMint (formerly Steel-Mint) show.

Sources said imposition of export duty had dragged down Indian numbers last year, while FY21 was seen as one of the best years in view of high steel demand globally.

"Iron ore prices continue to be on the higher side this

year driven by Chinese demand. And a good rally is being witnessed since August," a trade source said.

Buying of the commodity, by China, from Australia and Brazil are also up in high single digits, sources said.

## THE CHINA STORY

Iron ore prices have defied investors' expectations and climbed significantly, by almost two-fifths since May, primarily because China — despite global anticipation — has not gone ahead with production cuts in steel-making.

Market speculation was non-recovery in the property sector and a slowing government infra project pipeline would finally bring down iron ore prices. But that has not happened.

Prices for the bulk commodity, a crucial ingredient in steel, climbed 30-35 per cent over the past seven months to \$130-135 a tonne, Argus and other trade level data show.

Right now, China faces a situation where it has excess steel stocks (collaborated with high iron ore purchases) that it is exporting / pushing abroad, including in countries like India. A slide in the yuan to the dollar have only helped push steel exports there.

Business Standard 28.12.23

# India Inc hopeful of increased capex, value-added exports

AMRITHA PILLAY

Mumbai, 27 December

Top executives from India Inc remain hopeful of increased capital expenditure spends and demand in India in the coming years.

Speaking at the SBI Banking and Economics Conclave here on Wednesday, they said 2024 would see a mix of private, public, and government spending. According to them, India's demand story would continue to remain positive, with value-added manufacturing and exports likely to rise.

Top executives from leading companies in the power and steel sector — JSW Steel and NTPC — indicated a strong capex cycle is likely to continue.

"The strong growth momentum will continue for the next two decades," said Jayant Acharya, joint managing director (MD) and chief executive officer of JSW Steel, reiterating plans to invest ₹1 trillion as capex by the end of



**Jayant Acharya,** joint MD & CEO of JSW Steel, said strong growth momentum would continue for the next two decades



**Gurdeep Singh,** chairman and MD of NTPC, said the company's capex was likely to rise 30-40 per cent in the coming years



**Ashish Chauhan,** MD & CEO of NSE, is confident about the increase in investor participation in the equity markets

the current decade.

Gurdeep Singh, chairman and MD of NTPC, said the company's capex was likely to rise 30-40 per cent going forward from the current levels.

Som Satsangi, senior vice-president and MD of Hewlett Packard Enterprise, India, said he was expecting a similar growth trend for India's information and technology sector.

In addition to India's

domestic demand growth, these executives also noted certain opportunities and challenges going ahead.

"One big challenge is the skill gap, which we are working on," Satsangi said.

Acharya expects India's engineering exports to also rise.

Ananda Bhoomik, MD and chief analytical officer for India Ratings and Research,

agreed that India is likely to witness a rise in value-added products. "It is indeed a good time for Indian companies. We would like to see balance sheets buffering up, so entities are better prepared for cycles," Bhoomik said.

State Bank of India Chairman Dinesh Khara pointed out that the private companies so far had been utilising internal accruals to fund growth, which could change going forward. He expects 2024 to see a mix of public, private, and government spending. He also added that SBI's international presence is likely to grow in tandem with India's growing exports share.

Ashish Chauhan, MD and CEO of NSE, remains confident to increase geographical coverage of investors participating in the equity markets. "We have at least one investor across all pincodes, except 33 of them. We are confident to cover those pincodes in the next six months to one year," he said.



# Red Sea Attacks Hit Basmati Exports and Sunflower Oil Imports

## Basmati prices fall up to 10% in domestic market

**Sutanuka Ghosal**

**Kolkata:** Exports of basmati rice have fallen due to militant attacks against merchant ships in the Red Sea, leading to 5%-10% fall in basmati prices in the domestic market, exporters said.

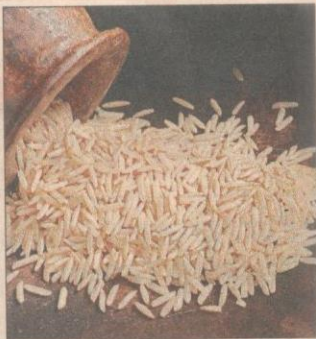
Leading shipping lines' decision to avoid the Suez Canal route amid Houthi attacks has also impacted sunflower oil imports from Russia and Ukraine. Sunflower oil prices in the local market are likely to go up by 3%-4% as international prices have increased by \$30 per tonne in the last one week to \$940 per tonne, trade insiders said.

Basmati exporters said the export market has become sluggish and the shipping cost to places like Jeddah, Yemen, Beirut, and Durban have shot up multiple times in some cases.

Prior to the Red Sea crisis, for example, the freight charge to Yemen was \$850 per container, which has now jumped to \$2,400, they said. Similarly, freight rate to Jeddah have shot up to \$1,500 from \$300 per container. The rate to Durban has jumped to \$1,200 per container from \$700.

"Due to this freight hike, buyers are not taking cargo this time," said Vijay Setia, former president at All India Rice Exporters Association. "As a result, prices of basmati rice have fallen in the domestic market now."

India annually exports 4-4.5 million tonnes of basmati rice. Gulf countries are the biggest buyers,



ISTOCK

accounting for nearly 80% of the country's basmati exports.

While Maersk has said it will resume operations in the Red Sea route, exporters say the shipping line is yet to declare when it will start operations.

Sunflower oil importers said the import price has shot up by \$30 per tonne, which will impact domestic prices of sunflower oil.

Also, if the import of sunflower oil is diverted through other routes, then the arrival time from the Russia-Ukraine region will go up to 40 days instead of 28 days, said Sandeep Bajoria, CEO of Sunvin Group, an edible oil importer. "Though there is a good supply of edible oils in the Indian markets, the delay and price rise in imported oil will have to be passed on to the consumers by the edible oil companies," he said.

According to Solvent Extractors Association of India, India's edible oil imports increased to 15.47 million tonnes (mt) in the first 11 months of the oil year 2022-23 (November 2022 to October 2023) from 12.66 mt a year earlier, registering a growth of 22.15%.



Business Line, dt. 29/12/23

# Engineering exports decline in Nov on poor demand

Amiti Sen  
New Delhi

Engineering exports from India slipped back into red in November, declining 3.10 per cent (year-on-year) to \$7.85 billion following three successive months of growth, as demand from key markets such as the EU, the US and ASEAN dipped, per figures analysed by EEPC India.

India's export of engineering goods to Russia, however, increased 75 per cent in November to \$113.49 billion, continuing steadily on the growth path. In the April-November period, overall export of engineering goods declined 1.81 per cent to \$69.46 billion, mostly a re-

flection of poor global demand.

"High interest rates, weak industrial output, volatility in commodity prices and increase in trade restrictive measures, are affecting global trade and, in turn, India's engineering exports," said EEPC India Chairman Arun Kumar Garodia. Exporters have sought guidance and support from the government to tide over the difficult times.

"Factors such as raw material prices and high cost of logistics are becoming an additional burden for Indian exporters in the face of this global trade depression. We urge the government to look into these matters and continue supporting us to keep us competitive in the global



**SETBACK.** Destinations recording a fall in exports include the US, the UK, Germany, France, Italy, and China

market," said Garodia. Destinations recording a fall in export of Indian engineering products include the US, the UK, Germany, France, Italy, and China. The fall in exports to major destinations was offset to some extent by the steep increase of 138 per

cent in exports to Russia during the April-November 2023 period to \$908 million, per EEPC data.

Moscow is interested in sourcing more items from India to set off part of its huge trade surplus with the country. UAE, Saudi Arabia,

South Korea, and Brazil are the other markets where engineering goods shipments posted a growth.

The share of engineering exports in India's total merchandise exports fell to 23.17 per cent in November 2023, compared to 24.11 per cent in October 2023 and 24.92 per cent during April-November 2023.

## ENGINEERING PANELS

In November, as many as 24 out of 34 engineering panels, including major raw materials such as iron and steel, non-ferrous sectors and machinery, recorded a fall in exports. On a cumulative basis, 16 out of 34 engineering panels recorded a fall in exports during April-November 2023.



Business Line, 29.12.23

# Steel trade deficit widens to ₹2,400 cr as Chinese imports flood the markets

Abhishek Law

New Delhi



India saw a surge in steel shipments from China, up 50 per cent on a year-on-year basis at 1.34 million tonnes (mt), and a 500 per cent surge in offerings from Vietnam at 0.5 mt.

Imports from China and Vietnam are already at multi-year highs, with the former accounting for a third of the imports in value and 31 per cent in volume terms.

Incidentally, India is among the largest suppliers of iron ore, a key steel-making component, to China. Apart from becoming a net importer of steel, reversing a three-year-trend, India's steel trade deficit widened to ₹2,400 crore (approximate) for the period under review as imports continued to exceed exports.

China is already saddled with excess steel stocks, considering its depressed property market and slow moving infra projects, and the

country continues to push offerings in export markets at lower than production costs.

It has also routed offerings through Vietnam, say Indian traders.

In November, China's finished steel exports rebounded to the fourth highest position in 2023 at 8.005 mt, up 0.3 per cent on the month and 43.2 per cent on the year, China's customs data showed.

In the January-November period, steel exports increased 35.6 per cent, or 21.7 million mt, on the year, at 82.658 million mt. According to a report of the Union

China is already saddled with excess steel stocks, considering its depressed property market and slow moving infra projects

Steel Ministry, accessed by *businessline*, finished steel imports during the eight-month-period was valued at ₹36,813 crore (\$4,455 million), whereas exports stood at ₹34,420 crore (\$4,165 million).

In volume terms, imports exceeded exports by 0.3 million tonnes (mt). Imports were at 4.3 mt, up 14 per cent y-o-y, outpacing exports at 4.0 mt, down six per cent.

## TRADE DYNAMICS

China emerged as the highest seller of steel, displacing Korea and Japan, the traditional markets.

While there was a 15 per cent y-o-y drop in imports from Korea at 1.28 mt, Japan managed to increase imports by 35 per cent at 0.6 mt.

A 50 per cent increase in volume sales notwithstanding, Chinese shipment of the alloy (finished steel) saw only a six per cent jump in prices (in dollar terms) y-o-y at \$1,453 million (₹12,000 crore) versus \$1,374 million (₹11,000 crore).

Semi-finished imports from China, although relatively small, saw a 388 per cent jump y-o-y at \$21.3 million.

"This indicates shipments came in at prices lower than the existing trade / international price or even the domestic market price, after adjusting for the dollar, which stood at ₹82 this year against ₹80 last year," said a trade source.

In fact, overall steel prices remained depressed, down 17 per cent at \$4,455 million (despite rise in volumes) on a y-o-y basis, for the eight-month period, the Ministry report showed.



Business Line, Sat. 29-12-23

# Finance Ministry imposes anti-dumping duty on 'wheel loaders' imports from China

**KR Srivats**

New Delhi

Finance Ministry has imposed definitive anti-dumping duty on 'wheel loaders' imports from China.

The anti-dumping duty will be valid for five years unless revoked earlier.

Based on the recommendations of the Designated Authority in the Commerce Ministry, the revenue department has imposed an anti-dumping duty ranging from 18.84 per cent of CIF Value in US dollars to 82.71



JCB Ltd filed the petition seeking anti-dumping probe on 'wheel loaders' from China

per cent of CIF value depending on the producer.

A 'nil' duty has also been imposed on 'wheel loaders' produced by Liebherr Ma-

chinery (Dalian) Co Ltd. JCB Ltd had filed the petition seeking anti-dumping probe on 'wheel loaders' imports from China.

## JCB'S PETITION

Put simply, a wheel loader is a construction equipment — a piece of heavy machinery used to load and carry materials across a job site. It is a self-propelled wheel mounted equipment with an articulation joint, having front loading mechanism.

Wheel loaders are used across different sectors, in-

cluding material handling, and loading in crushers, ready mix concrete plants, mining, ports, process industries and other General engineering and industrial applications.

They can haul fine materials like sand or large objects like rock and demolition debris.

Some of the tasks that 'wheel loaders' could perform include transporting raw materials like wood, rock, waste and slag; clearing rubble from a work site; laying pipes and removing snow.

Business Line, dt. 29.12.23

# 'NLC's methanol plant aims to conserve ₹1,000 cr annually in crude oil imports'

M Ramesh  
Chennai

NLC India, the public sector mining and power generation company, is putting up a ₹4,350-crore lignite-to-methanol plant. When the plant starts methanol production, it will save ₹1,000 crore worth of crude imports annually, NLC India's Chairman and Managing Director, M Prasanna Kumar, told *businessline*.

The plant will produce 4,00,000 tonnes of methanol using 2.5 million tonnes of lignite. NLC has been assured that it would get ₹600-crore viability gap funding from the government, but Kumar expects the funding to go up to ₹1,000 crore, given that certain conditions for the additional funding have been met.

Air Products of USA is the technology partner for the project, and Government of



India-owned Engineers India Ltd is the project manager. In coal-to-methanol or lignite-to-methanol plants, coal or lignite is first gasified into synthesis gas (syn gas) by mixing pulverised coal or lignite with an oxidant such as oxygen or steam. The syn gas — which is very hot (about 1,800 degrees Celsius) — is a mixture of carbon monoxide and hydrogen, and is a building block for producing a range of chemicals, including methanol.

As such, the process is divided into two parts — lignite to syn gas and syn gas to methanol. NLC has floated two separate tenders for

awarding the projects. The technical bids have been opened for the lignite to syn gas package, and three parties have submitted bids. Kumar is hopeful of being able to award the project by the end of January 2024.

For the syn gas to methanol project, the last date to submit bids is December 30.

Kumar expects work on the project to commence by March. The government aims to have 100 million tonnes of coal or lignite gasification plants by 2030.

## NORTH DHADU BLOCK

Meanwhile, NLC, which had won the North Dhadu coal block in Jharkhand through a commercial auction in August, received the formal allotment order last week, said Kumar. NLC's plan was to produce 3 mtpa of coal from the block, but it now feels that production could go up to 4-5 mtpa.



# Steel mills eye expanding export presence post lull

**Abhishek Law**  
New Delhi

Indian steel mills, which kept losing out on key export markets, apart from the European Union (EU) nations, are looking to resume supplies to West Asia from late-January onwards.

Between April and November, finished steel exports to the key markets of West Asia continued to exhibit slowdown signs, with mills here losing out to lower-priced competing offerings from China.

The competition stiffened to the extent that Indian mills withdrew export offers apart from the EU.

The lull began mid-September onwards when Indian mills were quoting \$650-680 per tonne prices, against substantially lower Chinese offerings which were priced at "a maximum of \$600 per tonne".

After a near three-month

hiatus, export offers have been placed across West Asia in the range \$635-640 / tonne.

## PRESSURE CONTINUES

A recent transaction involving around 20,000 t was reportedly finalised at the same price range for deliveries scheduled from late January to early February, a report by consultancy major, BigMint (formerly SteelMint) says.

According to an internal report of the Steel Ministry, accessed by *businessline*, exports to UAE dropped by 37 per cent y-o-y for April - November to 0.3 million tonnes (mt) versus 0.5 mt in the year-ago period.

In terms of value, there was a 30 per cent drop at \$297 million. In the export market, Chinese steel offers stayed at \$567 per tonne to \$574 per tonne.

Vietnamese buyers were reluctant to place orders above \$575 per tonne netting back to around \$565/



tonne, market participants said. For the April to November period, India's steel exports dipped 6 per cent y-o-y to 4MT.

The country is already a net importer of steel and the trade deficit in the segment widened to ₹2400 crore (from ₹1,600 crore in April - October).

## EU SAVES THE DAY

On the other hand, Indian mills continued to witness a rise in orders from most EU nations. The rise is driven by favourable positioning towards Indian offerings over China and a positive quota system. Italy, the largest buyer for the eight-months under review, saw a 35 per

**The lull began mid-September onwards when Indian mills were** quoting \$650-680 per tonne prices, against substantially lower Chinese offerings, which were priced at a maximum of \$600 per tonne

cent y-o-y jump in shipments to 0.75 MT, against 0.55 MT.

Spain was another large buyer of Indian steel at 0.31 MT, up 70 per cent y-o-y. Shipments stood at 0.19 MT in the same period last year.

Orders from Belgium remained more or less stable

at 0.33 MT levels. Market sources say in the EU, north-west HRC prices held at the \$764-765 per tonne range, as demand and potential capacity restarts at EU's mills were a concern. Italian steel mills are taking a traditional winter break in operations starting from the third week

of December until second week of January on average.

"The dates of the stoppages vary depending on the mill, but on average, they all will halt production for almost three weeks, which has become a new normal for the local steel-makers.

Several years ago, mills were suspending their operations for two weeks as the longest to conduct maintenance works," said sources, referring to maintenance closures in EU's mills. Some recovery is expected to start at the beginning of Q1 2024, though at a slow pace, market sources anticipate.

## SALE NOTICE

**M/S BUTTA INFRASTRUCTURE PRIVATE LIMITED (in Liquidation)**

REG. OFF: HOUSE NO. 4/14, BUTTA HOUSE, KPHB ROAD, MADHAPUR  
HYDERABAD TG 500081 IN.

### E-AUCTION

**UNDER INSOLVENCY & BANKRUPTCY CODE, 2016**

The following Assets and Properties of **M/s. Butta Infrastructure Private Limited (in Liquidation)** having CIN U45309TG2017PTC114221 forming part of Liquidation Estate are for sale by the Liquidator through e-auction on "AS IS WHERE IS," "AS IS WHAT IS" and "WHATEVER THERE IS BASIS" AND "NO RECOURSE BASIS" as per details mentioned in the table below:

The Sale will be done through the E-Auction platform (With unlimited extension of 5 mins

Unitholders are hereby informed of the Monthly Payout / Reinvestment schemes. The record date for the s:

**Schemes - Plan / Option Name**



# India's exports to Iran decline in last one year

SHREYA NANDI

New Delhi, 31 December

India's exports to Iran have been falling over the last one year, amid decline in rupee reserves of the West Asian economy.

Going ahead, the possibility of augmenting exports to Iran may not be easy for India, considering the geopolitical tensions — Russia-Ukraine and Israel-Hamas conflicts — and the West Asian country's support for Russia and Hamas, people aware of the matter said.

Exports to Iran saw a downward spiral since November last year. During calendar year 2023, outbound shipments to Iran contracted nearly 44 per cent to \$888 million during January-October.

The decline has been led predominantly by basmati rice, along with



**The decline has been led predominantly by basmati rice, along with high-quality tea and other food items, such as sugar and fruits**

high-quality tea and other food items such as sugar, fresh fruits and boneless bovine meat.

Exports of basmati rice witnessed

a 42 per cent decline to \$553 million during the first 10 months of the calendar year.

The contraction has been mas-

sive, considering that as much as 62 per cent of India's exports to Iran can be attributed to aromatic long-grain rice.

That apart, in FY23, a fifth of India's basmati rice exports were shipped to Iran.

Exporters said that one of the key challenges has been the depleting rupee reserves since India stopped buying crude oil from Iran due to US sanctions on Tehran.

Since India's trade with Iran is now mainly dominated by non-sanctioned products, there is a thin capacity to import from West Asian nations.

"We need to look into how we can export non-sanctioned goods, such as pharmaceuticals and agriculture products to Iran. India should engage with Iran on this," Ajay Sahai, director-general (D-G) and chief executive

officer (CEO), Federation of Indian Export Organisations (FIEO), said.

"Around 17-18 months ago, India was hopeful that Iran would reach an agreement with the US and the sanctions would be lifted. This would have worked in favour of India since the Indian and Iranian economies have a lot of complementarities. If they were allowed to export oil, then our exports would have grown several fold," a senior government official said.

"However, when the war started between Russia and Ukraine, Iran supported Russia. Then it went into a tailspin," the official added.

During January-October, bilateral trade between India and Iran stood at \$1.4 billion, with exports at \$888 million, down 44 per cent year-on-year (Y-o-Y), and imports at \$529 million, down 3.85 per cent.



# Imports of California walnut rise after India's tariff removal

MERAJ BHAT

New Delhi, 31 December

The California walnuts shipped from the US to India have seen a sharp uptick with imports more than doubling from September to November against the same period last year. This comes after New Delhi removed its retaliatory customs tariffs on the key dry fruit.

Two days ahead of US President Joe Biden's visit to New Delhi to attend the G20 Summit on September 9-10, India dropped additional customs duties on about half a dozen US goods that were imposed in 2019 in response to America raising tariffs on certain steel and aluminum products coming from India.

During Prime Minister Narendra Modi's first state visit to the US in June this year, both India and America agreed to terminate six World Trade Organization (WTO) disputes and also to remove the retaliatory tariffs on some US products, including walnuts. India dropped additional duty on chickpeas (10 per cent), lentils (20 per cent), almonds fresh or dried (₹7 per kg), almonds shelled (Rs 20 per kg), walnuts (20 per cent), and apples fresh (20 per



► **Walnut exports to India started in 2013**

► **Highest exports to India in 2016-17 at 14,385 metric tonnes**

► **Exports fell to 3,552 metric tonnes in 2021-22**

► **Market share of these walnuts in India during 2017-18 was 69.9%**

► **It fell to 14.8% in FY23**

► **Chile's share went up from 29.7% in FY18 to 75.3% in FY23**

tonnes) were shipped into India, and we are at 7.8 million pounds (3,538 metric tonnes) now. So, we've more than doubled. We really won't know what the total shipment amount will be until around May-June next year," Pamela Graviet, senior director, global programmes, California Walnut Commission (CWC) and Board, told *Business Standard*.

California walnuts are harvested from September to November and are shipped year-round. They account for 99 per cent of the total US production and nearly 50 per cent of the world trade.

Germany is the top export market, followed by West Asia and Türkiye. Exports to India, which started in 2013, peaked during 2016-17 at 14,385 metric tonnes. The imports dropped to just 3,552 metric tonnes in 2021-22, largely because of high tariffs, crop challenges and Covid-19, which disrupted the global supply chains, according to the CWC data. As the market share of California walnuts went down in India from 69.9 per cent in 2017-18 to 14.8 per cent in FY23, other countries benefited from India's imposition of additional duties on American products. Currently, Chile is the largest exporter of walnuts to India at 75.3 per cent share in FY23, up from 29.7 per cent in FY18, according to the Ministry of Commerce data.

cent). "When we look at our shipments, at this time last year, about 3.3 million pounds (1,496 metric