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Silver Imports may Drop by a 3rd on Dull Demand

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Kolkata: India's silver imports may fall about a third to 6,000 tonnes in 2023 from 9,000 last year, as demand has fallen 15-20% due to rising prices of the metal, said industry executives.

Footfall in Mumbai's Zaveri Bazar, the country's gold

and silver hub, has fallen significantly for silver jewellery, silver artefacts and silverware since April 15, with prices crossing ₹75,000 per kg.

"Imports went up in 2022 as demand rose after two years of Covid-19. But now the situation has normalised and imports will come down. But the high prices will dent the demand by 15-20%," said Chirag Sheth, principal consultant of Metals Focus, an independent precious metals research consultancy.

Besides, there is ample silver lying with the banks, which too will impact imports this year, he said.

"Silver buying has dipped over the last few days. We are hoping that demand will start picking up from May 12 onwards. Silver is expected to touch ₹85,000-90,000 per kg by year-end," said Saiyam Mehra, chairman, All India Gem & Jewellery Domestic Council.

Silver has attracted a larger number of investors, including retail investors who now have greater access to the silver market through mutual funds. "Silver, like gold, offers a hedge of sorts in a rising prices scenario," said Nilanjan Dey, director of



Wishlist Capital, an investment advisory firm.

Investment trends favour both bulk and staggered exposure to silver at this juncture, when prices are rising. "The future reads positive for silver in terms of a hedge and a refuge for those who see the need for diversification. I will implore investors to act decisively and build up a silver portfolio by taking advantage of attractive price points," said Dey. "Silver may not create wealth in a hurry, but it will help sustain broad based portfolios (with no significant downside risk at this juncture) on the retail side."

Silver exchange traded funds (ETFs), which were allowed by the markets regulator last year, attracted an estimated 240 tonnes in the first year of operation. It was a decent start given that ETFs find favour only among a small set of informed investors, said analysts. ✓

Plans to export methanol to Bangladesh may be scrapped

SUBHAYAN CHAKRABORTY
New Delhi, 3 May

BUSINESS STANDARD

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The Centre may tone down or even shelve its plan to export methanol to Bangladesh, as the government refocuses its strategy around the alternative fuel.

Promising results on research into methanol-based petrol production at scale is the latest trigger behind the move.

State-run Oil India (OIL) is running 'advanced-level' tests, and the results are promising, officials told *Business Standard*.

Growing internal demand projections and increasing consumer appetite for newer alternative fuels have prompted the government to again consider methanol as a credible plant-based fuel, they added.

This comes even as Assam Petrochemicals, a joint venture between OIL and the Government of Assam, had earlier firmed up plans to export the fuel to neighbouring countries.

Methanol is a low-carbon, hydrogen-carrier fuel produced from high ash coal, agricultural residue and CO₂ from thermal power plants and natural gas.

Under its 'Methanol Economy' roadmap, the NITI Aayog has said it is the best pathway for meeting India's commitment to COP 21. NITI



has argued for the introduction of M15 petrol — a 15 per cent blend of methanol with petrol.

Although slightly lower in energy content than petrol and diesel, methanol can replace both these fuels in the transport and energy sectors, comprising diesel generator sets, boilers, process heating modules, tractors and commercial vehicles.

Methanol is especially in focus for retail cooking use, partially replacing LPG, kerosene and wood charcoal.

Blending of 15 per cent methanol in gasoline can result in at least 15 per cent reduction in the import of gasoline and crude oil.

In addition, this would bring down greenhouse gases' emissions by 20 per cent in terms of particulate matter, nitrogen oxide, and sulphur oxide, thereby improving the urban air quality.

Promising results on research into methanol-based petrol production at scale is the latest trigger behind the move

"It is now evident that a balanced mix of alternative fuels would be required to ensure energy sufficiency. The last two years have shown that we need a multi-pronged approach. The average cost of

methanol technology has also reduced and incremental changes in efficiency are being made," a NITI Aayog official said.

While India should ultimately become an export hub for alternative fuel in the region, safeguarding domestic demand would be first, he stressed. The discussion on methanol heating up has coincided with the government increasingly harnessing ethanol as a transport fuel.

In February, it rolled out E20 (20 per cent ethanol blending in gasoline), much ahead of the new deadline of 2025-26. The deadline itself had been brought forward from the initial 2030.

"The calorific value of methanol is lower than ethanol; so 1.28 litres of methanol is required to produce as much energy as a litre of ethanol," the NITI Aayog has said.

"However, methanol can also be the cheapest fuel for India. Its production from coal had been flagged as the most economically-viable option available to the country," a senior official said.

Talks with Bangladesh

The Assam government was bullish on exporting the chemicals to Bangladesh owing to an expansion project. It added 500 tonnes per day (TPD) of methanol capacity, and 200 TPD of formaldehyde, at a total cost of ₹1,337 crore to APL.

India's iron ore exports drop in April as China orders slow down

BUSINESS LINE dt. 8-5-23

Abhishek Law

New Delhi

India's iron ore exports dropped 13 per cent in April against March at 3.8 million tonnes (mt), primarily on account of slower orders from China and lower steel demand overseas. However, exports were up year-on-year by 25 per cent.

In April, export of fines and lumps was 3.05 mt and that of pellets and concentrate 0.75 mt. Export of iron ore in April 2022 was 3.05 mt, which included 1.67 mt in fines and lumps and 1.39 mt of pellets and concentrate.

In March 2023, exports were 4.37 mt — the highest over the last 12 months — according to data available from Steelmint. Iron ore exports from the

country has been increasing since December as China opened up and India withdrew its export duty levy. In December, iron ore exports were 2.26 mt; January exports increased 3.42 mt while in February it was 3.8 mt.

China is India's largest export market for iron ore, a key steel-making raw material.

THE CHINA FACTOR

Trade sources told *businessline* exports could come under pressure with China opting for steel production cuts as it plans to bring carbon emissions under control. The buzz is steel production in China could remain at 2022 levels, and this will continue to put pressure on raw materials. "On a year-on-year basis, we anticipate iron ore exports to improve over 2022 levels, as the impact

of export duty is not there. The port levels stocks in China should come down sometime soon, thereby improving demand from India. Also, as economic activity picks up, steel demand should improve there," said an exporter.

In April, the Chinese steel market saw a sharp drop, primarily because of supply-demand imbalance, and there has been no significant improvement this month so far. Since the market there remains weak, raw material price like iron ore saw a fall in early May, as well as drop in coke prices.

The most-traded September iron ore contract on the Dalian Commodity Exchange closed on May 5 at 697.5 yuan (\$100.93) a tonne after touching a new five-month low at 675.5 yuan (\$97.75) a tonne in the morning.

Gold imports decline 24% to \$35 billion in 2022-23

PRESS TRUST OF INDIA

New Delhi, May 7 **2023-5-8**

✓ **INDIA'S GOLD IMPORTS**, which have a bearing on the current account deficit, dipped 24.15% to \$35 billion in 2022-23 due to global economic uncertainties, according to data from the commerce ministry.

Imports of the yellow metal stood at \$46.2 billion in 2021-22.

The growth rate in the imports was in the negative zone during August 2022 to February this year. It jumped to \$3.3 billion in March 2023 as against \$1 billion in the year-ago month, the data showed.

Silver imports, however, rose 6.12% to \$5.29 billion during the last fiscal.

The significant fall in gold imports though has not helped in narrowing the country's trade deficit — the difference between imports and exports. The merchandise trade deficit in 2022-23 was estimated at \$267 billion against \$191 billion in the year-ago period.

According to industry experts, high import duty on gold and global economic uncertainties have led to the dip in imports of the precious metal.

"India imported about 600 tonne of gold during April-January 2023, and it is down because of high import duty. The government should take a view on the duty part to help the domestic industry and push exports," an expert said.

India is the largest importer of gold, which mainly caters to the demand of the jewellery industry. In volume terms, the country imports 800-900 tonne of gold annually.

Gems and jewellery exports declined by 3% to about \$38 billion during 2022-23.

Last year, the Centre hiked gold import duty to 15% from 10.75% to check the current account deficit (CAD).

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FINANCIAL EXPRESS dt. 8-5-23

Agri exports rise 9% to \$26.3 bn in FY23

SANDIP DAS

New Delhi, May 7

EXPORTS OF AGRICULTURAL

products and processed food products rose by 9% to \$26.3 billion in 2022-23 as compared to FY22, driven by a spike in shipment of rice, fruits and vegetables, livestock and dairy products.

The shipment of products under the agricultural and processed food products exports development authority (Apeda) basket surpassed the target of \$23.56 billion for FY23.

According to the Directorate General of Commercial Intelligence and Statistics, the value of rice exports in FY23 rose by more than 15% year-on-year to a record \$11.1 billion from \$9.6

billion in the previous fiscal. In terms of volume, rice shipment grew by 5% to 22.34 million tonne (MT) last fiscal year-on-year.

The increased realisation in rice exports has been achieved despite India last year banning broken rice shipment and imposition of exports tax of 20% on white rice.

Officials attribute the spike in rice exports to factors such as robust global demand especially from West Asian countries, Africa and Europe and floods in Pakistan, a major grain exporter which had hugely impacted a large chunk of paddy crop.

India has been the world's largest exporter of rice in the last decade and currently has 45% share in global grain trade.

The United States Department of Agriculture (USDA), in its April 2023 crop outlook, stated "India's prices are the most competitive among global suppliers and its total supply of rice is near-record high".

"Robust global demand and competitive pricing have ensured a surge in rice exports in the current fiscal and adherence to quality parameters has resulted in sharp increase in demand for Indian rice with the grain being shipped to more than 75 countries," an official told FE. Fresh and processed fruits and vegetables reported export growth of 18.8% to \$3.8 billion in the last fiscal year. The shipment of cereals, preparations and processed food products rose by 20% \$4.3 billion.