

Agri & allied goods export rises 11% in April-October

FE BUREAU
New Delhi, December 26

INDIA'S EXPORT OF agriculture and allied commodities rose by 11% in dollar term to \$30.21 billion during the April-October period of the current fiscal year compared to the same period in 2021-22, the agriculture ministry said on Monday.

Value of Basmati rice exports rose by more than 37% in the first seven months of the current fiscal to \$ 2.5 billion

Agri-exports had risen by 20% to \$ 50.24 billion in the previous fiscal. Wheat, basmati rice, raw cotton, castor oil, coffee, and fresh fruits are the major commodities exported.

According to provisional data by the Directorate General of Commercial Intelligence and Statistics, the value of Basmati rice exports rose by more than 37% in the first seven months of the current fiscal to \$ 2.5 billion. Shipment of non-Basmati rice registered a growth of 8% to \$ 3.2 billion during the same period.

Export realisation from shipment of aromatic long grain Basmati rice grew by 23% to \$1056/tonne in the April - October, 2022-23 period from \$ 857/tonne realized in the same period previous year. Non-basmati Rice exports are likely to decline in the second half of the current fiscal, as India has imposed a ban on broken rice exports and imposed a 20% export tax on white rice.

Wheat exports registered an increase of 70% on year to \$ 1.5 billion in April-October 2022-23.

India had banned shipment of wheat in May while allowing only those consignments aimed at meeting food security needs of developing countries. In the current fiscal, India has exported 4.6 million tonne (MT) of wheat so far while 7 MT of grain was shipped in FY22.

The agriculture ministry said there was improvement in the farm produce logistics with the introduction of 'Kisan Rail' service from July 2020. Till December this year, Kisan rails were operated on 167 routes in the country.

The agriculture ministry statement said around 1,260 wholesale mandis in 22 states and three union territories have been integrated with the electronic-National Agriculture Market (e-NAM).

Financial Express 27-12-22

Exports to Covid-hit China may contract at a faster pace

Between April and Oct, shipments shrank 37.2% on year

BANIKINKAR PATTANAYAK
New Delhi, December 26

A SUSTAINED SURGE in Covid cases in China could further exacerbate a contraction in India's exports to its fourth-largest market in the coming months, as order flow has already been faltering at a steady pace, trade sources told FE. Some exporters now forecast a 40-45% crash in exports to China this fiscal from \$21.3 billion in FY22 if the Covid surge continues through January.

Between April and October, India's exports to China shrank 37.2% from a year before to \$8.84 billion, far underperforming a 12.5% rise in the country's overall merchandise despatches (See chart). In October, the contraction in exports to Beijing was as high as 44.2% to \$1 billion, according to official data. It has already started weighing on the country's overall merchandise exports, which shrank 16.7% in October and barely rose in November.

China typically sources from India a lot of raw materials and intermediate inputs—including cotton, iron ore and iron & steel—and limited finished products, such as select capital goods.

Ajay Sahai, director general at the Federation of Indian Exports Organisation, said, given that the world's second-largest economy had already been slowing down, its appetite for raw inputs had remained limited this fiscal. "The latest Covid surge just made the matter worse. There has been a huge fall in India's exports of cotton, aluminium, copper, iron ore and iron & steel products to China. However, the marine segment has still done reasonably well," he added.

Of course, the crash in iron ore and steel product exports to China have also been caused by a steep hike in export duties on these products in May to rein in inflation. Of course, the duty hikes were rolled back last month.

Arun Kumar Garodia, chairman of the engineering exporters' body EEPC India, said: "Our exports to China in December may fall at a steeper pace than in November." Engineering exports to China crashed by 40% in November, far worse than a 0.3% fall in total such exports during the month to \$8.1 billion.

Thanks to the global turmoil and the Covid surge in China, India's engineering exports, which account for roughly a fourth of the overall mer-

12.5%

Rise, y-o-y, in overall goods exports until Oct this fiscal

37.2%

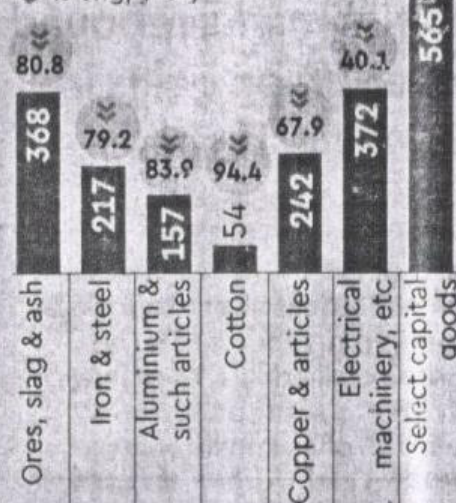
Contraction, y-o-y, in exports to China until Oct

KEY SEGMENTS FALTER

(Up to Oct this fiscal)

■ Exports to China (\$ m)

▽ % chg, y-o-y



Source: DGCIS

chandise despatches, may even drop from the last year's level of \$112 billion, he added. However, Garodia expected Covid cases in China to ease from January. According to a Bloomberg News report on December 23, almost 37 million people in China might have been infected with Covid-19 on a single day last week. About 248 million people, almost 18% of China's population, may have contracted the virus in the first 20 days of December, the report said.

China's business confidence eased to its lowest in close to 10 years, a survey by World Economics showed on Monday. While Beijing scrapped its zero-Covid policy of lockdowns and massive testing on December 7 due to growing public protests, it comes hardly as a solace, as the numbers of those tested positive have kept rising.

The good thing is ports are still functioning and goods are still being despatched to China, trade sources said. "However, there is no guarantee that they will remain so in the coming weeks. Order flow has slowed dramatically in many segments, although in some other segments, such as food and pharmaceuticals, they are still flowing in. The situation is very uncertain," said the chief of a state-run export promotion council.

R Uday Bhaskar, director general at the Pharmaceutical Export Promotion Council, said, the Covid situation in China is being closely watched.

"Pharma exports to China, however, haven't been affected much so far," he added. This is partly due to the surge in Covid, said another industry executives.

Financial Express # 28.12.22

'Re trade' starts, first deals with Russia

BANIKINKAR PATTANAYAK
New Delhi, December 27

SETTLEMENT OF FOREIGN trade in rupee has finally taken off, with a few transactions involving Russian firms having taken place recently, trade sources told *FE*. This is the first set of transactions since the Reserve Bank of India (RBI) introduced guidelines in July to promote the settlement of international trade in rupee.

At least a dozen-and-a-half vostro accounts have been opened so far to facilitate the rupee trade with not just sanctions-hit Russia but also Sri Lanka and Mauritius. So, more such transactions are likely to take place in the coming

ALTERNATIVE MECHANISM



The RBI
introduced

guidelines in July to promote the settlement of international trade in rupee



At least a dozen-and-a-half vostro accounts have been opened so far to facilitate the rupee trade with Russia, Sri Lanka and Mauritius



Exports to Moscow, which declined **16% until October** this fiscal due to the delayed flow of payments, may see a rise now

months, said the sources. This may spur exports to Moscow, which declined 16% until October this fiscal from a year ago to \$1.6 billion due to the

delayed flow of payments, despite renewed interest shown by Moscow to source more goods from India, they added.

As *FE* had reported, about

30-35 countries, including those from Asia, Scandinavia and Africa, have expressed interest in better understanding the proposed rupee trade mechanism for possible adoption. These countries include neighbours, such as Sri Lanka, Bangladesh, Nepal and Myanmar, which have been grappling with a shortage of dollar reserves. So, there is a huge scope to boost the rupee trade, senior government officials believe.

Russian banks like Sberbank, VTB, Gazprom, BCS, MTS, Tinkoff, Soyuz, Credit Europe Bank (Russia), PSCB, Ros and JSCB have opened such accounts.

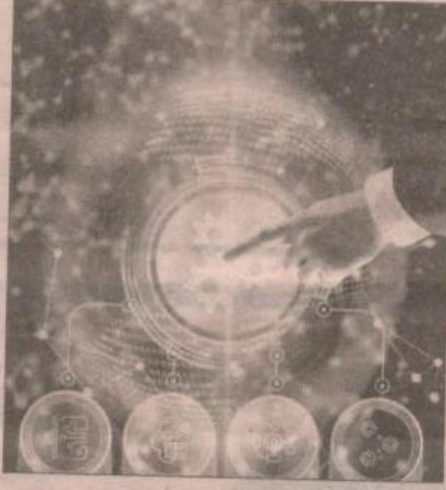
Continued on Page 2

Digital: Tech-tonic shift

It's also clear that the ONDC, being simply a network or a facilitator, is not going to be able to draw customers like other retail marketplaces have. The start in Bengaluru has been a slow one and while a host of big names — banks, payments firms, FMCG players and telcos — are all on the network, a full-scale rollout doesn't look imminent. As of now therefore, the CBDC looks most promising and likely to gain traction in 2023. However, the digital currency will likely be used primarily by companies for cross-border transactions and by the government to disburse subsidies.

The use case for individuals at this point is less compelling given how Indians are now adept at transacting on their smartphones.

In fact, the payments pace is tipped to become even better in 2023 as more payments aggregators (PA) get going. This should have happened in 2022 but many candidates missed the deadlines to meet the net worth criteria. Now under the regulator's purview, PAs — Pine Labs, Stripe and others — are expected to make life easier for merchants and e-retailers by handling all kinds of digital payments from customers. Digi banks have been nixed by the regulator after the Niti Aayog made a case for these fully electronic lenders arguing that high costs are making today's com-



mercial banks inefficient. Drawing from examples in the western world, Niti argues that digital banks could be used to empower under-banked small businesses. While the Reserve Bank of India (RBI) may have its reservations, some rethinking on the subject is called for, especially as most fintechs cannot lend following the new, tighter norms. To be sure they can, and probably will, partner increasingly with banks and NBFCs in the coming year.

However, even those fintechs which have adopted the NBFC model to lend are likely to be constrained by limited capital. Even otherwise, with the regulator disallowing lending by non-regulated entities, the space should see a fair bit of consolidation next year with many fintechs shutting shop. As such, it might be worth looking at digi banks.

There's a new IT Act in the making. In a first, the government is planning a clear-cut differentiation between the many online intermediaries such as social

media sites, e-commerce entities, fact-checking portals and artificial intelligence (AI)-based platforms and to prescribe separate regulations for each. The reasoning is that there are no pure play intermediaries any longer — most must be considered digital service providers. Consequently, the regulation would need to address more than just the liability of an intermediary. The new all-encompassing legislation, called the Digital India Bill, is also expected to introduce new criminal offences, propose a regulator for the digital space; regulation for metaverse and blockchain is also on the cards.

Meanwhile, a simpler, pragmatic and business-friendly Digital Personal Data Protection (DPDP) Bill should be passed in the Budget session. Companies may lobby for easier rules but the government should ensure the clauses requiring detailed consent from users for collecting and processing data are retained. Also, the legislation must build in independence for the Data Protection Board; the provisions in the Bill do not inspire confidence that the Board will be functioning autonomously. Amidst a tech meltdown and a funding winter, it's been a harrowing year for startups who've discovered business isn't so easy. Not even with \$55 billion of capital. One safe prediction for 2023: there aren't going to be many startup IPOs.

'Re trade' starts, first deals with Russia

Six of these accounts have been opened with IndusInd Bank, and one each with UCO Bank, HDFC Bank, Union Bank of India and Canara Bank. Sberbank and VTB has opened one such account with their local branches here.

SBI Mauritius and People's Bank of Sri Lanka have opened vostro accounts with State Bank of India. Sri Lankan banks — Seylan Bank, NDB Bank and Commercial Bank of Ceylon — have opened these accounts with Indian Bank. Bank of Ceylon has opened one such account with its own branch in India. Director general of foreign trade Santosh Kumar Sarangi recently said the Indian Banks' Association and the Federation of Indian Export Organisations will undertake an awareness campaign to sensitise stakeholders about the rupee trade.

QUICKLY.

Oil hits 3-week high as China eases Covid curbs



London: Oil hit a three-week high on Tuesday as China's latest easing of Covid restrictions spurred hopes of a fuel demand recovery. China will stop requiring inbound travellers to go into quarantine, starting from January 8, in a major step towards easing curbs on borders that have been largely shut since 2020. REUTERS

'Ivory Coast cocoa grind up 6.9% y-o-y in November'

Abidjan: Ivory Coast's cocoa grind was up 6.9 per cent year-on-year in November to 1,13,803 tonnes, according to data from the exporters' association GEPEX. Total grind from the start of the 2022/23 season in October stood at 55,248 tonnes of beans by the end of November. up 5.1

Business Live 28.12.22

Why Bangladesh prefers to buy rice from Indian co-operatives

SECURING SUPPLIES. Agrocorp quotes lowest price in Dhaka's latest global tender to import 50,000 tonnes

Subramani Ra Mancombu
Chennai

Bangladesh seems to have more faith in the Indian co-operatives, besides opting for the conventional safety-first measure in importing two lakh tonnes (1t) of parboiled rice from India.

Last week, Bangladesh's External Procurement wing of the Directorate of Food issued a letter of intent (LOI) to NCCF (National Co-operative Consumers Federation of India Ltd) and Kendriya Bhandar (Central Government Employees Consumer Co-operative Society) to buy one lakh tonnes of parboiled rice. The rice is being imported from NCCF at \$433.60 a tonne and at \$433.50 from Kendriya Bhandar, according to trade sources. This is over \$35 higher than the most competitive bid made by Singapore's

Agrocorp International Pte Ltd in a 50,000 tonnes global import tender for parboiled rice that was opened on Tuesday by Bangladesh's Directorate of Food.

'VOTE OF CONFIDENCE'

Trade sources said Agrocorp offered the rice at \$397.03 a tonne, while India's Bagadiya Brothers, which was the lowest bidder in the tender that was opened last week, quoted \$400.01 while Haldia Ventures Limited, a listed firm, quoted \$428.94. The price is, however, higher than the offers made in last week's tender.

"The order was placed at a price higher than the most competitive bid for a \$50,000 global import tender floated by Bangladesh. This is a vote of confidence for the co-operative sector since the order has been placed in view of the faith the Sheikh Hasina Wajed government has in these agen-



STAYING STRONG. Rice prices are competitive despite the Centre curbing the cereal's shipments from September 9

cies," said Delhi-based trader Rajesh Paharia Jain. "Bangladesh wants the rice consignments in two months' time. It also wants rice from the new crop. Had it given more time or opted for an older crop, it could have got it at a lower price," said official

sources. The problem with placing orders for a huge quantity is that there is no guarantee of delivery since private traders are bidding aggressively and are settling for a lower margin.

SECURITY AGAINST BAN
"This can lead to these traders

cancelling at the eleventh hour or not meeting the deadline," a trading source said. "NCCF has been involved in such G2G over the last couple of years. We completed one last month," the official source said. The Wajed government has been scouting in countries such as Thailand, Vietnam and Cambodia for parboiled rice supplies but its efforts have been in vain. In view of Dhaka not getting any assurance from these three origins, it turned to India. "Bangladesh has also opted for G2G to protect itself from any ban that India might resort to in case of lower production or procurement of rice not meeting target. We saw how ban on wheat caught everyone off guard," said Jain. Though Bangladesh is offering co-operatives a higher price than the offers it got for the global tender it floated, it is still lower than rates quoted by Thailand and other countries.

Business Live at 29.12.22

149 sugar mills exchange 12 lt of export permits for domestic quota.

SWEET SPOT. Mills get a premium of ₹3-4 per kg and find takers at home

Prabhudatta Mishra
New Delhi

With just one week left for the quota exchange window to close on January 4, about 149 sugar mills — mostly from Uttar Pradesh and Bihar — have traded their export quota of more than 12 lakh tonnes until December 26.

Mills are said to be getting a premium of ₹3-4/kg and found takers in factories located near ports in Maharashtra and Karnataka.

The Centre on November 5 permitted export of 60 lt of sugar which need to be shipped by May 31. The Food Ministry allowed the shipments by allocating export quota to each sugar mill and



TOPPING TARGET. Mills have completed export of 12 lt of additional sugar quota much above 100 lt allowed for 2021-22 season

also made the allotted quantity exchangeable between mills. As per the norms, any mill which wants to surrender the export quota will have to do so before January 4 and the quota will be adjusted with domestic sale quantity allotted every month.

For instance, a mill that exchanges the export quota will

have to sell same quantity over and above its regular monthly quota in domestic market, and similarly a mill that agrees to export more by buying the quota from another mill will have to forego the same quantity (bought) from the regular monthly domestic sales allocation. In the latest round, the Food Ministry on December

26 allowed 11 mills to exchange 1.56 lt of sugar export quota with eight mills.

STRONG EXPORTS

Meanwhile, the mills have completed export of 12 lt of additional sugar quota over and above 100 lt allowed for 2021-22 season (October-September), sources said. As many as 10 lt got exported by September 30, while 2 lt could not be shipped for which the government had allowed those mills to complete the shipment by December 31, the sources said.

According to industry data, total exports by the end of this month could be around 15 lt (including about 6 lt shipped in November). About 50 lt of contracts have already been made by mills.

Steel imports from Russia soared 468% in Apr-Nov

Abhishek Law
New Delhi

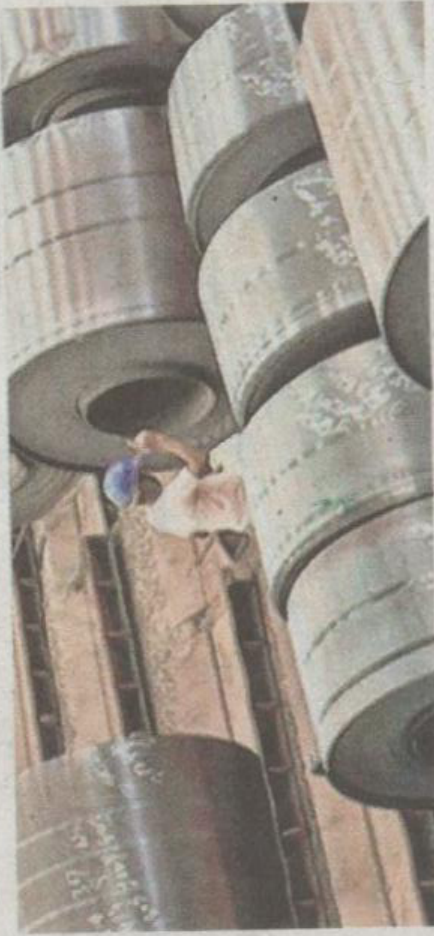
Steel imports from Russia rose by 468 per cent between April and November, the highest in recent times.

Shipments coming into India stood at 218,000 tonnes in the eight-month period at \$253 million against 38,400 tonnes and valued at \$61 million in the same period last year.

MAJOR CAUSES

Cheaper offerings, distress selling by mills and a fall in international steel prices, have been major causes of rising imports from Russia and some other key markets like China and Korea, causing concern for some of the larger domestic steel mills over the last few months.

While shipments from Russia saw the highest increase in percentage terms making it the fourth largest



ROLLING IN. Shipments to India stood at 218,000 tonnes for the eight-month period under review at \$253 million

supplier; Korea is the largest exporter — both in terms of volume and value — to India with nearly 1.5 million tonnes (mt) of steel coming in during April – November, a rise of 16 per cent, a report of the Union Steel Ministry accessed by *businessline*, said.

OTHER EXPORTERS

Other major exporters to India include China, Japan and Indonesia. While China and Indonesia saw an increase year-on-year (y-o-y) by 69

per cent and 3 per cent, respectively; shipments from Japan fell by 6 per cent.

While overall imports of total finished steel was 3.75 mt, up 22.5 per cent y-o-y, steel imports have increased for six months of the year, — from June to November, with quantity varying between 444,000 tonne to 600,000 tonne.

November saw the highest increase of over 92 per cent over the same period last year.

“Volume wise, hot-rolled coil/strip (1.22 mt) was the item most imported (33 per cent share in total finished steel) and Korea (1.495 mt) was the largest import market for India (40 per cent share in total),” the report mentioned.

Items brought in from Russia include hot-rolled coils and strips to the tune of 158,400 tonnes; around 9,200 tonnes of galvanised plain and corrugated sheets; 50,400 tonnes of electrical sheets and 100-odd tonnes of other items.

In value terms, semi-finished steel from Russia was worth \$2.9 million; while finished steel imports were valued at \$250 million.

India turned net importer of steel (imports exceeding exports) in July and then again in October and November this year. However, for the eight-month period, the country remained a net exporter of steel.

Duty-free import of tur, urad extended

The Centre has extended the deadline for free imports of tur and urad up to March 2024 and that of refined palm oil and palmolein oil and other refined oils for an indefinite period, in an apparent bid to control inflation and ensure steady supply for domestic consumers.

PRATIGYA YADAV

Business Standard 29.12.22

Agrichem exporters may outperform local peers

Brokerages have a mixed outlook on margin trajectory for the sector

RAM PRASAD SAHU

Mumbai, 28 December

Near-term challenges for domestic agrochemical companies could see them underperforming compared to exporters. While higher demand and currency gains should aid export growth, inventory destocking could hit their domestic peers on margins.

Brokerage Prabhudas Lilladher Research says that export-oriented players such as PI Industries, Sumitomo Chemicals and UPL are better placed than pure play domestic players like Dhanuka Agritech and Bayer CropScience in the near term.

"Near-term challenges pertaining to provisions for high-cost inventory amid a falling raw material cost scenario coupled with higher sales return from kharif season and pricing pressure in the generic segment will likely weigh on margins for domestic players," says Himanshu Binani of the brokerage.

The brokerage adds that channel inventory remains high for the insecticides category, caused by higher carryover of last year and lower product liquidation in kharif season due to uneven rainfall.

While there are challenges, Nirmal Bang Research expects the Indian crop protection chemical space to bounce back in the second half of FY23 on the back of robust growth in area under crops, the decline in chemical prices as well as container rates. Key freight indices are down 77-90 per cent as per the latest trends. This, according to Ramesh Sankaranarayanan of the brokerage, is likely to offset the headwinds posed by carryover of higher cost inventory and the muted pre-season booking of pesticides.

Growth triggers for the domestic space include a production-linked incentive scheme for agrichemicals and concessions related to tariff restructuring to support value added crop protection chemicals. The top picks for Nirmal Bang Research are PI Industries, Sumitomo and UPL. In addition, it is betting on Coromandel International as a value buy with potential upside from new launches and a ₹100 crore multi-product plant.



POSITIVE OUTLOOK (as on Dec 28)

Stock	Price (in ₹)	1-month return (%)	P/E (x)*	Price target (in ₹)	Upside (%)
Bayer CropScience	4,864.60	7.3	26.8	5,583.80	14.8
Coromandel International	900	-2	13.7	1,208.50	34.3
Dhanuka Agritech	688.1	-2.5	12.7	990.2	43.9
PI Industries	3,448.80	0.7	36.8	3,820.60	10.8
Rallis	236.3	-3.5	19.7	240.6	1.8
Sumitomo Chemicals	471.6	-0.1	37.0	558.3	18.4
UPL	724	-7.2	9.7	1,018.30	40.7

*Price-to-earnings ratio is based on FY24 earnings estimate; Compiled by BS Research Bureau Source: Bloomberg

The overall sector is expected growth of 15-17 per cent in FY23, and exporters within the space could grow 500 basis points higher. "Export revenue is seen rising 18-20 per cent this fiscal, with the US dollar appreciating about 9 per cent so far and volume growing as global players continue to de-risk their China dependency," says Poonam Upadhyay, director of CRISIL Ratings.

CRISIL expects exports to grow 12-14 per cent next fiscal (FY24) as players keep up capital expenditure with an eye on molecules worth \$4 billion going off-patent over the next two years. Exports are expected to remain the major contributor to the agrochemical sector, accounting for 53 per cent of the total revenue.

Prabhudas Lilladher Research, too, expects exporters to perform well due to robust global demand, remunerative

crop prices and better realisations led by price hikes in the recent past.

While most analysts are positive on exports, Kotak Institutional Equities believes that the segment may have hit an air pocket due to customers amassing stock last year. The stocking happened amid supply chain uncertainties and lower-than-expected demand from Europe and the US. These, in turn, have reportedly led to high channel inventories in certain important regions, including Europe, North America and Latin America.

Consequently, ordering from Indian suppliers appears to have slowed for a broad range of products, they add. Despite the near term turbulence, the brokerage expects the calendar year 2023 outlook to remain reasonably healthy, given remunerative crop prices.

Economic Times dt-24-12-22

Oz Pact Kicks in; Zero Duty for 96.4% Goods Exported

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New Delhi: The government has begun reaching out to exporters of apparel, chemicals, plastics, gems and jewellery, engineering goods and technical textiles to take advantage of the duty concessions offered by the India-Australia Economic Cooperation and Trade Agreement (ECTA), which comes into force Thursday.

Australia is offering zero-duty access to India from day one for about 96.4% of the products exported, including many that currently attract 4-5% customs duty in Australia, such as leather, textiles, and gems and jewellery. "This ECTA has a higher value addition of 35% to specify the country of origin to avoid circumvention from other countries. We expect gains in many sectors where China, Vietnam and Bangladesh enjoy zero-duty access in Aust-

ralia," said an official.

India's textiles and apparel exports to Australia are expected to grow to \$1.1 billion from \$0.5 billion in the next three years.

"With the ECTA getting operationalised, India will have a slight duty advantage over Vietnam and Indonesia in the Australian market. India's ready-made garment exports to Australia would grow three times by 2025," said Sudhir Sekhri, vice chairman of the Apparel Export Promotion Council.

Financial Express, dt. 29.12.22

Traders can import refined palm oil without licence

New Delhi, December 28

THE GOVERNMENT ON Wednesday extended the facility of restriction free imports of refined palm oil beyond December 31, 2022 till further orders, a move aimed at increasing domestic supplies and bringing down prices of cooking oils.

In June last year, the government removed import restrictions on refined palm oil till December 31, 2021 as prices of edible oils had risen sharply. Later, it was extended till December 31, 2022.

"The free import policy of items (refined bleached deodorised palm oil, refined bleached deodorised palmolein) is

extended beyond December 31, 2022 until further orders," the Directorate General of Foreign Trade (DGFT) said in a notification.

It, however, added that the import is not permitted through any port in Kerala.

Earlier, these imports were under the restricted category wherein an importer needed a licence or permission from DGFT for inbound shipments. According to the industry body Solvent Extractors Association of India (SEA), India saw more than two-and-a-half times increase in import of refined palm oil at 1.71 million tonne in the last 11 months due to lower prices in Indonesia.

-PTI

Financial Express.

'Free import' policy for key pulses extended by a year

SANDIP DAS
New Delhi, December 28

TO ENSURE ADEQUATE domestic supplies of pulses, the government on Wednesday extended its decision to keep 'free-import' policy for two varieties – tur and urad – by a year till March 31, 2024.

The government in March 2022 had extended the 'free-import' policy for two varieties of pulses by a year. Under the regime, introduced in May last year, specified pulses can be imported without any quantitative restrictions.

"The decision has put to rest the speculations regarding the import policy regime for pulses in the next financial year and it also signals a stable policy regime," an official told FE. Inflation in pulses in November, 2022 was 3.15% on year. Modal retail prices of tur and urad according to department of consumer affairs data on Wednesday rose to ₹110/kg and ₹115/kg respectively from ₹100/kg for both the varieties of pulses six month back.

India's pulses production rose by close to 9% to 27.75 million tonne (MT) in the 2021-22 crop year (July-June) compared to previous year.

EYE ON DOMESTIC SUPPLIES



■ The govt has extended its decision to keep 'free-import' policy for two pulses varieties – tur and urad – by a year till March 31, 2024

■ The decision also signals a stable policy regime and puts to rest the speculations regarding the import policy regime

■ Inflation in pulses in November, 2022 was 3.15% on year

India is largely self-sufficient in chana production which has a share of 50% of the total pulses production.

According to estimates, the country imports around 15% of annual pulses consumption. Around 2 MT of pulses were imported in FY22. Under the bilateral agreement signed last year, India has committed to import 0.25 MT urad and 0.1 MT of tur annually from Myanmar between 2021-22 and 2025-26. India signed an MoU with Mozambique for import of 0.2 MT of tur annually for five years when the

retail prices of tur skyrocketed to ₹200 a kg in 2016. This MoU was extended for another five years in September 2021. In 2021, India entered into a MoU with Malawi for the import of 0.05 MT tur per annum, till 2025. Imports from all the three least developed countries are exempted from import duties.

According to a notification issued by the Directorate General Foreign Trade, import of pulses are allowed through five ports – Mumbai, Tuticorin, Chennai, Kolkata and Hazira.