

Business Line - Dt: 13/02/24

Edible oil import down 23% in first 3 months of current oil year

Our Bureau
Mangaluru

While edible oil imports declined by 23 per cent during the first quarter of the oil year 2023-24 (November-October), the Solvent Extractors' Association of India (SEA) has indicated that prices of edible oils may go up this year on lower production, global economic issues and supply constraints. Data compiled by SEA showed that India imported 36.47 lakh tonnes (lt) of edible oil during November 2023-January 2024 against 47.46 lt in the corresponding period a year ago, recording a decline of 23 per cent.

Palm oil imports decreased to 25.46 lt from 30.84 lt, down by 17 per cent. Import of soft oil decreased to 11.01 lt from 16.61 lt, down by 32 per cent.

However, the share of palm oil imports in the total edible oil imports increased to 70 per cent (65% a year ago), and soft



Palm oil imports decreased to 25.46 lt from 30.84 lt in Q1 of the oil year 2022-23

oils share reduced to 30 per cent (35%). During the review period, 6.67 lt of refined oil (RBD palmolein) were imported (6.32 lt).

However, 29.80 lt of crude edible oils were imported (41.13 lt), down by 28 per cent. The share of refined oils (RBD palmolein) increased to 18 per cent (13 per cent). The share of crude edible oils declined to 82 per cent (87 per cent). BV Mehta, Executive Director of SEA, said prices of edible oils, which are currently low, may

go up this year on lower production, global economic issues and supply constraints.

SUPPLIES DROP

Stating that the availability of palm oil for edible oil requirements has come down as the Malaysia and Indonesia, are diverting it for the production of biodiesel, he said this could result in an hike in prices this year.

World production of palm oil could be seasonally low in January-March 2024, enforcing a reduction of stocks both in production and importing countries. Quoting Oilworld, he said soyabean oil market is currently in transition from shortage to more ample supplies, and the latter primarily reflecting the prospective sharp increase of Argentine export supplies. "In India, sunflower oil imports are seen diminishing this season owing to shrinking total import requirements and soya oil regaining market share," he said.

Soyameal export projections cut by a fifth to 14 lt on weak global prices

Business Line 11/13/24

Vishwanath Kulkarni
Bengaluru

As the Indian soyameal gets out-priced in the world market on falling prices, the trade has revised its export projection downwards by over a fifth for the oil year 2023-24 ending September. "The prospects for export of soyabean meal in the remaining period of this marketing year look slightly pessimistic as we are out-priced in the international market. We have, therefore, reduced the projected export of soyameal from 18 lakh tonnes (lt) to 14 lt for the period," said D N Pathak, executive director, Soyabean Processors Association of India (SOPA).

Indian soyameal prices are expensive by \$80-100 per tonne on FOB basis compared to other origins. As a result of the price differential, the order books have been impacted, Pathak said.



As a result of weak demand, the soyameal crushing has been sluggish and lower than last year

However, soyameal exports have been marginally higher during the October-January 2023-24 period at 6.09 lt compared with 5.68 lt in the same period last year. The demand, however, has been weak in the domestic market as the off-take from both food and feed sector has been lower than last year.

OFFTAKE DOWN

Feed sector consumption of soyameal stood at 24 lt during

October-January compared with 25 lt in the same period last year. Similarly, offtake from food sector was down at 3 lt during the period over 4 lt in the same period last year.

As a result of weak demand, the soyameal crushing has been sluggish and lower than last year. Soyameal crushing in October-January period was down at 42.5 lt compared with 45.5 lt in the same period last year. However, market arrivals have been higher during the period at 62 lt over 61 lt during the same period last year. Production of soyameal was lower at 33.54 lt (36.32 lt).

Due to the weaker crushing demand soyabean prices have slipped below the minimum support price levels of ₹4,600 per quintal. The modal price (the rate at which most trades take place) of soyabean across various mandis of Madhya Pradesh was ₹3,800-4,580 per quintal on Monday.

Business Line Dt: 14/02/24 Steel prices remain range-bound amidst increasing import worries

Abhishek Law
New Delhi

Despite strong domestic demand, steel mills in India continued to roll over prices in February with the benchmark hot rolled coil prices hovering around ₹54,000 – 54,500 per tonne range. Mills have also announced discounts in some cases to the tune of ₹2,000 per tonne. Prices were range-bound at a trade level in view of increased availability of cheaper offerings (imports) and due to need-based buying.

As per market sources, HRC prices hovered around ₹53,900–54,500 per tonne levels in early February trade, down or flat over January exit prices; but slowly stabilised at ₹54,000–54,500 per tonne levels by the second week of the month, indicating a 0-1 per cent increase over January. However, HRC prices continued to be lower than December, where it hovered at ₹55,000 per tonne range



BOOSTING SALES. SAIL announced price hikes for flat steel and hot rolled coils in the ₹55,500-56,000 per tonne range

and exited into January at ₹54,900 per tonne.

In case of cold rolled coils (CRC), the trade level prices remained at ₹62,000 per tonne levels in February, almost at par with January prices. Prices saw a ₹300 per tonne decline over December, less than one per cent decline.

Prices of rebar stood at ₹49,250 per tonne, same as January-exit prices. On the other hand, prices saw a 1 per cent decline over December prices of ₹49,500 per tonne.

BigMint's (formerly Steel-Mint) benchmark assess-

ment was about ₹53,500–54,500 per tonne, ex-Mumbai, while CRC prices stayed unchanged at ₹61,500–62,500 per tonne.

Market sources said, PSU-major SAIL announced price hikes for flat steel and HRCs for February 2024, with prices hovering in the ₹55,500–56,000 per tonne range. However, the mill has announced a rebate of ₹2,000 per tonne too.

BigMint in a recent report added that rebates offered by private mills were in the range of ₹2,000–2,500 per tonne. In-

creased price levels of raw material is seen as the prime reason behind this hike. Globally, steel prices have seen a slight uptick in China, Vietnam and Europe.

MARKET SENTIMENTS

Trade market sentiments have remained subdued, sources said. In majority of markets there is need-based buying. "Domestic HRC prices remain high, deterring buyers amid elevated inventories and weak demand," BigMint said in its report. This apart, there continues to be sustained import activity even in February thereby making cheaper alternatives available.

Export prices have also remained range-bound for West Asia at around \$600–635 per tonne levels, depending on the region where the shipments were sent. Against this, Chinese HRC prices were around \$605–610 per tonne.

In Europe, Indian HRC exports was \$715–720 per tonne.

Business Line Dt: 14/02/24

Yellow peas imports may top 1 mt

Vishwanath Kulkarni

Bengaluru

The pulses trade estimates that imports of yellow peas into the country are likely to be 1 million tonnes (mt) by March 31 this year. Yellow pea imports are expected to help offset the anticipated shortfall in supply of chana as the domestic crop size is projected to be lower than last year on drop in acreage and weather impacting the yields in States like Karnataka.

At the webinar on the rabi outlook organised by the India Pulses and Grains Association, Manek Gupta, Managing Director, Viterra India, said the chana crop size for

2024-25 is around 104.3 lt, about 15 per cent lower than the previous year. Chana acreage was down by around 8 per cent and yields are likely to be lower by around 7-8 per cent.

In the largest producing State of Madhya Pradesh, the crop condition is good and yields are likely to be higher by 5-6 per cent, while in Karnataka, which accounts for 9 per cent area, the yields are seen lower by 15-20 per cent, he said.

OTHER PULSES

Gupta predicts that the carry forward stocks of chana for 2024-25 will be approximately 15 lakh tonnes (lt), with the Government holding around 10 lt and the re-

mainder in the open market. Due to the shortfall in the chana crop, there is expected to be a shift in demand towards yellow peas. Gupta said around 10 lt of yellow peas are likely to be imported before March 31, 2024.

Mithilesh Kumar Gupta of Uttar Pradesh Dal Mills Association said the prospects for the green peas crop looks good as the acreage this rabi has gone up by 3 to 4 per cent in the major production states of UP and Madhya Pradesh.

Also, the yields are likely to be higher by 3-5 per cent this year due to favourable weather conditions and the crop size could be around 13-14 lakh tonnes, Gupta said.

Business Line. Dt: 14/02/24

Russia, Saudi Arabia pull up sagging engineering exports

M Ramesh

Chennai

Russia and Saudi Arabia are preventing a steep fall in exports of engineering goods from India. Thanks, at least partly, to these two countries, engineering goods exports this year are expected to exceed the achievement of last year — albeit slightly — even though the target for the current year is unlikely to be met.

In 2021-22, India exported \$112.1 billion worth of engineering goods (products made of any metals except precious metals); the number fell to \$107.4 billion in 2022-23 — largely due to the slowdown precipitated by the Russia-Ukraine war.

In 2022-23 India's merchandise exports were worth \$447 billion. For 2023-24, the government set an optimistic

target of \$125 billion and a base case target of \$122 billion, but this will most certainly not be met. The achievement in April-December 2023 was \$80 billion.

The Engineering Export Promotion Council (EEPC) expects exports in the current year to exceed last year's achievement but not meet the target.

Thanks to the rupee-payment arrangement, India's engineering exports to Russia might touch \$1.3 billion, more than double that of last year.

NEW ROUTES

Arun Kumar Garodia, Chairman, EEPC, said at a press conference here that he "wouldn't be surprised" if engineering exports to Russia touched \$1.5 billion in 2023-24.

Literature provided by EEPC says that India and Russia are "looking to expand the use of the Northern sea ship-

ping route," which runs along Russia's northern coastline, passes through the Arctic Ocean, and is the shortest shipping route between East Asia and Europe.

As for Saudi Arabia, the country is building itself up in line with its Prime Minister, Mohammed bin Salman's vision to convert the country to a modern nation. As such, it needs a lot of engineering goods. India's engineering exports to the kingdom rose 70 per cent in April-December 2023 over the corresponding period of last year, touching \$3.6 billion. Garodia expects an uptick in exports to Saudi Arabia once the free trade agreement, which is under negotiations now, gets done.

Garodia said that but for a sharp slowdown in the exports of steel and aluminium, engineering exports would have been much higher.

Separate HS codes likely for exports of GI rice varieties

SHIPMENT SUMMARY

Agri & processed food exports in FY24



*Including other products, data for (Apr-Dec)

SANDIP DAS

New Delhi, February 13

TO BOOST EXPORTS of geographical indication (GI) tagged rice varieties, the government is likely to allocate separate harmonised system of nomenclature (HSN) codes, a commerce ministry official on Tuesday said. The HSN code is a numerical classification used in global trade.

The government is in talks with the stakeholders for the move to fuel exports of varieties such as gobindobhog, red rice, black rice and kalanamak rice.

The aim is to ensure that in case of a ban or restriction on exports of broken or white rice, such unique varieties are exported unhindered. Currently, there are six HSN codes for non-basmati rice and one for the basmati rice. At present, all categories of non-basmati white rice are banned for exports.

"As a country, on one hand, we will not like to impose a ban on rice exports, which we are not worried too much about. But at the same time, we need to see that there is enough incentives for the farmers to keep producing normal varieties of rice consumed by a large mass," Rajesh Agarwal, additional secretary, ministry of commerce, said.

An HSN code Helps in the systematic classification of goods in global trade. Currently, there are 28 varieties of unique rice with GI

certification.

Agarwal also said that due to the imposition of restriction on rice exports, total shipment in the current fiscal is likely to fall by 5-6 million tonne (MT) from a record 22 MT of shipment in FY23. In addition, the Red Sea crisis may have "some" impact on India's rice exports this year, especially to Egypt and the EU. Several restrictions imposed on rice shipments to improve domestic supplies have adversely impacted India's farm exports in the first nine months of the current fiscal.

The shipment of agricultural items and processed foods under the Agricultural and Processed Food Products Export Development Authority (APEDA) basket, which had remained resilient in the last few fiscal years, dropped by 9.14% to \$17.88 billion during the April-December period of the current fiscal on year.

Cereals exports in April-December 2023-24 dropped sharply by 8.5% to \$7.31 billion on year because of the ban on white and broken rice exports, shipment duties on parboiled rice and the ban on wheat exports imposed in May last year.

According to the Directorate General of Commercial Intelligence and Statistics, while basmati rice exports grew 19% in April-December of FY24 to \$3.97 billion, non-basmati rice shipment fell sharply by 28% to \$3.34 billion versus the previous year.

Business Line Dt: 15/02/24

Basmati rice exports up 19% in April-Dec at \$3.97 billion

Our Bureau
Bengaluru

Basmati rice exports have shown a 19 per cent growth in dollar terms at \$3.97 billion in the first three quarters of the current financial year on demand from countries such as Saudi Arabia and Iraq. In the same period last year, basmati exports were \$3.33 billion, as per the latest provisional data released by the Agricultural and Processed Foods Exports Development Authority (APEDA).

In volume terms, basmati exports were up 11



ON THE RISE. In volume terms, basmati exports were up at 3.54 mt during April-December 2023 over 3.19 mt in the year-ago period

per cent at 3.54 million tonnes (mt) during April-December 2023 over 3.19 mt in the year-ago period.

Shipments of non-basmati rice, which are currently restricted, fell by 28 per cent in value to \$3.34 billion over

\$4.66 billion a year ago. In volume terms, non-basmati shipments were down to 8.34 mt against 13.17 mt a year ago. Overall, cereal shipments were down by a quarter at \$7.80 billion compared with \$10.37 billion as the government restric-

ted shipments of non-basmati rice and wheat to ensure higher domestic supplies and control price rise.

SHIPMENTS DOWN

The overall exports of agri and processed products monitored by APEDA were down 9.14 per cent at \$17.88 billion against \$19.68 billion a year ago.

Except cereals and cashew, all other categories such as fresh and processed fruits and vegetables, livestock products and seeds witnessed a growth during the period.

Among livestock products, buffalo meat shipments saw an increase of 15.61 per cent at \$2.78 billion, while poultry products registered a growth

of 36 per cent at \$130 million. However, dairy products saw a decline of around 31 per cent at \$327 million from corresponding last year's \$471 million.

Pulses exports were up 4 per cent at \$454 million (\$436 million in same period last year), while processed vegetables registered a growth of around 24 per cent at \$454 m (\$366 m). The processed fruits and juice shipments were up around 4 per cent at \$696 m (\$670 m).

Groundnut exports were up 7.6 per cent at \$606 m (\$563 m), while guar gum shipments registered a steep decline of 20 per cent at \$394 m (\$496 m). Cashew shipments were flat at \$249 m.

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Curb imports of oleochemical sector's finished products to save industry: SEA

Our Bureau
Mangaluru

Expressing concerns over threats being faced by the domestic oleochemical industry due to large-scale import of finished products such as stearic acid, refined glycerine, soap noodles and oleic acid at nil duty from countries in South-East Asia, the Solvent Extractors' Association of India (SEA) has asked the government to place them under the restricted items list.

In a memorandum submitted to Piyush Goyal, Union Minister of Commerce and Industry, Consumer Affairs and Food and Public Distribution, SEA President Ajay Jhunjunwala said oleochemicals are chemicals derived from vegetable oils and fats.

EXISTENTIAL THREAT

Stating that large investments and capacity expansion have happened in this sector in India in the last decade, he said India has high domestic consumption as well as potential



Ajay Jhunjunwala,
SEA President

to grow further. Domestic oleochemical industry is facing severe existential threat due to the increasingly large-scale import of finished products such as stearic acid and refined glycerine at 5 per cent duty, and soap noodles and oleic acid at nil duty from countries such as Malaysia, Indonesia and Thailand. Refined palm stearine, which is the raw material to produce these oleochemicals, is allowed to be imported with a basic duty of 12.5 per cent.

He said finished oleochemicals are getting dumped in India at nil or subsidised duty at

the cost of domestic oleochemicals industries. Due to this anomalous situation, India's domestic oleochemicals manufacturers producing the same are getting seriously affected.

Jhunjunwala said many countries have protected their oleochemical industry by putting restrictions or higher duty on finished products from Indonesia and Malaysia. Recently European Union has safeguarded its oleochemical industries by putting anti-dumping duty on Indonesian products, he said.

Jhunjunwala said imports of stearic acid, soap noodles, oleic acid and refined glycerine should be placed under 'restricted' items list. He said import duty on these products should be with an additional duty of 25 per cent over the imported raw material such as refined palm stearin.

He urged the government to allow duty-free imports of all required raw materials to oleochemical players having splitting, distillation and hydrogenation plants.

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Team to visit LatAm nations to boost pharma exports

G Naga Sridhar

Hyderabad

In a major initiative to boost pharmaceutical exports to the Latin American (LATAM) region, a 105-member industry delegation, with representatives from 82 Indian pharma companies, will visit Guatemala, Colombia and Chile.

The programme is being organised by the Pharmaceuticals Export Promotion Council of India (Pharmexcil), an arm of the Union Ministry of Commerce & Industry, in association with the Indian Embassies in Latin America.

"This is the largest business delegation in the history of Pharmexcil. The delegation aims to propagate the quality of the Indian pharmaceuticals and impress upon the government authorities and business stakeholders of the LAC region about the strength of



Pharmexcil Director-General
Ravi Uday Bhaskar

the Indian pharma industry. The delegation comprises manufacturers of finished dosage formulations (FDFs), biologicals, active pharma ingredients (APIs), contract services and allied products," R Uday Bhaskar, Director-General, Pharmexcil, told *businessline*.

"In the tapestry of global healthcare, India's pharmaceutical industry threads a story of reliability, quality and accessibility, enriching lives across Latin America. Chile,

with its high emphasis on affordable healthcare, beckons to Indian pharma producers," Subrata Bhattacharjee, Ambassador of India to Chile, said.

According to Manoj Kumar Mohapatra, Ambassador of India to Guatemala, the significant contribution of Indian pharma laid the foundation for robust bilateral ties between Guatemala and India and there is immense potential to enhance the accessibility of pharmaceutical products in the Central American region by India.

INVESTMENT SCOPE

Besides looking for export opportunities, the Indian companies are also looking forward to investment opportunities for manufacturing, joint ventures and collaborations with LATAM stakeholders.

Vanlalhuma, Ambassador of India to Colombia, said bilateral engagement between

India and Colombia in health and pharmaceuticals intensified over the last few years, especially in the post-pandemic era. "Pharmexcil's delegation with an unprecedented level of participation at this juncture reflects their deep interest in exploring new avenues and helps consolidate established long-term business relations between Indian and Colombian companies," he added.

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Business Line. Dt: 16/02/24

Exports rise 3.12% in Jan despite Red Sea crisis, global slowdown; trade deficit up a tad on higher imports

Amiti Sen
New Delhi

The Red Sea disruptions and recessionary trends in the West notwithstanding, India's goods exports inched up in January, posting a 3.12 per cent growth (year-on-year) to \$36.92 billion, propped by sectors such as electronics, engineering goods and pharmaceuticals.

Imports increased 2.99 per cent to \$54.41 billion in January, led by crude oil, electronics, coal and gold shipments. Trade deficit of \$17.49 billion during the month was marginally higher than \$17.03 billion in January 2023, per data released by the Commerce Department on Thursday.

RESILIENT EXPORTERS

"Despite the Red Sea crisis, recession in Western economies and falling commodity prices, we have been able to achieve growth, which is significant and not marginal. Our congrat-

TRADE DATA

- Exports inched up in January to \$36.92 billion, propped by electronics, engineering goods and pharma sectors
- Imports increased 2.99% led by crude, electronics, gold
- Compulsion of exporting via the longer Cape of Good Hope route had led to "unimaginably high" freight rates, pushing exporters to hold back shipments



ulations to the exporters (for their resilience)," Commerce Secretary Sunil Barthwal said at a press briefing.

During April-January 2023-24, exports declined 4.89 per cent to \$353.92 billion while imports were lower by 6.71 per cent at \$561.12 billion. Trade deficit in the nine-month period narrowed to \$207.20 billion compared to \$229.37 billion in April-January 2022-23.

Exporters are apprehensive that if the Houthi attacks in the Red Sea continue, the situation could deteriorate. Exports had

not gone down yet as exporters were forced to execute the old orders despite the high shipping costs, they said.

"Much will depend on the new agreement to be signed with buyers in the new fiscal as exporters have been absorbing the burden of increased freight cost as per the old agreement," according to exporters' body FIEO.

The compulsion of exporting to Europe and the US east coast via the longer Cape of Good Hope route had resulted in "unimaginably high" freight

rates, pushing Indian exporters to hold back around 25 per cent of the outbound shipments transiting through the Red Sea, FIEO added.

"When new contracts are entered into, some countries that are not impacted by the crisis, such as Kenya and South Africa, may benefit," a Delhi-based exporter pointed out.

ALL-ROUND EFFORT

The Commerce Secretary, however, hoped that growth would be maintained in the coming months as his department's efforts to work with exporters, ministries concerned and other stakeholders on the Red Sea crisis would continue.

"We also told the banks that whatever maximum credit can be given during this period to our exporters should be extended. Exim Bank and ECGC were told not to increase insurance premium rates. This overall positive atmosphere which we created... has helped in (promoting) export growth," he said.

Exports brave Red Sea crisis to post 3.2% growth in Jan

Trade deficit inched up to \$17.49 billion

SHREYA NANDI

New Delhi, 15 February

Growth in merchandise exports in January was at a three-month high of 3.2 per cent year-on-year despite the ongoing Red Sea crisis, subdued demand in advanced countries, and falling commodity prices.

The trade deficit — the gap between imports and exports — inched up to \$17.49 billion in the month as against \$16.03 billion in December.

Imports grew faster than exports, the data released by the commerce department on Thursday showed.

Shipments worth \$54.41 billion, up 4.17 per cent, entered India in January. India exported goods worth \$36.92 billion as compared to \$35.78 billion during the same month a year ago.

Had it not been for the challenges in the Red Sea region, the value of exports would have been higher, government officials said.

Commerce Secretary Sunil Barthwal told reporters the government was initially “apprehensive” that exports might contract due to the Red Sea crisis. Growth in exports can also be attributed to meetings chaired by the commerce department, along with other relevant ministries, on how exporters could navigate the difficult situation.

“We tried to tell banks that whatever maximum credit that can be given during the period to our exporters should be extended. EXIM Bank and Export Credit Guarantee Corporation have been told



Source: Department of Commerce

TAKING STOCK



insurance rates should not be increased. I think this overall positive atmosphere, which we created for them along with their own positive mindset, has helped export growth,” Barthwal said, adding he was hopeful of exports increasing next year as well.

The Red Sea is vital for 30 per cent of global container traffic and 12 per cent of global trade. As much as 80 per cent of India’s merchandise trade with Europe passes through it.

Iran-backed Houthi rebels of Yemen have been repeatedly attacking ships in the Red Sea, and this has forced commercial vessels to take a longer route to avoid the region. This has resulted in higher freight. Insurance premiums too have risen.

India exported good worth \$38.45 billion in December. On a cumulative basis, exports contracted 4.89 per cent to \$351.92 billion during April-January this financial year while imports dipped by 6.71 per cent to \$561.12 billion.

Exports of non-petroleum and non-gems and jewellery, also known as core exports, grew 2.5 per cent in January to

\$26.12 billion.

On the other hand, non-petroleum and non-gems and jewellery imports declined 5.18 per cent to \$33.72 per cent.

India’s merchandise exports shrank in 12 of the 30 sectors in January. The key export items that dipped in January include gems and jewellery (1.26 per cent), readymade garments (3.46 per cent), man-made yarn (4.33 per cent), and jute (19.45 per cent).

Among the key sectors that increased include petroleum products (6.57 per cent), drugs and pharmaceuticals (6.84 per cent), electronic goods (9.3 per cent), and engineering goods (4.2 per cent).

Merchandise imports contracted in 17 of the 30 items. They include transport equipment (20.6 per cent), project goods (43.94 per cent), and iron and steel (7.47 per cent).

Gold imports witnessed a 173.63 per cent jump in January at \$1.91 billion.

Engineering Export Promotion Council India Chairman Arun Kumar Garodia said that while this financial year saw ups and downs in exports, the second half would be better.

Amazon exports from India crossed \$8 billion in 2023

Highest-growing categories include toys, beauty products, furniture, and luggage

ARYAMAN GUPTA
New Delhi, 15 February

E-commerce giant Amazon has said it surpassed \$8 billion in cumulative exports from India in 2023 and is set to achieve its ambitious target of \$20 billion in exports by 2025. The Seattle-headquartered company had achieved \$5 billion worth of exports in 2022.

"We are really encouraged by the growth we have seen. We had crossed \$5 billion in exports in mid-2022 and we achieved \$8 billion by the end of 2023. We believe we are just getting started. The momentum is there," Bhupen Wakankar, Director, Global Trade at Amazon India, told *Business Standard*.

Amazon, which began exporting from India seven years ago, would have to more than double its exports by 2025 to meet its \$20 billion target.

This comes shortly after American retail major Walmart said that it surpassed \$30 billion in cumulative sourcing from India in over two decades. It is now targeting \$10 billion in annual sourcing by 2027.

Talking about the competition, Wakankar said on Wednesday: "We are customer-obsessed and not competition-obsessed. More players coming in will benefit the seller ecosystem. We are all in this together."

Amazon's highest-growing export categories include toys, home and kitchen products, beauty products, furniture and luggage. Other products like leather goods and ayurveda products are also gaining traction, Wakankar said.

The US remains Amazon's biggest market for Indian exports, besides markets like the UK, Canada, Japan, Germany, among others.

The company's flagship sale events in 2023 proved fruitful for exports from the country. "Our sellers out of India participated in three large sale events: Prime Day in July, Prime Fall Day in October, and the Black Friday sale in November. Depending on the categories, we had anywhere between 40-70 per cent growth. Some categories witnessed 100 per cent year on year growth," said Wakankar.

Amazon has, over the last year, announced several partnerships with the central and state governments to give a fillip to exports. In November last year, it signed



EXPORT COMPARISON

● Current cumulative exports
● Export targets



Note: Amazon is an e-commerce marketplace, Walmart is one of the world's largest retailers (Online + Offline) Source: Company announcements

a memorandum of understanding (MoU) with the Directorate General of Foreign Trade (DGFT), the Ministry of Commerce and Industry to co-create capacity-building sessions, training and workshops for MSMEs across 75 districts identified by the DGFT.

At the fourth edition of its flagship Smbhav Summit last August, the company signed an MoU with India Post for an integrated cross-border logistics solution to boost Indian exports. It was also among the first e-commerce companies to leverage the Railways' Dedicated Freight Corridor (DFC) for faster delivery of products.

"In cross-border logistics, from India, we now have a full container and a partial container ocean offering. We have an air offering with multiple carriers now. So, we continue to build that side as well," Wakankar said, adding the company is focusing on improving its technology stack.

"Market intelligence is an area that we continue to invest in a very big way, especially when it comes to areas like machine learning, and generative AI," he said.

Firm reports 40% rise in sales of premium smartphone devices

ARYAMAN GUPTA
New Delhi, 15 February

E-commerce major Amazon's sales of premium smartphone devices in 2023 jumped 40 per cent year-on-year (Y-o-Y) — one of its highest growth rates in India. Buyers were mostly from Tier-II cities, said a senior executive of Amazon.

"While per unit growth has been flat, we have grown in value more than in previous years. This is driven entirely by premium devices — above ₹30,000," Ranjit Babu, director, wireless and TV, Amazon India, told *Business Standard*.

According to Babu, premium smartphone sales are primarily being fuelled by better financing options such as no-cost and low-cost equated monthly instalments (EMIs). "As much as 40 per cent of devices sold on Amazon last year were purchased through EMIs, especially during the fourth quarter (of CY 2023) amid festival season sales," he said.

The company witnessed its highest ever average selling price during last year's festival season, Babu added. India's domestic smartphone market grew by a nominal 1 per cent in calendar year 2023 due to consumer demand remaining stressed, according to the data from International Data Corporation (IDC).

Notably, sales of high-end devices are not limited to Tier-I cities. Consumers in Tier-II cities and beyond are driving most of the sales for premium smartphones. "Tier-II cities account for more than 70 per cent of our sales. Since our growth is being fuelled by the premium category, it means that premium devices are no longer limited to the top 10 cities in India," Babu said. Factors such as ease of availability, the speed of delivery, wider selections, and easier financing options are enabling growth in these markets. The rapidly increasing demand for 5G devices too is a factor. "Over 70 per cent of what we sold last year, by units, was 5G. This year we expect pricing to continue to go down on 5G. In fact, 5G is going to be the biggest driver of adoption below ₹30,000," Babu said.

According to the IDC data, 79 million 5G smartphones were shipped in 2023, with launches in the mass budget segment. The average sale price of 5G phones dropped to \$374, a decline of 5 per cent Y-o-Y in 2023. Within the 5G smartphone shipments, the share of the budget segment (\$100-200) increased to 35 per cent from 22 per cent a year ago.

The countries with the gre...
The Economic Times. Dt: 16/02/24

LPG Imports Surge 60% in 5 Years

Sanjeev Choudhary

New Delhi: India's imports of liquefied petroleum gas (LPG) surged 60% in five years as demand increased rapidly while domestic supplies stagnated.

Imports increased to 18.3 million metric tonnes (MMT) in 2022-23 from 11.4 MMT in 2017-18, according to the petroleum and natural gas ministry data. Domestic LPG production grew barely 4% in the five years to 2022-23 while consumption expanded 22%.

Domestic consumption was boosted by the government scheme to provide free cooking gas connections to poor households. The number of cooking gas consumers has more than doubled to 320 mil-

Cleaner Fuel

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lion in a decade. In value terms, LPG imports cost India \$13.3 billion in 2022-23, up from \$5.8 billion five years earlier, as international prices of LPG climbed 46% in five years to \$711.50 per metric tonne.

Expanding consumption and increasing dependence on imports means an increased burden on the country's fore-

ign exchange reserves.

The UAE, Qatar, Saudi Arabia and Kuwait supply more than 95% of India's LPG imports, with the US providing a small amount in recent years, according to the International Energy Agency (IEA) data.

The UAE was the top supplier in 2023, accounting for nearly a third of India's total

LPG imports. Supplies from the UAE have grown every year since 2017.

LPG purchases from the UAE and Qatar are mainly made in the spot market while Saudi cargoes are sourced under long-term contracts.

Households consume nearly 90% of LPG in the country while industry and commercial users account for the balance. Among states, Uttar Pradesh is the largest consumer, accounting for 13% of total LPG used in the country. Maharashtra is second with about 12% share.

Consumption of LPG is expected to expand further in the country as a large share of new consumers, especially from the lower-income group, still partly depend on alternative fuels like biomass.



UNDER RoDTEP SCHEME...

SEZs, EOUs set to Get Export Benefits

Our Bureau

New Delhi: The government has decided to extend export benefits under the Remission of Duties and Taxes on Exported Products (RoDTEP) scheme for companies in the special economic zones (SEZs) and export oriented units (EOUs). Various central and state duties, taxes, and levies imposed on input products are refunded to exporters under the scheme. The current RoDTEP rates range from 0.3-4.3%.

"Postrolling out of ICEGATE (Indian Customs Electronic Data Interchange Gateway) in SEZs, the RoDTEP scheme may also be extended to SEZs," said the commerce department in an office memorandum.

The Directorate General of Foreign Trade is likely to issue a formal notification soon announcing the foreign trade policy on the same.

ICEGATE is the national



ISTOCK

portal of Indian Customs of Central Board of Indirect Taxes and Customs and is an interface between the trade users and customs department.

The government in August 2021 announced the rates of tax refunds under the scheme for 8,555 products but SEZs and EOUs were excluded.

As per economic think-tank Global Trade Research Initiative (GTRI), large-scale exports from SEZs, such as electronics, petroleum products, and jewellery, which have high import content, RoDTEP could represent a significant incentive.

The scheme does not include all exports. Products exported from SEZs, EOUs, Electronic Hardware Technology Parks, Biotechnology Parks and Customs bonded warehouses; exports under Advance Authorisation (which allows duty-free imports of inputs for export production); re-exported imported goods are excluded. The list also includes exports subjected to minimum export price or export duty; restricted export or import products; and supplies from Domestic Tariff Areas to SEZs and Free Trade and Warehousing Zones units.

GTRI cautioned that RoDTEP may lead to overcompensation for import intensive exports from SEZs.

The decision may be a disproportionately "high bonanza" for high import intensive exports from SEZs, it said, adding that the decision overlooks exports from other categories that are in a similar situation as SEZs.