

Textile exports from TN dip a tad to \$7.1b in FY24

TE Raja Simhan

Chennai

Textile exports from Tamil Nadu — India's top textile exporting State — saw a slight drop to \$7.1 billion in FY24 as against \$7.9 billion in the previous fiscal.

Share of exports from Tamil Nadu to the overall textile export value too marginally dropped to 20.78 per cent against 22.58 per cent in the previous year, according to government data.

Within total textiles exports from the State, readymade garments was \$4.69 billion; cotton yarn/fabrics/made ups, handloom products was \$2.06 billion; man-made yarn/fabrics/madeups was \$286 million; handicrafts excluding hand made was \$89.20 million; carpet 19.17 million and carpet jute Manufacturing, including floor covering was \$5.85 million.



Gujarat was the second largest exporter of textiles and at the third position was Maharashtra, the data said.

OVERALL EXPORTS

Siddhartha Rajagopal, Executive Director, Texprocil, said, overall exports of textiles have dropped by 3.24 per cent in fiscal year 2023-24 compared to the earlier year.

At the same time it needs to be highlighted that the export of cotton textiles for the year 2023-2024 have reached \$11,683 million, growing by approx. 6.7 per cent over the previous year.

"This is a bright spot within the overall textile and apparel

basket," he said. As regards Tamil Nadu, the decline has been a very marginal 2.2 per cent lower than the overall drop in textile exports.

The main reasons for decline in Tamil Nadu were the high raw material prices in the initial months of the earlier fiscal year, low capacity utilisation by spinning units and the low off take of garments, which has also led to an overall decline in apparel exports from India by (-) 10.25 per cent.

Going forward the position should improve for both Tamil Nadu and India on the export front as demand stabilises, price of raw materials remain range bound and the India-UK FTA is signed, he said.

On the drop in textile exports from Tamil Nadu, Indian Texpreneurs Federation's Prabhu Dhamodharan said, "We need to keep in mind the fall in commodity prices and its impact on apparel product export prices

while comparing the y-o-y numbers. Based on that factor, the drop in value may not translate exactly in to volume numbers."

Another influencing factor is fall in demand for knitted apparels globally due to excessive buying during the previous year resulted in higher inventory levels with retailers. TamilNadu being a dominant player in knitted apparel exports faced this cyclical issue, he said.

Apart from these cyclical issues, a few structural issues are also emerging now. Tamil Nadu's textile and apparel sector known for its quality products need to build scale, competitiveness, specialisation and market diversification strategies to compete with other emerging States and also competing countries. "Some good efforts are going on in our clusters in all these aspects and we may bounce back soon with growth in this FY24-25," he said.

Business Line Dt: 23/04/24

Gem, jewellery exports shrink 14% to \$32 b on weak demand

Our Bureau
Mumbai



SHINING. Gold jewellery exports increased 17 per cent to \$11.23 billion against \$9.62 billion in the previous year REUTERS

Export of gems and jewellery last fiscal declined 14 per cent to \$32.28 billion against \$37.74 billion logged in the same period last year due to weak demand. However, gold jewellery exports increased 17 per cent to \$11.23 billion against \$9.62 billion in the previous year. Thanks to the free trade agreement, plain gold jewellery exports to UAE more than doubled to \$4.53 billion in FY24 against \$2.18 billion in the previous year. Markets of UAE and Bahrain accounted for over 85 per cent of plain gold jewellery exports.

Gold jewellery exports to

Australia also increased by 37 per cent due to ECTA (Economic Cooperation and Trade Agreement).

Vipul Shah, Chairman, the Gem and Jewellery Export Promotion Council, said the increase in plain gold jewellery exports may be attrib-

uted to the pragmatic foreign trade agreements by the government.

CHALLENGES

The implementation of India-UAE CEPA has helped the industry overcome various challenges including economic

downturns in major export markets and escalating geopolitical concerns, he added.

However, he said the year was very challenging for exports due to high interest costs, inflation and slackening of market demand in the US and lower growth in China after Covid hit the gem and jewellery industry hard in first half of the year. Also, the Ukraine war and uncertainty on import of rough diamonds from Russia worsened the scenario, he said.

Cut and polished diamond exports last fiscal fell by 28 per cent to \$15.97 billion (\$2.20 billion) in the previous year.

The diamond industry's decision to voluntarily halt natural rough diamond imports for two months from last Oc-

tober 15 helped address demand-supply imbalances and resulted in a positive impact on the prices of polished diamonds, he added.

GJEPC is in discussion with global diamond miners to increase investments in enhancing generic promotion of diamonds and diamond jewellery in the US, China, Middle East including India, said Shah.

Gross silver jewellery export last fiscal dipped 45 per cent to \$1.62 billion (\$2.94 billion) while coloured gemstone and platinum gold jewellery exports were up at \$479 million (\$420 million) and \$163 million (\$30 million). Polished lab-grown diamond exports declined 17 per cent to \$1.40 billion (\$1.68 billion).

EU aims to increase food exports to China

Reuters

Shanghai

On a visit to China this week, EU Agriculture Commissioner Janusz Wojciechowski said his focus will be on increasing agri-food exports to the world's second-largest economy and keeping food above the fray of rising tensions in China-EU trade.

"In the food trade, there are no barriers for Chinese imports," Wojciechowski said.

"My intention is to avoid as much as possible that agriculture pays the costs of the problems in other sectors, which sometimes can happen," he added. The commissioner's visit, which runs until Friday, comes as China and Europe face a "slow-motion train accident" as a rising tide of protectionism threatens to become a full trade war, Jens Eskelund, President of the European Chamber in China, warned last week.

Unlike sectors such as solar panels or new energy vehicles (NEVs), the EU's agri-food sector runs an export surplus in its trade with China.

Also unlike other sectors, the open trade of food remains a "very important instrument to ensure food security every-



where", which is why Western sanctions on Russia following its incursion into Ukraine were not levied on agri-food products, Wojciechowski said.

TRADE STATISTIC

Last year, the EU's exports to China were worth €14.6 billion (\$15.57 billion), down 8 per cent from 2022, while imports from China to the EU fell 15 per cent to €8.3 billion.

Wojciechowski said there is room for exports from the EU to China to grow across a range of agri-food sectors, from poultry to pork, beef and even dairy, a segment that is already relatively advanced in terms of penetration into China.

"We can observe the increase of middle-class consumers who are looking for good, high-quality food. This is a chance for European food to increase our exports," he said.

● LOWER DUTY UNDER A TRADE AGREEMENT

Silver imports via UAE jump sharply

RAJESH BHAYANI
Mumbai, April 22

IMPORTS OF SILVER from the UAE route have skyrocketed in the recent months. This is owing to the lower duty under the India-UAE Comprehensive Economic Partnership Agreement (CEPA), which was signed in 2022. In the first three months of 2024, over 40% (1,542 tonne) of the total white metal imports has come through the UAE route.

Against 15% duty under other routes, silver imports attract 8% under the CEPA route. Till March 2023, it stood at 9%.

According to data from Metal Focus, a London-headquartered bullion research firm, India has imported 3,730 tonne of silver in the first three months of 2024 – already higher than 3,475 tonne in 2023. In fact, it might well be on the way to surpass the record high imports of 9,450 tonne witnessed in 2022.

In the past, the UK and Hong Kong were the biggest suppliers of the white metal to India. But that is all set to change, said experts. Chirag Thakkar, director, Amrapali group, and a leading industry player, said that silver bullion is sold at a discount of ₹4,500 per kg in domestic market due to the lower duty. The demand is high from plates used for solar energy.

According to a recent World Silver Survey 2024, "The duty differential on import from the UAE will continue to widen with 1% reduction every year. In the absence of any policy change or a reduction in Indian silver import duties for the rest of the world, the UAE is expected to remain the

HEAVY METAL

3,730 tonne
of silver imported by India
in the first three months
of 2024

■ This is already
higher than
3,475 tonne
imported in 2023

■ Set to surpass the record
high imports of
9,450 tonne
witnessed in 2022

■ The duty
differential on
UAE imports to
continue
to widen with

1%
cut every
year



■ Physical silver
investment in
India was at
**3,435
tonne** in 2015

■ Since 2015,
investment in
quantity
terms has
been lower

■ Investment in 2023
was **1,534 tonne**,
down **38%** from
2,740 tonne
in 2022

biggest supplier of silver to India in the coming years."

However, a few conditions have to be fulfilled. Indian silver importer using this route has to provide documents to prove that the metal has been refined in the UAE with a certificate of origin (COO) and a 3% value addition has been done. Since the UAE does not mine silver, local refineries are converting bars into grain, processing the metal to ensure it meets the 3% value addition norm. Bullion trade is buying: this silver imported in grain form.

While there has been a rise in the industrial uses of the white metal, investment seems to be on the

decline. According to the World Silver Survey report, physical silver investment in India was at 3,435 tonne in 2015. Since then, investment in quantity terms has been lower.

In 2023, it was 1,534 tonne, down 38%, from 2,740 tonne in 2022. However, Chirag Sheth, principal consultant, Metal Focus, said that while on a quantity basis, investment demand looks low, but if prices are considered then it has doubled from 2015 and still investment is high. "This is because, silver, unlike gold, is not seen as a protector of wealth and higher prices can lead to a lot of profit-booking also. As a result, net investment looks low," he added.

Business Line. Dt: 24/04/24

Farm exports in April-Feb 2023-24 decline 8.8% to \$43.7 b

Amiti Sen

New Delhi

India's agriculture exports in the April-Feb 2023-24 period declined 8.8 per cent to \$43.7 billion, hit by geopolitical factors such as the Red Sea crisis and the continuing Russia-Ukraine war but the decline was largely across regulated commodities such as rice, wheat, sugar, and onions, according to Commerce Ministry data.

To push agriculture exports, plans are afoot to draw detailed plans for promotion of as many as 20 agricultural products, that are outside the regulatory framework, which include fresh fruits, vegetables, basmati rice, certain processed food and cashew nuts, an official told *business-line*. The Agricultural and Processed Food Products Export Development Authority (APEDA) is working on the plan, the official added.

Export ban and restrictions on commodities like rice, wheat, sugar and onion have hit agriculture exports of about \$5-6 billion in the last fiscal, the official pointed out. "These restrictions were important to ensure food security in the country. We can export these items only when there is a surplus," the official explained.

SLOWDOWN

The country's agricultural GDP also witnessed a significant slowdown, posting a 0.7 per cent growth in 2023-24, down from 4.7 per cent in 2022-23, the government said. The fall in exports of the 719 agriculture products in APEDA's basket was lower at 6.85 per cent in April-February 2023-24 at \$22.4 billion.

Among the 24 principal commodities in APEDA's basket, 17 have recorded a growth during the period. These include fresh fruit, buffalo meat,



Exports of basmati rice increased 22% to \$5.2 billion in April-February 2023-24

processed vegetables, basmati rice and banana. Exports of basmati rice increased 22 per cent to \$5.2 billion in April-February 2023-24 from \$4.2 billion in April-February 2022-23 despite a high Minimum Export Price (MEP) imposed for two months which affected shipments and was subsequently eased, the official added.

NO MAJOR IMPACT

On the Israel-Iran war, the official said that there had been no major impact on exports so far, but it was an evolving situation. "We are monitoring the situation (in West Asia). There are no major pushbacks as of now," he said.

APEDA is working with export organisations as well as State governments on detailed plans to promote the 20 items identified for promotion based on their growth potential. It will also work out sea protocols for exports. "The identified items are heavily traded globally and India, at present, has a very small share in it. With proper strategy, exports can increase manifold in each of the item," the official said.

The identified items include fruits and vegetables including bananas, mangoes, pomegranates, grapes, watermelon, oranges, onion, green chilly, capsicum, potato, okra, garlic, baby corn, and jackfruit. The list also includes basmati rice and cashew nuts.

Business Line - Dt: 24/04/24

Cashew kernel exports dip to a 7-year low at \$339 m in FY24

V Sajeed Kumar
Vishwanath Kulkarni
Kochi/Bengaluru

India's cashew exports in value terms touched a seven-year low at \$339.21 million for the financial year 2023-24, a decline of around 4.8 per cent over the previous year's \$356.32 million.

In rupee terms, the cashew exports were ₹2,808.80 crore during 2023-24 over the previous year's ₹2,868.86 crore, a decline of 2.09 per cent. In volume terms, the cashew

kernel exports stood at 60,222 tonnes during April-Feb 2023-24, over the same period last year's 5,5114 tonnes. The volume data for March is yet to be released. Trade sources attribute the decline to the growing trend in value addition in the producing countries in Africa and the rising processing costs in the country and drop in prices. India imports raw cashew nuts from countries such as Ivory Coast, Benin, Ghana and Tanzania among others.

PREPAREDNESS

A declining trend

Financial year	Value (\$ million)	Volumes
2023-24	339.21	*60,222
2022-23	356.26	59,575
2021-22	453.00	75,422
2020-21	420.43	70,087
2019-20	563.00	84,327
2018-19	656.00	78,177
2017-18	922.00	90,017

Source: APEDA; *April-Feb 2024

RK Bhooles, Chairman of Federation of Indian Cashew Industry, said the decline in India's cashew exports was mainly because of

the African countries' preparedness to cater to the global markets, thanks to the incentives offered by the respective governments for export promotion. The processed cashew from Africa are now finding markets in the United States, Europe and other cashew consuming countries where the consumption has gone up after Covid.

The El Nino factor has also affected the supply of raw cashew from African countries into India. This has also been a contributing factor for the decline in In-

dian exports volume, Bhooles said. Moreover, the international competitiveness for the Indian cashew is declining because of the high cost of processing in the absence of mechanisation and the country's overdependence of imported raw cashew nuts where its prices have no parity with cashew kernel rates, Bhooles added.

In the April-January period of fiscal 2023-24, top destination for the Indian cashew kernels were the United Arab Emirates, Japan, Netherlands, Spain and Saudi Arabia.

Govt charts plan to boost exports of 20 'high potential' agri products

SHREYA NANDI

New Delhi, 23 April

The Centre is working on a strategy to boost exports of 20 'high potential' agriculture products, including basmati rice, alcoholic beverages, honey, mango and banana.

An action plan on this will be ready in the next three months. The department of commerce and the Agricultural and Processed Food Products Export Development Authority (Apeda) have started discussions on this with all stakeholders, including states, additional secretary at the department of commerce Rajesh Agarwal said. Currently, India's share in global exports is low.

Firming up such a plan will be crucial because India's overall agriculture exports witnessed a contraction over the last one year. It was due to export restrictions on essential commodities, such as rice, wheat, sugar and onion.

Agricultural commodities have been facing the brunt of external factors, such as the Russia-Ukraine war and Red Sea crisis. But any major impact of the Israel-Iran conflict is yet to be seen.

India's share is about 2.5 per cent in global exports and the government wants to increase

it to 4-5 per cent over the next few years. Worldwide imports of the 20 commodities were \$405.24 billion in 2022, while India's share stood at \$9.03 billion. Countries that hold huge export potential for these items include the United States,

Malaysia, Canada, Russia, Germany, France, South Korea, China, Indonesia, Japan, Italy, Belgium, and the UK.

An action plan will be ready in the next three months

Agri exports

India's agriculture exports contracted 8.8 per cent to \$43.7 billion during April-February (2023-24). It was mainly due to external factors such as the Red

Sea crisis, Russia-Ukraine war, as well as domestic restrictions imposed on items like rice, wheat, sugar and onion.

An export ban and curbs on commodities like rice, wheat, sugar and onion hit agri exports by about \$5-6 billion in the last financial year (FY24).

Exports of basmati rice increased from \$4.2 billion in April-February 2022-23 to \$5.2 billion in April-February 2023-24, up 22 per cent.

A senior government official said there has not been any visible impact of the Israel-Iran war on exports as it is evolving.

"We are monitoring the situation. There are no major push backs as of now," the official added.

APEDA plans sea protocol to boost fresh produce exports

Amiti Sen

New Delhi

Plans are afoot to send trial shipments of mangoes through the sea route this summer to the UK, Russia and Japan and also carry out a trial static run for shipping the fruit to the US. This is part of the government's recent efforts to develop sea protocols for increasing exports of fresh produce at lower costs to distant markets, sources have said.

The Agricultural and Processed Food Products Export Development Authority (APEDA), under the Commerce Department, has teamed up with Indian Council of Agricul-

tural Research (ICAR) institutes to work out sea protocols for items such as oranges, bananas and pomegranates to different markets after successfully shipping bananas to the Netherlands and pomegranates to the US, a Commerce Ministry official told *businessline*.

NO CAP ON QUANTITY

"Sending consignments in ships is much cheaper than sending them by air as it increases cost competitiveness of exports. It also enables huge quantities to be exported while with air transport there is limitation of quantity. Most importantly, it helps exporters tie up with markets which have substantial demand for a particular



produce and want suppliers that can meet this demand. Therefore, it helps develop long-term demand from big markets which leads to stability of prices and certainty of demand," the official explained.

For instance, India already exports mangoes to the US but as it is sent as air cargo, just an annual \$30-40 million gets exported. The quantity is minimal compared to the mangoes Americans consume, which

could be over \$1 billion, the official pointed out.

India's exports of fresh fruits and vegetables, which increased 13.9 per cent in April-February 2023-24 to \$3.65 billion, is expected to get a further shot in the arm with the use of sea route for transportation.

TRIALS PLANNED

APEDA is developing sea protocols for mangoes in collaboration with ICAR-CISH Lucknow. Trial shipments of *Banganapalli* from Southern India to UK and Russia has been planned for the months of May and June, of *Kesar* from Western India to Japan plan is planned for May, and of *Dashehari* and *Chausa* from Northern India to Russia is

planned for June. Two static trials of *Chausa* and *Banganapalli* for the US are also planned for May and June following which the actual exports can take place, the official added.

APEDA has also carried out two trials for bananas, of which the recent one to Rotterdam has been very successful, while the earlier one to Russia was not.

"We are now coming up with a new trial for shipping bananas to Russia which will happen in May," the official added.

Sea protocols are also being developed for shipping oranges to the Gulf countries, ginger from the North-East to the UK and pineapples from the North-East to the Gulf countries.

Cotton exports jump 137% in Oct-March 2023-24

PRICE PULL. Competitive prices attract buyers from countries such as Bangladesh and Vietnam

Vishwanath Kulkarni
Bengaluru

India's cotton exports in the first six months of the season 2023-24 starting October have more than doubled with prices turning competitive for the overseas buyers.

Exports during October-March were up 137 per cent at 18 lakh bales compared to the 7.59 lakh bales logged in the same period last year, per the latest estimates released by the Cotton Association of India (CAI), the apex trade body. India had exported 15.59 lakh bales during the 2022-23 season.

CAI President Atul Ganatra said the Indian prices were competitive during the October-March period contributing to the higher exports. "Our prices were lower by ₹3,000-4,000 per candy than the international price for some time," he said.

However, with the global prices easing in the recent weeks, the Indian prices are



LOW PRICE DRAWS. Multinationals such as Louis Dreyfus Company, Viterra and Olam have been aggressively offloading their stocks in the Indian market

now at par or slightly costly compared with the Cotlook Index, Ganatra said. For the current 2023-24 season ending September, CAI estimates the cotton exports to be over 22 lakh bales. The trade body is likely to revise its export projections on June 10 at its national crop committee meeting in Ludhiana, based on the shipment data till May-end and

also on the inputs of the 60-odd stakeholders.

ROBUST DEMAND

Meanwhile, demand for India cotton continues to be strong from buyers in countries such as Bangladesh and Vietnam among others. "Bangladesh buyers prefer Indian cotton as it is competitive and also due to faster delivery," said

Ramanuj Das Boob, a sourcing agent in Raichur, Karnataka.

Das Boob said the multinationals such as Louis Dreyfus Company, Viterra and Olam among others have been aggressively offloading their stocks in the Indian market, which is being picked up by the local trade.

From a high of 102 cents

Cotton futures peaked at 102 cents per pound in March but have since fallen to around 80 cents. Domestic prices have similarly decreased from ₹61,000 to nearly ₹58,000 per candy

per pound on ICE in March, the cotton futures have eased to currently hover around 80 cents, while the domestic prices have come down from ₹61,000 a candy to around ₹58,000 levels during the period.

The domestic prices in India are very competitive for the MNCs to offload in the Indian market, Das Boob said adding that movement of prices, which are steady now, will depend on the ICE futures going forward.

BALANCE SHEET

Meanwhile, CAI has retained its pressing estimate for 2023-24 at 309.70 lakh bales (of 170 kg each) even as consumption is seen picking up in the domestic market. Consumption till March end was estimated at 165 lakh bales — higher than the previous month's 135.70 lakh bales. Domestic offtake for the year-ending September 2024 is estimated at 317 lakh bales.

CAI estimates total supply in the country till March end at 297.03 lakh bales, consisting of market arrivals of 263 lakh bales, imports of 5 lakh bales and the opening stock of 28.90 lakh bales. Stocks at the end of March 2024 was estimated at 114 lakh bales.

This includes 47 lakh bales of stocks with the textiles mills, equivalent to 51 days consumption and remaining 67.03 lakh bales with Cotton Corporation of India, Maharashtra Federation and trade. Supplies for the year-ending September 2024 are estimated at 359 lakh bales.

Business Line Dt: 26/04/24

Spices Board mandates testing of exports to Hong Kong, Singapore

Amiti Sen
New Delhi

The Spices Board will issue an advisory for exporters to raise awareness on ethylene oxide (ETO) contamination and the regulations in various countries, in addition to launching mandatory testing for the chemical in consignments bound for Hong Kong and Singapore.

The move comes after industry consultations on Wednesday pertaining to the recall of spice mixes sold by Indian brands Everest and MDH in Hong

Kong and Singapore over concerns of potential ETO contamination.

TESTING LABS

Testing for ETO contamination in spice export consignments will be carried out by the board's NABL-accredited laboratories, it said in a statement.

The Spices Board, under the Commerce Department, is the regulatory authority overseeing spice export promotion.

Mandatory testing of spices for ETO, a sterilising agent that may be carcinogenic for humans, is



QUALITY FOCUS. The Spices Board plans to educate exporters on contaminants and overseas regulations

already in place for exports to the EU and the UK. Consignments to other

countries will also be strictly monitored for ETO, the board said.

"This proactive approach underscores the board's commitment towards ensuring consumer health and safety along with upholding the reputation of Indian spice brands worldwide," it said.

GLOBAL RULES

Recognising the importance of global food safety parameters, the board is familiarising exporters and the public with the ETO regulations in various countries.

In the wake of the spice product recall, efforts are on to gather technical in-

formation, analytical reports, and exporter data from authorities in Hong Kong and Singapore.

"The board is in touch with Indian missions in Singapore and Hong Kong to get more information and official notification. The board is working with the exporters whose consignments have been recalled to ascertain the root cause of the issue and propose corrective measures. Thorough inspections at exporter facilities are also underway to ensure adherence with regulatory standards," a source said.