

Iron ore exports double in Q4 on China demand, duty withdrawal

BUSINESSLINE dt. 18/4/23

Abhishek Law

New Delhi

India's iron ore exports nearly doubled year-on-year in January-March FY23 to 11.59 million tonnes (mt) on the back of pent-up demand from China, its key market, and with improved offers following the withdrawal of export duty in mid-November. Exports in Q4 FY22 were 6.25 mt.

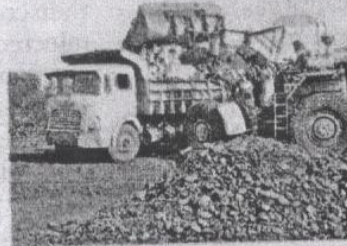
However, full-year (FY23) exports remained depressed by 20 per cent, as per data accessed by *businessline*. In FY23, iron ore exports were 21.25 mt; while in the FY22, it was 26.39 mt.

According to exporters, the fall happened on the back of slowing export orders for nearly six months of the year due to the export duty levy, and continuing Covid-led restrictions in China.

The levy was there between May and November when exports dropped to 4.35 mt, down 70 per cent y-o-y, versus 14.31 mt in the year-ago period.

THE CHINA FACTOR

India produces 9.2 per cent of the world's iron ore, with Australia being the largest, followed by Brazil and China.



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"There was no trade in September 2022 and numbers were minuscule in October and November – the two other seasonally weak months. But, export duty levy and slow down in orders from China, where Covid restrictions were still in place then, hit numbers," the trade source explained.

Indian iron ore exports began the fiscal slower, with April exports down by 44 per cent y-o-y. It has been mostly downhill since then, declining every month.

However, the trend reversal happened in December 2022, coinciding with the opening up in China. In December 2022, the iron ore exports increased to 2.26 mt — up 500 per cent, y-o-y. In

the same month last year (December 2021), the exports were just 0.38 mt.

As per global trade data available, China's imports of iron ore surged nearly 10 per cent in January-March to a record 294.34 mt, as it abandoned the zero-Covid policy. The March imports there increased 14 per cent y-o-y to 100 mt.

"However, if China goes ahead plans to reduce carbon emissions by cutting back on steel output to 2022-levels, there could be an impact on iron ore prices (a key steel making raw material). And this may cause some probable flattening of the export curve in the coming days," an exporter said.

LUMPS AND PELLETS

Incidentally, India's iron ore export push has driven fines and lumps mostly in FY23. Nearly 71 per cent of the shipments or 15.1 mt was fines and lumps. Around 6.2 mt was pellets and concentrate, data available from market research firm Steel-Mint said.

In comparison, iron ore fines and lump shipments were 58 per cent of the total exports or 15.26 mt. Pellet and concentrate exports were 11.14 mt or 42 per cent (of exports).

Basic chemicals, cosmetics, dyes exports hit \$30-b mark in FY23

BUSINESS LINE dt. 18/4/23

Our Bureau

Mumbai

Basic chemicals, cosmetics and dyes export have crossed \$30 billion in the financial year ended March 2023, of which \$27 billion was achieved between last April and February 2023.

This was revealed during a recent event organised by Basic Chemicals, Cosmetics and Dyes Export Promotion Council (Chemexcil).

Set up by the Union Ministry of Commerce and Industry, Chemexcil intends to focus on the emerging markets with 'green chemicals', and bio-based specialty chemicals and renewable chemicals.

Participating the event, Union Minister of State for Commerce and Industry Anupriya Patel said there are challenges ahead in this fast-changing world and with continued policy support from the government, the Council,

and the enterprising exporting community will definitely sustain and also surpass its enhanced momentum in export growth.

'TRANSFORMING INDIA'

Commerce and Industry Minister Piyush Goyal said the country has emerged as a reputed and reliable manufacturer and an international supplier of dyes and dye intermediates, basic chemicals, agrochemicals, cosmetics and toiletries, and castor oils.

"The chemicals and petrochemicals sector has the potential to transform India into a global manufacturing hub," he added. Chemexcil will continue to act as a catalyst in fulfilling the government's commitment to encourage exports and surpass the export growth achieved in the past, he said.

The Minister also said, "I urge exporters to utilise the emerging business opportunities by scaling up their pro-

duction and diversifying their product range in tune with the requirements of the domestic and global market."

FTP MEASURES

SG Mokashi, Chairman, Chemexcil said the new Foreign Trade Policy has initiated measures to create an institutional mechanism at the State and District level to promote identified products and services, which will further help in giving a boost to the MSMEs and creation of employment across all sectors of the economy.

"We need to maintain an effluent load and protect the environment.

"To minimise the time for obtaining permission from Pollution Control Board, we have taken up the issue with Minister of Environment Forest and Climate Change Bhupendra Yadav, and under his direction State Control Board has made favourable amendments," he added. ✓

Rice exports cross record \$11 billion

FINANCIAL EXPRESS dt.18.4.23

SANDIP DAS

New Delhi, April 17

INDIA'S RICE EXPORTS have crossed a record \$11 billion in 2022-23, an increase of 16% from FY22. The volume of shipment, however, remained around the same level as last year at 21 million tonne (MT).

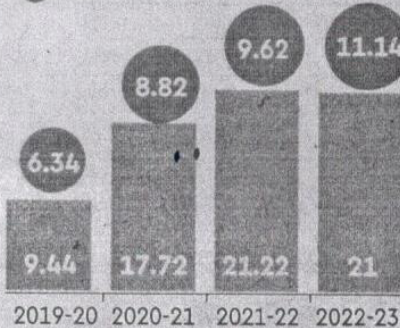
Officials attribute the spike in rice exports to factors such as robust global demand, especially from West Asian countries, Africa and Europe, and flood that hit a large chunk of paddy crop in Pakistan, a major grain exporter.

In FY22, India, which has an around 45% share in global rice trade, exported more than 21 MT of rice valued at \$9.6 billion. The increased realisation in rice exports has been achieved despite India last year banning broken rice shipment and the imposition of exports tax of 20% on white rice.

According to preliminary estimates, India has shipped \$11.14 billion of rice, which includes basmati (\$5 billion) and non-basmati (\$6.14 billion) during FY23. In terms of volume, the country has exported 4.9 MT of aromatic and long grain basmati and 16.1 MT of non-basmati rice. India annually exports 4.5-5 MT of basmati rice and has an 80% share in the global trade of aromatic rice.

India's rice exports

■ Volume (million tonne)
● Value (\$ billion)



"Demand for rice has been robust because of resumption of shipment to Iran and spike in demand in Gulf countries especially from Saudi Arabia, Iran, UAE and others for the ongoing Ramadan months," K Kaul, senior executive director, All India Rice Exporters' Association, told FE.

India has been the world's largest exporter of rice since 2012. Currently, India exports more rice than the combined shipments of the next three largest exporters – Thailand, Vietnam and Pakistan. The United States department of agriculture (USDA), in its April 2023 crop outlook, has stated, "India's prices are the most competitive among global suppliers and its total supply of rice is near-record high." It has also stated that India's price quotes

for 5% broken-kernel rice were reported at \$434 this month and are virtually unchanged since late January.

"Competitive pricing have ensured a surge in rice exports in the last fiscal and adherence to quality parameters has resulted in a significant demand for Indian rice with the grain being shipped to more than 75 countries," M Angamuthu, chairman, Agricultural and Processed Food Products Development Authority, said.

In September, India had imposed a ban on broken rice exports and put a 20% export tariff on the non-basmati and non-parboiled rice, a measure aimed at improving domestic supplies due to the expectation of a decline in production in the 2022-23 crop season (July-June).

Jewellery, Gems Exports Up 2.48%

THE ECONOMIC TIMES dt. 19-4-23

Exports grow despite US inflation, Ukraine war and China curbs

Our Bureau

Kolkata: India's gems and jewellery exports grew 2.48% year-on-year in 2022-23 to Rs 3,00,462.52 crore, despite inflation in the United States, the Russia-Ukraine war and the lockdown in China for almost six months, according to figures released by the Gem & Jewellery Export Council (GJEPC).

"Timely implementation of the India-UAE Comprehensive Economic Partnership Agreement (CEPA) by the commerce ministry resulted in a remarkable 17% growth in exports of plain gold jewellery in 2022-23. India's major export markets remained the USA, Hong Kong and the UAE," said Vipul Shah, chairman, GJEPC.



Stability will return to the diamond sector with improved conditions in China and Far East Asia

supply and challenges with beneficiation, as countries such as Namibia, Botswana, and Angola prefer to have their rough diamonds cut in their own countries."

However, he said stability will return to the diamond sector in the coming months, especially with

Overall gross exports of cut and polished diamonds stood at Rs 1,76,696.95 crore, a decline of 2.97% year-on-year.

Talking about the decline in cut and polished diamond exports, Shah said, "Global challenges affected the demand for diamonds in India's key markets, including USA and China. But certain regions in Europe and Southeast Asia fared well. India encountered difficulties due to inconsistent Russian rough diamond

improved conditions in China and Far East Asia. In 2022-23, provisional gross exports of gold jewellery stood at Rs 75,635.72 crore, up 11.13% over Rs 68,062.41 crore in the previous fiscal.

Provisional gross exports of plain gold jewellery stood at Rs 33,177.86 crore, a growth of 17.22% over Rs 28,303.37 crore in 2021-22. Gross exports of all kinds of studded gold jewellery amounted to Rs 42,457.87 crore, a growth of 6.79% over Rs 39,759.04 crore in the previous fiscal.

In 2022-23 provisional gross exports of polished lab-grown diamonds stood at Rs 13,466.42 crore, up 37.31% year-on-year.

Referring to the steady growth of lab-grown diamonds, the GJEPC chairman said this emerging sector has shown consistent growth in recent years. He also said that the government's research grant of Rs 242 crore to IIT Madras, spread over five years, will support the development of local manufacturing technology in the industry.

Edible oil imports surge as global prices drop sharply

FINANCIAL EXPRESS dt. 19-4-23

Processors and farmers seek higher import duty

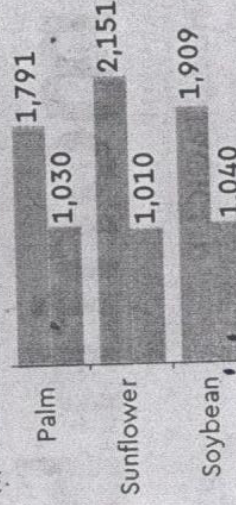
SANDIP DAS
New Delhi, April 18

THERE HAS BEEN a sharp spike in edible oil imports during the first five months of the current oil year (November-December) due to softening global prices of palm, soybean and sunflower oils.

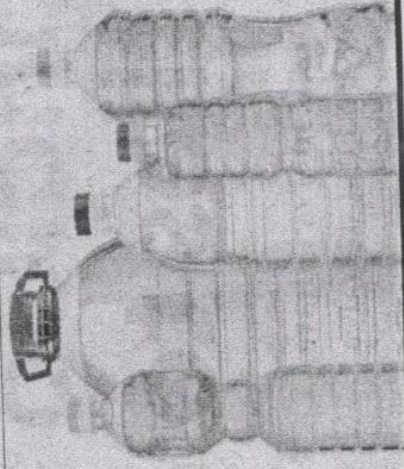
According to the Solvent Extractors' Association of India (SEA), edible oil imports rose by 23.7% to 6.98 million tonne (MT) during the November-March period (2022-23), compared to the same period last year.

The landed prices of palm oil (at Mumbai port), which has close to 60% share in the country's import basket, declined by 42% to \$1,030/tonne on April 14 this year, against the

GLOBAL EDIBLE OIL PRICES (CRUDE
(\$/tonne) ■ April 14, 2022 ■ April 14, 2023



All prices CIF (Mumbai). Source: SEA



\$1,791/tonne that prevailed a year ago.

Landed prices of crude soy and sunflower oil have declined by 45% and 53% to \$1,040/tonne and \$1,010/tonne, respectively.

Higher imports have pulled down domestic prices of mustard and soybean seed.

Inflation in the oil & fats category declined by 7.86% in March 2023

Farmers' organisations and edible oil processors have been urging the government to hike import duties to bring parity with domestic edible oil prices.

"Unbridled imports of palmolein is resulting in collapse of edible oil prices, which is impacting the marketing of mustard during peak harvest time and causing distress to farmers," Ajay Jhunjhunwala, president, SEA, had stated in a communication to the food ministry.

At present, crude palm, soybean and sunflower oil imports attract only a 5% agricultural cess and a 10% education cess, meaning a total tax incidence of 5.5%.

According to trade body Soybean Processors Association

tion of India (SOPA), between September and March (2022-2023), the price of imported crude soybean oil has declined by 31%; similarly, prices of sunflower and palm oils have fallen.

"The steep fall in edible oil prices has resulted in a fall in oilseeds prices and the farmers are disappointed and discouraged by this policy of keeping duties very low, even after the world prices of edible oil have crashed," Davish Jain, chairman, SOPA, has stated in a communication to commerce ministry.

Diesel exports to Europe could lose steam in FY24

BUSINESS LINE dt. 25/4/23

KEY FACTORS. Rising domestic diesel consumption and windfall tax are likely to halt growing exports of the key transport fuel to Europe

Rishi Ranjan Kala
New Delhi

India's diesel exports to Europe, which almost tripled to about 160,000 barrels a day (BPD) in March 2023 compared to the period before the Russia-Ukraine war, are expected to plateau or even decline in FY24.

Analysts and market players attribute this to rising domestic consumption of diesel, which accounts for around 40 per cent of India's refined petroleum product usage, as well as the government's imposition of windfall tax, or Special Additional Excise Duty (SAED).

"Diesel exports from India to EU-27 plus UK have grown quite significantly since Russia's invasion of Ukraine started, averaging

around 150,000-160,000 BPD from last summer to this March, almost tripling vs pre-invasion levels," Kpler's Lead Analyst (Dirty Products and Refining) Andon Pavlov told *businessline*.

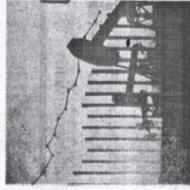
SITTING PRETTY

Over the months since September 2022, Indian diesel exports to EU-27 plus UK have been sitting at between 7-8 per cent over most months, as opposed to a normal rate of around 3-4 per cent prior to the invasion, save for a couple of outliers, he added.

The US EIA in a March report said India's diesel exports to North-western Europe — the UK, Ireland, Belgium, the Netherlands, Luxembourg, France, Germany, Denmark, Norway, Sweden and Iceland — rose by 110,000 BPD to 161,000 BPD in February 2023 com-

NO FURTHER UPTICK

- India's diesel exports to Europe have almost tripled on an annual basis to around 160,000 barrels a day in March. However, the rally is likely to lose momentum in FY24 and could plateau or even decline from current levels in FY24
- Analysts said that global trade dynamics is evolving, allowing Russian refined products into other markets such as South America
- On the other hand, diesel supplies from the Middle East and India are being routed to Europe



pared to average exports from the world's fourth largest refiner between October 2021 and September 2022.

Kpler said that most exports to Europe were by Reliance Industries. "Save for occasional cargo, the India-to-EU/UK gasoil exports stream has been an almost exclusive one for the Jamnagar refinery," he added.

A March 2023 report by

JP Morgan said "RIL's refining strength comes from the diesel-heavy production slate, export-focussed refineries, and the ability to purchase and process arbitrage barrels, which have a discount vs benchmark oil."

DOMESTIC DEMAND

Pavlov pointed out that so far the EU embargo has not proven to be a boon for Indian diesel exporters. A trade source said that main diesel suppliers to Europe will be Middle East, including Kuwait.

"In terms of exports after the EU ban on Russian material kicked in (February 5), however, we do not see yet an uptick in flows from India to Europe. One of the reasons is the particularly strong Indian demand, keeping barrels close to home, with export levies (windfall tax) also putting a

lid on exports," he added. A senior official with a refiner said that diesel consumption will surpass 90-91 million tonnes in FY24, which means that the government's priority will be to ensure domestic requirement is met.

"Indian refiners are expanding capacity, which will happen over the next two fiscals and will then have more capacity for export of not just diesel but other refined products also," he added.

KEY FORCES AT PLAY

Going ahead, trade dynamics will depend on how regional and global balances develop. For instance, diesel demand in Europe is far from encouraging, whereas a lot of new ultra low sulphur diesel (ULSD) capable capacity is hitting the market in Middle East and

China, Pavlov said. When asked about India's diesel exports to Europe, BP's Chief Economist Spencer Dale explained that there are two big forces at play, which are "sort of" working in opposite directions. Since the EU ban on refined Russian products, the exports from Russia continue and go to some other parts of the world, while other supplies get diverted to Europe and the board reshuffles.

"I can quite understand the (Indian) government worrying about not having enough refined product domestically and wanting to incentivise domestic producers to ensure they supply the market, and it makes perfect sense to me. There are these two forces at play here simultaneously and which way it goes I don't know," he added.

Oilmeal export earnings up by 103% in 2022-23; volume increases by 83%

Our Bureau
Mangaluru

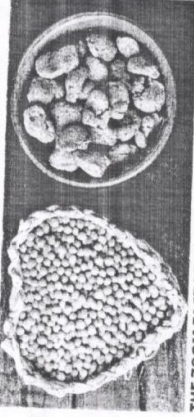
Export of oilmeals from India witnessed a 103.33 per cent growth in terms of value and 82.58 per cent growth in terms of tonnage during 2022-23.

Data available with the Solvent Extractors' Association (SEA) of India showed that India exported 43.36 lakh tonnes (lt) of oilmeals valued ₹11,401.30 crore during 2022-23 against

23.74 lt valued ₹5,607.09 crore in 2021-22. BV Mehra, Executive Director of SEA of India, said the export earnings went up by 103 per cent due to sharp increase in export of soyabean meal and rapeseed meal.

India exported 10.22 lt of soyabean meal valued at ₹4,725 crore in 2022-23 against 3.72 lt valued at ₹2,206 crore in 2021-22.

He said the fall in local soyabean price to the level of ₹4,500 a quintal from the



THE ZOOM FACTOR. Export earnings rose due to higher shipments of soyameal and rapeseed meal

highest level of ₹7,640 in April 2022, encouraged larger crushing and better

months. South-East Asia is the major consumer of Indian soyabean meal where India has a logistic advantage and also can supply in small lots.

Mehra said the rupee depreciation is also pushing the overall export. This helped India to revive the export of soyabean meal in new crop since November 22.

Export of rapeseed meal increased to 22.96 lt valued ₹5,188 crore id 2022-23 against 8.66 lt valued

₹2,035 crore in 2021-22. India's rapeseed meal export broke the earlier highest record export of 12.48 lt in 2011-12.

MAJOR IMPORTERS

South Korea imported 9,14 lt of oilmeals from India during 2022-23 (compared with 6.43 lt in 2021-22). This included 6.15 lt of rapeseed meal, 2.58 lt of castor seed meal, and 39,928 tonnes of soyabean meal.

India exported 10.29 lt

(6.09 lt) of oilmeals to Vietnam during 2022-23. This included 4.01 lt of rice bran extraction, 2.89 lt of rapeseed meal, 3.32 lt of soyabean meal and 5,877 tonnes of groundnut meal.

Thailand imported 7.80 lt of oilmeals from India during 2022-23 (1.51 lt in 2021-22). This included 7.05 lt of rapeseed meal, 58,067 tonnes of soyabean meal, 4,038 tonnes of groundnut meal, 11,208 tonnes of rice bran extraction, and 954 tonnes of castorseed meal.

tained growth.

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Swiss Watch Makers Clock Record India Exports in '22

Log sales worth over ₹1.7kcr in 2022, at 19.6% growth rate

Vinod.Mahanta
@timesgroup.com

Mumbai: Swiss watch manufacturers achieved a new record for exports to India in 2022, with the momentum continuing into the first two months of 2023, according to data released by the Federation of the Swiss Watch Industry.

In 2022, India ranked 23rd in terms of Swiss watch exports to countries, with sales worth ₹1,722.88 crore, marking a growth rate of 19.6% from ₹1,438.84 crore in 2021.

This came after a dip in Swiss watch exports due to the Covid-19 pandemic; in 2020, exports were recorded at ₹889.36 crore.

Exports to India reached ₹271.72 crore during January-February 2023, representing a substantial 27% surge from the corresponding period in the previous year.

"Undoubtedly, 2022 has been the best year in terms of overall value. In fact, we are currently performing below our potential. Considering the size of our economy, we should be achieving significantly higher numbers. As the fifth largest economy in the world, India boasts a significant number of people within the top 1-2% of the economic spectrum, making them a valuable target audience for our segment," said Yasho Saboo, founder & chairman, Ethos Watches, India's largest retailer of Swiss watches.

Tick, Tock...

Rise comes after a dip in Swiss watch exports due to the Covid pandemic

₹271.72 cr

Exports to India during January-February 2023



Luxury industry has seen a global and Indian surge in demand



KEY FACTORS

Rebound in the economy, stock market Impact of social media

The Swiss report shows that even exports to countries like Thailand, Mexico, Austria, and Turkey are higher compared to India.

The luxury industry has seen a global and Indian surge in demand despite the pandemic's impact as consumers shift towards more indulgent purchases for comfort and enjoyment amidst uncertainty and upheaval.

The rebound in the economy and stock market led to an increase in wealth among upper-class Indians, further fuelling sales of luxury watches. Additionally, the impact of social media played a significant role in driving up demand for luxury goods. The constant stream of aspirational content on various platforms created a strong desire

among consumers, contributing to the notable uptick in the luxury market.

"With fast growth rates, India has been the talking point of the Swiss watch industry. The last two years have been the best ever in terms of sales of Swiss watches in India. Though our base is small, with discretionary spending going up, we expect sales of luxury watches to go up," said Pratiek Kapoor, head of marketing and operations, Kapoor Watches, a NCR-based watch retailer. According to Kapoor, while the ₹1-3 lakh segment is the fastest-growing segment in India, there are a number of watch collectors who are opting for higher priced watches with novelty features.

In terms of exports to key markets, the US (CHF 3,889.6 million) was at the top, followed by China (CHF 2,563.8 million) and Hong Kong (CHF 1,908.5 million), said the report.