Business Line. Dt:- 21/01/25

# Mills found selling excess sugar in local markets barred from export quota

**NITTY-GRITTY EXPLAINED.** Food Ministry issues detailed guidelines on the commodities shipment quota

Prabhudatta Mishra
New Delhi

Informing sugar mills about the decision to allow 10 lakh tonnes (lt) of sugar for export, the Food Ministry has issued detailed guidelines on Monday in which mills are directed to complete the same by September 30. Also, the government has debarred some sugar mills from receiving export quota as they violated the rules by selling excess sugar in the domestic market than their allotted monthly quantity.

In a communication to all sugar mills, the Union Food Ministry said, "Those sugar mills which have violated the policy guidelines issued by the Department of Food and Public Distribution (DFPD) order No. 5-1/2024-SC (386427) dated July 26, 2024 for action to be taken against violation of monthly stock holding limit orders for sugar or the mills which have defaulted government dues pertaining to this department are not being allocated any export quota during the current sugar season 2024-25 (October-September)."

**FLOUTING NORMS.** As many as 70 mills were debarred due to payment default and for resorting to overselling

As many as 509 mills have been allotted export quota while 46 mills were debarred due to payment default and another 24 were barred from the list due to overselling. There are as many as 18 mills in Uttar Pradesh, including Maqsudpur, Belwara, Barkhera and Thanabhawan which were penalised for selling more sugar than the monthly allotted quota.

### NOT ON THE LIST

On the other hand, as many as 11 mills, including NCS Sugars, Kumarantham, Lakshimipuram and Chelluru, in Andhra Pradesh and 16 mills, including Rahuri, Faizpur, Jamani, Rajgad and Jeur, have not found a place in the list of export quota for default in repaying to the government.

The dues as mentioned in the guidelines pertained to loans availed from the Sugar Development Fund, since disbanded, for the expansion of capacity and setting up distilleries.

The Ministry also said that all grades of sugar can be exported by a sugar mill /refinery/exporter up to the quantity allocated to each mill. As the export quota of 10 lt has been prorated to the sugar mills under a formula, they have also been allowed to exchange/surrender their quota with the domestic quota of another mill.

### UNIFORM QUOTA

Under the formula, only mills which operated in at least one sugar season out of the last three sugar seasons as well as new mills started only this season are eligible for the export quota.

All the sugar mills have been allocated uniform export quota of 3.174 per cent of their 3 years average production of sugar. But the mills which commenced sugar production for the first time during the current sugar season 2024-25 or the mills which were closed in the previous three sugar seasons but have restarted in the sugar season 2024-25 have also been allocated export quota of 3.174 per cent of their estimated sugar production in the current season after verification by the State Cane Commissioner.

Sugar mills can export the allotted quantity of sugar either themselves or through merchant exporters/refineries and the last BL (Bill of Lading) date shall be on or before September 30.

Sugar mills which are not willing to export have been told to surrender their export quota (partially/whole) on or before March 31.

Business Line. Dt: 21/01/25

# Rising consumption by power and industry sectors lifts LNG imports by 27% in 2024

**Rishi Ranjan Kala**
New Delhi

India's imports of liquefied natural gas (LNG) rose by more than 27 per cent y-o-y in CY24 on the back of rising consumption for sectors, such as city gas distribution (CGD), power and industries.

According to the Petroleum Planning and Analysis Cell (PPAC), India imported around 37,336 million standard cubic meters (MSCM) in 2024 with monthly in-bound cargo hitting a record during July (3,689 MSCM), October (3,626 MSCM) and May (3,516 MSCM).

LNG imports in December 2024 were flat m-o-m on a provisional basis at 3,022 MSCM. However, on an annual basis, the imports rose by over 18 per cent. Compared to 2022 (CY), LNG imports by the world's fourth largest importer grew by 39.4 per cent from 26,779 MSCM.

Analysts and industry insiders attribute the growth in imports to rising industry consumption, growing acceptance of LNG as the best transition fuel and government's mandate to gas-based power plants to run at optimum capacity during the year to meet the growth in electricity demand.

During 2024, LNG imports averaged 3,111 MSCM, compared to 2,445 MSCM and 2,232 MSCM during 2023 and 2022 respectively. As of November 2024, LNG imports accounted for almost 51 per cent (50.9) of India's total requirement of natural gas.

**RISING CONSUMPTION**

India's cumulative natural gas consumption rose by almost 13 per cent y-o-y to 66.36 billion cubic meters (BCM). December 2024 usage data has not been up-


dated. During April-November in FY25, gas consumption grew by 10 per cent y-o-y to 48.7 BCM. India consumed 67.5 BCM and 60 BCM during FY24 and FY23 respectively.

The International Energy Agency (IEA) has revised upwards the growth rate in India's gas demand to 8.5 per cent from 7 per cent y-o-y in CY 2024. Similarly, the Gas Exporting Countries Forum (GCEF) predicts usage to grow at 6 per cent y-o-y.

Fitch Ratings expects India's total natural gas consumption to rise by around 10 per cent in FY25 (7M FY25: 11 per cent). Consumption rose by 11-14 per cent in the CGD, refinery and petrochemical segments in 7M FY25.

Increasing demand from key end-user sectors, policy measures supporting the use of gas as it is cleaner than traditional fuels, and rising natural gas production and LNG imports will support this growth, it added.

"We expect LNG imports to increase by around 20 per cent in FY25 (7M FY25: 22 per cent). This will be driven by increasing demand and lower international gas prices that will improve affordability for price sensitive sectors. The faster growth in LNG imports than domestic production will continue to increase imported LNG dependency (7M FY25: 51 per cent and FY24: 47 per cent)," it said.

Business Line. Dt: 22/01/25

# Fertilizer imports drop 18% in April-Dec on lower DAP sales

Our Bureau
New Delhi

Urea sales till December 31 in the current fiscal recorded an increase of 6.4 per cent to 300.26 lakh tonnes (lt) from 282.08 lt year-ago.

Sales of all fertilizers put together increased 7.3 per cent to 525.92 lt, mainly due to lower sales of Di-ammonium Phosphate (DAP) fertilizers, according to latest official data.

On the other hand, total sales of DAP dipped 12.7 per cent to 86.23 lt during April-December.

However, Muriate of Potash (MOP) rose 31.6 pert cent to 16.78 lt and complex increased by 27.1 per cent to 122.65 lt.

Complex fertilizer is a combination of nitrogen (N), phosphorous (P), potash (K) and sulphur (S) nutrients.

Import of urea, controlled by the government, was recorded at 43.16 lt during the first nine months against 60.71 lt year-ago — a fall of 28.9 per cent.

There was record import of urea at 98.28 lt during entire FY 2020-21.

## LOW BASE EFFECT

Import of overall fertilizers also dropped 18.4 per cent to 120.54 lt during April-December, in which complex import declined 16.1 per cent at 14.85 lt from 17.71 lt and DAP by 19.1 per cent to 40.82 lt from 50.47 lt.

But, MOP import surged 15.3 per cent to 21.71 lt, which industry experts attributed to low base effect.

The government is now planning to make a similar push for nano DAP what it did in case of nano urea so that the consumption of the phosphatic fertilizer is also reduced, without affecting crop yield.

Production of all fertilizers was up 1.6 per cent to 391.62 ltt, which included urea at 232.02 lt (237.09 lt), DAP 31.5 lt (34.2 lt), Complex 81.94 lt (73.85 lt), SSP 40.57 lt (35.58 lt) and Ammonium Sulphate 5.59 lt (4.66 lt).

Record sales of fertilizers during October-December quarter, the key period for rabi season, has been reported with 21 per cent increase in volume and each of the key segments — urea, DAP, potash, complex reporting higher offtake.

## HIKE IN SUBSIDY

Meanwhile, urea subsidy has reached ₹98,258.74 crore, while that for potash and phosphorus has hit ₹ 40,990.67 crore, which together is 84.9 per cent of ₹1,64,000 crore allocated in Budget (BE).

The government is yet to announce the Revised Estimate which will see an upward revision due to hike on subsidy on DAP twice this fiscal to keep selling prices at ₹1,350/bag.

FINANCIAL EXPRESS. Dt. 22/01/25

# Puri sees chances of higher US oil imports

- Closely watching moves by Trump govt, says minister

ARUNIMA BHARADWAJ
New Delhi, January 21

**INDIA ON TUESDAY** welcomed US President Donald Trump's statement after assuming office to ramp up oil and gas production by the world's largest economy and 'export American energy all over the world'."

"There is a possibility of more energy purchase between India and US," minister for petroleum and natural gas Hardeep Singh Puri said here. "More US energy coming into the market is welcome." He, however, added that in any case, there is no shortage of oil in the global market.

He also said the government is 'watching very carefully' the announcements made so far by the new US administration under Trump. The US move comes at a time when the fresh sanctions have increased the chances of possible tightening of Russian oil supplies to India. In 2024, over a third of India's oil imports were from Russia.

Trump, in his inaugural address as the 47th President of the US, laid out a clear plan for the country's energy sector - increasing domestic oil and gas production, declaring a national energy emergency, and withdrawing from the 2015 Paris climate deal.

Continued on Page 10

## OPTIONS OPEN

- The US is currently producing around **13 mn** barrels of oil per day

- It is likely to add 1.4 mn-1.5 mn barrels a day in the near term
- In 2024, over a third of India's oil imports were from Russia

HARDEEP SINGH PURI, UNION PETROLEUM MINISTER

More US energy coming into the market is welcome

# India must be wary: Experts on BRICS call

MUKESH JAGOTA
New Delhi, January 21

**INDIA SHOULD BE** 'on guard' and be ready to open dialogue with the US, trade experts said, commenting on President Donald Trump's renewed threat to impose '100% duties' on imports from the BRICS countries, if the nine-country bloc went ahead with its perceived plan to 'de-dollarise' their foreign trade.

"India must be wary as whatever Trump has said directly impacts India. We should be opening up dialogue with the US to address some of the concerns they might have," acting president and distinguished professor at Council for Social Development Biswajit Dhar said.

On his first day in office, Trump talked of putting 'universal tariffs' on anybody exporting to the US.

However, he did not comment on the tariffs that he might impose on China, which he had threatened with 60% tariffs, or India, which he had once called a 'tariff king'. Trump, however, announced imposition of 25% import duties on products from neighbouring Mexico and Canada from February 1.

Continued on Page 10


»INSIDE«

WHO PULLOUT TO HIT GLOBAL HEALTH
PAGE 7

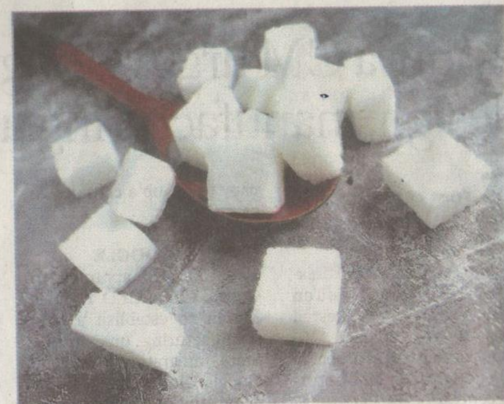
BANKS RUN TRUMP 'WAR ROOMS'
PAGE 7

Business Line. Dt:- 23/01/25.

# Sugar prices gain nearly 10% after govt allows export

Vishwanath Kulkarni

Bengaluru



**SWEET FALLOUT.** Global prices have been on a downward trend since India announced its decision to allow sugar export

Ex-factory sugar prices have moved up by close to 10 per cent after the government recently allowed export of 1 million tonnes of the sweetener.

At the same time, global sugar prices have eased following India's decision to allow the shipments.

Ex-factory prices, which were ruling around ₹33-₹34 per kg levels last week before the announcement, have now moved up to ₹37 per kg.

"With the recent announcement of the government to allow one million tonnes of sugar export, there has been a substantial jump in sugar prices. The prices are up by almost ₹3 per kg in the domestic market since then. The export prices are ₹2 higher than that. If prices stabilise at these levels, it will be good for the industry," said Mukesh Kumar, Executive Director, Vishwaraj Sugar Industries Ltd.

The prices for the export market at the ex-factory levels are hovering in the range of ₹38-₹40 per kg.

"Sugar prices may stabilise at these levels and are unlikely to go southwards," Kumar said.

Abhijit Ghorpade of Ghorpade Agrovet, a broker in Kolhapur, said that there had been a ₹3-₹3.5 per kg increase in the domestic market.

"Millers are in no mood to sell at the current prices for export and are expecting over ₹4,000 per quintal. As a result, no trade has taken place for export.

"At present, the global market is not supporting the prices. Millers have to wait for some recovery in the global market, which is likely to happen over the next 3-4 weeks ahead of demand for Ramadan," Ghorpade said.

## GLOBAL PRICES DOWN

After India announced the plan to allow sugar export, international prices have come down.

"Ever since the announcement was made by the Food Secretary in the second half of December — that the government was contemplating to allow exports — global prices have been on a downward trend," Kumar said.

Global sugar prices are down by around 8 per cent on a monthly basis, and lower by some 24 per cent on year-on-year basis.

Kumar said the move to allow export will benefit the industry tremendously.

"If another 1 million tonnes is given for export, that will be really excellent for the industry," he added.

## SUGAR STATS

Meanwhile, sources said that sugar prices have witnessed a dip of ₹50 per quintal on Wednesday as traders have offloaded their stocks in the market, taking advantage of the recent price hike.

Per government estimates, sugar production in the current 2024-25 season starting October is estimated to be 32 million tonnes whereas domestic consumption is 28.5-29 million tonnes, with some 4 million tonnes diverted to ethanol.

# Palm oil retreats on weak export demand

Business Line
dt. 23.01.25

**Reuters**
Jakarta

Malaysian palm oil futures snapped a three-session rally, weighed down by cargo surveyor data showing weak export demand and a stronger ringgit.

The benchmark palm oil contract for April delivery on the Bursa Malaysia Derivatives Exchange lost 52 ringgit to 4,208 ringgit ($949.24) a tonne.

"Crude palm oil futures are trading between 4,180 and 4,280 ringgit while waiting for new leads on the back of weak exports and slower production," a trader said.

Exports of Malaysian palm oil products for January 1-20 were estimated to have fallen 18.2-23 per cent, according to cargo surveyors Intertek Testing Services and AmSpec Agri Malaysia.

Business Standard. Dt:- 23/01/25.

# Smartphone exports narrowing gap with auto diesel fuel

## SMARTPHONE EXPORTS

| Year | Rank based on HS code | Export value ($ bn) |
|---|---|---|
| 2019-20 | 14 | 2.9 |
| 2020-21 | 9 | 3 |
| 2021-22 | 9 | 5.7 |
| 2022-23 | 5 | 11 |
| 2023-24 | 4 | 15.6 |
| 2024-25(April-Nov) | 2 | 13.1 |

Automotive diesel fuel, India's top export item for long, was $10 billion ahead of smartphones during April-November FY24. However, in FY25, this gap has narrowed sharply to just $400 million for the corresponding period.

Smartphone exports have seen remarkable growth since FY19, when they stood at a modest $1.6 billion and ranked 23rd among HS code export categories. The introduction of the PLI scheme two years later attracted global giants, including Apple's vendors Foxconn, Pegatron, and Wistron, which established major iPhone manufacturing facilities in India. Samsung also expanded its export operations. Smartphone exports rose to $2.9 billion in FY20, placing the sector at 14th in the export rankings. Over the next two years, exports continued to gain momentum, reaching $3 billion in FY21 and $5.7 billion in FY22, elevating the category to the ninth spot.

The growth trajectory further accelerated in FY23, as Apple's key vendors — Foxconn, Tatas, and Pegatron — significantly ramped up production, and the value of smartphone exports nearly to $11 billion in FY23, propelling the category to the fifth position. By the end of FY24, smartphone exports had reached $15.6 billion, ranking fourth, behind automotive diesel fuel, diamonds, and aviation turbine fuel.

Although export rankings for April-December FY25 are yet to be released, smartphones have already achieved $15.35 billion in exports, almost equalling the total figure for all of FY24.

Business Line. Dt: 24/01/25

# Solvent extractors concerned over import of cheaper refined edible oil from Nepal

**Our Bureau**
Mangaluru

The Solvent Extractors' Association of India (SEA) has said that the influx of cheaper refined edible oil from Nepal is affecting the domestic refining industry in India.

In his monthly letter to members on Thursday, Sanjeev Asthana, SEA President, said edible oils are allowed to be imported from SAFTA (South Asian Free Trade Area) countries at zero duty under the SAFTA agreement.

However, the duty hike on edible oils in September 2024, combined with the zero duty under SAFTA, has led to an influx of cheaper refined oil from Nepal.

He said this was particularly affecting the domestic refining industry, not only in Northern and Eastern India but now also in Central India, including Madhya Pradesh and Rajasthan.

**SURVEY ON MYGOV**

Commending the Union Agriculture Ministry for conducting a survey on edible oils via the MyGov platform, Asthana said the initiative aimed to understand consumer preferences and would guide farmers to cultivate demand-driven crops. By aligning production with consumption patterns, the survey would help move the country towards self-sufficiency in edible oils. Once made public, the results of the survey will be invaluable for the industry and trade in deciding which oils to produce or import.

Stating that SEA had submitted a memorandum to NITI Aayog, requesting a revision in the weightage of individual edible oils in the Wholesale Price Index (WPI), he said the government had established a Working Group under NITI Aayog, headed by Ramesh Chand, to revise the WPI, moving from the 2011-12 base to 2022-23.

Currently, edible oils account for only 2.64293 per cent of the WPI, based on 2011-12 consumption and average prices.

Mentioning that consumption patterns had shifted significantly, he said the proportion of *vanaspati* in total edible oil consumption had decreased from 5.75 per cent in 2010-11 to 2.92 per cent in 2023-24 while soyabean oil's share had grown from 15.55 per cent to 19.28 per cent. "We are pleased that NITI Aayog member Ramesh Chand has assured us that our proposal will be considered by the Working Group," he said.