FINANCIAL EXPRESS dt. 7/3/23

Additional exports of 1 MT sugar likely

SANDIP DAS
New Delhi, March 6

THE GOVERNMENT MAY consider allowing one million tonne (MT) of sugar exports in addition to the 6 MT of shipment already approved for the 2022-23 season (October-September), a senior food ministry official has said.

"More exports are possible and we have a cushion for exports of additional one million tonne if the overall production reaches the estimated 33.6 MT this year," the food ministry official said. The official said that the government will take a call next month on additional export after assessing domestic production.

"Sugar availability is comfortable in the country and, as a result, wholesale and retail prices of the sweetener are on a decline in the last one month," the official said.

India exported a record 11 MT of sugar in 2021-22. According to the food ministry, sugar output has been estimated lower at 33.6 MT for 2022-23, due to a decline in production in the top three producing states — Maharashtra, Karnataka and Uttar Pradesh.

About 5 MT of sugar will be diverted for ethanol production this year, much higher than the 3.6 MT in the previous year, according to the food ministry.

Despite an estimate of lower sugar production, the official said the country's total availability of sugar would be 40.1 MT in 2022-23, which includes a carry-over stock of 7 MT from the previous year.

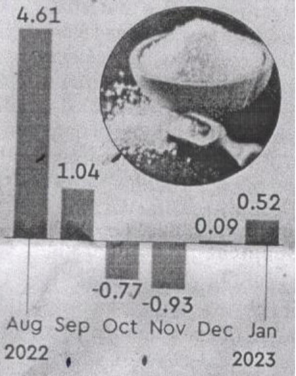
Wholesale price of sugar was ruling at ₹3,841 per quintal on March 3 against ₹3,860 per quintal a month ago. Retail price of sugar, too, was down marginally at ₹41.61 per kg against ₹41.8 per kg during the comparable period, the official added.

Meanwhile, the National Sugar Federation (NSF) has estimated India's sugar output in the 2022-23 season to decline 7% to 33.5 MT from the previous year's output of 35.9 MT due to lower yield in Maharashtra and Karnataka aue to adverse weather conditions last year.

Maharashtra, the biggest sugar producing state, has cut the estimated output in the current season by 9% to 12.5 MT from 13.8 MT a year ago due to the cut in cane yield over unseasonal rains in October last year.

Similarly, sugar production in Karnataka this year is estimated at 5.5 MT, which is 14% less than the previous year's output of 6.4 MT.

INFLATION IN SUGAR



Source: MoSPI, Figure in %

BUSINESS LINE dt. 7/3/23

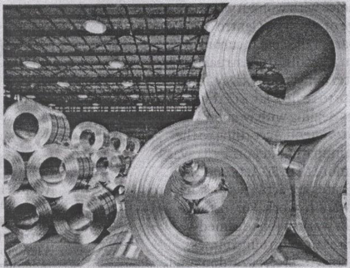
India becomes net importer of steel for 5th straight month in Feb, exports drop 50%

Abhishek Law
New Delhi

India was a net importer of steel for the fifth straight month in February, while exports halved year-on-year, indicating continuing global recessionary headwinds.

Steel imports stood at 0.59 mt, a 44 per cent rise over the same month last year. Exports in February were at 0.58 mt, a 50 per cent decline over the 1.16 mt reported in the year-ago period, provisional data with the Ministry of Steel and accessed by *businessline* show.

Despite India being a net importer of steel for six of the 11 months of FY23, the country has managed to remain a net exporter of steel. From April to February, exports exceeded imports by 0.30 mt. Exports stood at 5.90 mt, down 52 per cent YoY; while shipments coming in were 5.60 mt, up 30 per cent.



SPIRALLING DOWN. For mills, exports dropped 2 per cent month-on-month, while imports remained near flat at 0.59 mt

RED FLAGS

Indian steel mills have been raising red flags over increasing incidents of imports over the last few months. Speaking at the post-results analyst conference call, Seshagiri Rao, joint MD and Group CFO of JSW Steel, said steel demand in India rose by almost a million tonne more every month. "Imports are increasing and at the same time, exports have fallen," he had said.

For mills, exports dropped 2 per cent month-on-month (February vis-à-vis January), while imports remained near flat at 0.59 mt, revised numbers from the Steel Ministry show. Exports last month were 0.59 mt.

"Mills had expected improvement in export offers. But due to global recessionary traits, closures took time. Closures happened in February, so some of this should reflect in March numbers. On the other hand, the import numbers are near constant since price in domestic market and imported price is almost at par; and most of the imports are coming ." an exporter said.

CATEGORY WISE BREAK-UP

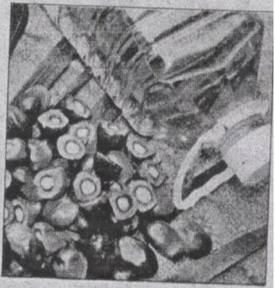
Ministry of Steel data show that non-alloyed steel exports—the key offering in overseas markets—were among the worst hit. The segment saw a 67 per cent drop in number to 3.73 mt for the April–February period, but alloyed offerings saw a 108 per cent rise in exports to 2.17 mt.

"Many millers were pushing alloyed steel offerings for exports between May and November. The duty levy did not apply to alloyed steels," an exporter said.

FINANCIAL EXPRESS dt. 7/3/23

Import duty on palm oil may be hiked to support rapeseed farmers

RAJENDRA JADHAV & MAYANK BHARDWAJ
Mumbai/New Delhi, March 6



After abolishing the basic import tax on crude palm oil (CPO) last year, India continues with a 5.5% tax on CPO shipments

INDIA, THE WORLD'S biggest importer of vegetable oils, is considering raising its import duty on palm oil to help support local farmers reeling from a crash in domestic rapeseed prices, the government and industry officials said on Monday.

The increase in the tax on palm oil could lift local prices, making the tropical oil a little less competitive than rival soy-oil and sunflower oil. "We have proposed an increase in import duty on palm oil to support rapeseed prices," said a government official, who declined to be named in line with official rules.

"Rapeseed supplies from the new season are putting pressure on prices, which have fallen below MSP (minimum support price)," said the source referring to the government-set rate which acts like a benchmark for the domestic market.

If commodity prices fall below MSPs, the government usually tries to help prop up rates to protect farmers. In spot markets, rapeseed prices were around ₹5,000 per 100 kg, below the government-fixed price of ₹5,450.

Indian farmers plant rapeseed, the main winter-sown oilseed, in October and November, with harvests from March. Higher prices encouraged farmers to expand the area under rapeseed.

After abolishing the basic import tax on crude palm oil (CPO) last year, India continues with a 5.5% tax on CPO shipments. The country also levies a 12.5% import tax on refined, bleached and deodorised palm oil. "Since world prices have dropped, India is looking at raising the duty," the source said. "Overall food inflation might be a concern for the government, but vegetable oil prices have dropped."

Lower rapeseed prices have hurt farmers from India's western state of Rajasthan, and the government would like to protect growers ahead of the state election, trade and industry officials said.

Rajasthan accounts for more than half of the rapeseed production. "There is a proposal to raise the duty, and an inter-ministerial panel is looking into it," said the second source, who also didn't want to be named citing official rules.

BUSINESSLINE dt. 10/3/23

Banana exports may be hit by higher prices

Vishwanath Kulkarni
V Sajeev Kumar
Bengaluru/Kochi

As farmgate prices of bananas have almost doubled over the past year, their exports have slowed down in volumes, though their value has increased on higher realisations.

Banana exports from India, the world's largest producer of the fruit, had crossed the ₹1,000-crore mark during 2021-22 touching an all time high of ₹1,188 crore.

"The farmgate prices of bananas have been 100 per cent higher over the historical averages. As against ₹14-15 per kg a year ago, farmgate prices of bananas are ruling higher at ₹27-28 per kg, slowing down shipments in the ongoing peak season," said Pankaj Khandelwal, Chairman and Managing Director, INI Farms, a large exporting firm that was acquired by agtech start-up AgroStar last year.

Khandelwal sees volumes declining by up to 30 per cent this year due to higher prices. In 2021-22, banana exports touched 3.78 lakh tonnes — an increase of 62 per cent over 2.33 lakh tonnes in 2020-21. In dollar terms, shipments during 2021-22 touched $159.09 million — a 58 per cent increase over $100.69 million the previous year.

The higher price this year is due to a reduction in supplies on account of farmers shifting to other lucrative crops. "Last year because of high freight costs, farmers didn't get better realisations, and as a result, the planting was less this year leading to reduced volumes and ultimately higher prices," Khandelwal said.

Farmgate prices have nearly doubled to ₹27-28 per kg from a year ago due to reduced supplies

TRADE FEEDBACK

Banana prices are up across the key producing regions of Maharashtra, Andhra Pradesh, Tamil Nadu, and Karnataka among others, resulting in higher consumer prices in the domestic market.

As per APEDA's export data, the banana shipments for the April-December period of 2022-23 declined by about six per cent, while there has been an increase of 10.65 per cent in value over the previous year. "As per the trade feedback, the decline in exports is due to the high price at the farm gate. The cost of the produce has increased by 100 per cent. Earlier, the cost was ₹13-14 per kg, which has gone up to ₹28-30 per kg now," said APEDA Chairman M Angamuthu.

"There is a demand for Indian bananas. APEDA is pushing and promoting at least over 10 varieties of GI bananas from the country, for which there is an increasing demand. In-store exclusive promotion programmes were organised in over 20 countries," Angamuthu said.

. Banana exports during the April-December period of the 2022-23 fiscal stood higher at ₹873 crore over ₹789 crore in the same period a year ago.

BUSINESSLINE dt. 10/3/23

Gokaldas Exports promoter sells shares worth ₹235 crore

Our Bureau
Chennai

A promoter group company of Gokaldas Exports, Clear Wealth Consultancy Services, has offloaded 60 lakh shares in the secondary market on Thursday at an average price of ₹390.10 a share, taking the transaction size to about ₹235 crore.

Clear Wealth had held 1.25 crore shares or 20.56 per cent stake in Gokaldas Exports at the end of December 2022. Following the selling, the entire promoter holding in Gokaldas Exports is likely to come down to 10.6 per cent

Gokaldas Exports

from the current 20.97 per cent and that of Clear Wealth to 9.90 per cent.

However, the identity of other buyers were not known.

Sivaramakrishnan Ganapathi, Vice-Chairperson and MD of the company, said, "We do not have the full information yet on the transaction." According to bulk deal data available with the NSE, the buyers were Aditya Birla Sun Life Pure Value Fund (3.70 lakh shares), Aditya Birla Sun Life Small Cap Fund (4.61 lakh shares), Ashoka India Equity Investment Trust PLC (3.59 lakh shares) and Goldman Sachs Collective Trust - Emerging Markets Ex China Fund (7.20 lakh shares).

Clear Water has been selling the stock in the company quite regularly since September 2020 quarter, when it was holding 33.17 stake. The stock, on Thursday, closed at ₹393.15, down 3.40 per cent, over the previous day's close of ₹407.

BUSINESS LINE dt. 10/03/23

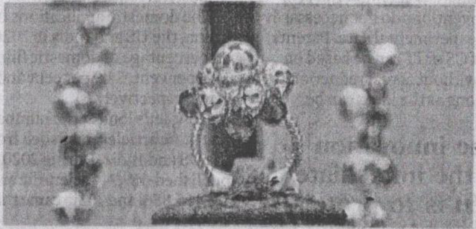
Gem, jewellery exports jump 24% in Feb

Our Bureau
Mumbai

Buoyed by the recovery in the Chinese and West Asian markets, gem and jewellery exports from India surged 24 per cent last month to ₹28,833 crore, against ₹23,327 crore in the same period last year.

Cut-and-polished diamond shipments jumped 32 per cent to ₹19,582 crore (₹14,842 crore) while gold jewellery shipments increased 30 per cent to ₹5,830 crore (₹4,488 crore).

Vipul Shah, Chairman, Gem & Jewellery Export Promotion Council (GJEPC), said the strong recovery in cut-and-polished diamond exports can partially be attributed to the demand from China and the Lunar New Year festivities. Moreover, there was 45 per cent increase in plain gold jewellery exports following the Comprehensive Economic Partnership Agreement (CEPA) signed with the UAE, which signals that the West Asian market is rebounding strongly after a slight dip. Furthermore, studded gold jewellery, which is primarily exported to the US, also improved by about 20 per cent, he said.



REVENGE BUYING. Strong recovery in gem exports is partially due to the demand from China after prolonged Covid lockdown.

The Hong Kong market had experienced a negative trend in the last few months, but is seeing a rebound. The average savings rate in China is about 40 per cent, which translates to trillions of dollars that could potentially be spent in a "revenge buying" frenzy seen in other world markets after prolonged Covid lockdown. This could lead to significant growth in diamond and diamond jewellery exports over the next six months, he said.

Polished lab-grown diamond exports grew 18 per cent to ₹1,117 crore (₹945 crore) while export of coloured gemstones more than doubled to ₹452 crore (₹209 crore). However, silver jewellery declined 43 per cent to ₹1,126 crore (₹1,971 crore) while platinum jewellery slipped 38 per cent to ₹9 crore (₹14 crore).

Economic Times dt. 10.3.23.

Goods and Services Exports all Set to Cross $750 b: Goyal

Minister says other countries give high degree of importance to build bridges with India, expand trade and commercial relations, improving their military and defence ties

Our Bureau

New Delhi: Commerce and industry minister Piyush Goyal on Thursday said India's goods and services exports will soon cross $750 billion.

"Data till February shows that we will cross $750 billion of exports in a few days... Both merchandise and services are growing. Services are growing faster," Goyal said at an event organised by Synthetic & Rayon Textiles Export Promotion Council (SRTEPC) in Mumbai.

He also said $315-320 billion of services exports are expected this year.

India's goods and services exports touched an all-time high

of $422 billion and $254 billion respectively in FY22, taking the total shipments to $676 billion.

The minister said forecasts show that global trade is slowing but India's exports are growing, and when the year started, with the Russia-Ukraine war, orders were slowing in developed economies, and inflation and recessionary conditions were there.

Goyal also said 2,000 products will come under Quality Control Orders as the country has been slow on them.

"Other countries give high degree of importance to build bridges with India, expand trade and commercial relations, improving their military and defence ties with India... every field they feel India is a bright spot and global power, he said, adding that this sweet spot is a rare opportunity.

On free trade pacts, he said that the India-Australia Economic Cooperation and Trade Agreement (ECTA) is a balanced and equitable agreement, and is an opportunity for battery manufacturing.

THE ECONOMIC TIMES dt.

Two-wheeler, PV Exports Decline in Feb

dt. 13/3/23 PTI

New Delhi: Exports of two-wheelers, passenger vehicles and three-wheelers from India declined by 35% in February mainly due to the weakening of currencies against the US dollar in destination countries, especially in the African continent. According to data released by industry body SIAM, shipments of two-wheelers, passenger vehicles and three-wheelers declined to 3,01,561 units last month from 4,63,025 units in February 2022.

Decline comes on the back of weakening of currencies in destination countries, especially in the African continent

Two-wheeler exports dropped by 37 per cent to 2,35,087 units last month from 3,75,689 units in the year-ago period. Motorcycle shipments declined to 2,01,097 units last month from 3,49,221 units in the year-ago period. Scooter exports, however, rose to 33,378 units as compared with 24,830 units in February 2022.

Total three-wheeler shipments declined by 45 per cent to 19,640 units in February from 35,997 units in the same month last year.

"Two-wheelers, three-wheelers and commercial vehicles have seen a drop in exports in the last few months, as there has been a devaluation of currencies in many destinations, especially in Africa and other developing countries," SIAM Director General Rajesh Menon told PTI.

BUSINESS STANDARD dt. 13/3/23

Import dependency for AC compressors may fall to 15%

Domestic manufacturing from month-end under PLI scheme to lower dependence from 85%

SHREYA NANDI
New Delhi, 12 March

Top consumer-appliance companies — LG, Daikin, and Midea — are set to start manufacturing AC compressors by the end of this month, a move that will bring down import dependence to 15-16 per cent of home consumption by 2027-28, according to the government's internal estimates.

The three companies have been selected as beneficiaries under the government's production-linked incentive (PLI) scheme for white goods (AC and LEDs).

The compressor is one of the key components in an AC and accounts for close to 30 per cent of its manufacturing cost. India has been a net importer, with two key companies manufacturing AC compressors in the country being the subsidiaries of a Chinese firm and a US-based entity, people aware of the matter said.

In 2022, sales of ACs in India are expected to have been about 8.5 million units. By 2028, the demand is anticipated to go up to 15 million, thereby increasing the requirement of compressors. The committed capacity of these three companies during FY28 is expected to touch 12.4 million. In that case, India's import dependence will reduce from 84-85 per cent to 16 per cent, according to the analysis.

The cumulative production capacity of Daikin, LG, and Midea during FY24-FY28 will be 19 million, 9.5 million and 9.9 million, respectively.

Of the import requirement, the lion's share -- over 66 per cent -- can be attributed to China, followed by Thailand and South Korea, with 15 per cent and 8 per cent, respectively.

"With the production capacity supplemented by manufacturers under the PLI scheme, the demand for AC compressors is expected to be domestically catered completely in a few years," a person cited above told Business Standard.

To tackle India's dependence on imports and become self-reliant, the Department for Promotion of Industry and Internal Trade (DPIIT) had notified the PLI scheme for white goods in 2021. Apart from the focus on self-reliance, the government wants to create a complete component ecosystem in India and make India an integral part of the global supply chains.

The white goods PLI scheme is set to bring investments worth ₹6,632 crore and ₹6,172 crore for AC components alone. In the case of ACs, companies will manufacture copper tubing, compressors, and heat-exchangers, among other things.

The scheme will extend an incentive of 4-6 per cent on incremental sales for five years subsequent to the base year and one year of the gestation period. Domestic value addition is expected to grow from 15-20 per cent now to 75-80 per cent.