Business Line. Dt: 19/11/24

Gem, jewellery exports up 9% in Oct

Our Bureau
Mumbai

Gem and jewellery exports increased 9 per cent last month to \$2.99 billion against \$2.75 billion logged in the same period last year. In rupee terms it was up 10 per cent at ₹25,194 crore (₹22,857 crore) in October despite a raging war and fast evolving geopolitical climate.

After a steady decline for the last few months, cut and polished diamonds shipments improved 11 per cent to \$1.40 billion (\$1.26 billion), while the same in rupee terms increased 12 per cent to ₹11,796 crore (₹10,495 crore) on the back of renewed demand for India's finely crafted diamonds.

Holiday season in the West is expected to boost demand KSL

OPTIMISTIC OUTLOOK

Vipul Shah, Chairman, GJEPC, said the industry is optimistic that this trend will continue, especially with the approaching holiday season in the West, which will drive further demand for gems and jewellery.

Further, the GJEPC is making concerted efforts to expand into new markets while strengthening demand in existing ones, he added.

Gold jewellery exports was up 9 per cent at \$1.12 billion from \$1.03 billion last month. Export of polished Lab-Grown Diamonds was up marginally at \$138 million (\$136 million).

Colin Shah, MD, Kama Jewelry said the growth in gems and jewellery exports after a prolonged period of sluggishness is a big relief for the industry.

However, he said the geopolitical tensions still remain a matter of concern for the industry and any adverse development on the geopolitical front may hamper the trade activities.

In first seven months of this fiscal, gems and jewellery declined 9 per cent to \$16.58 billion (\$18.24 billion).

Business Line. Dt: 19/11/24

Customs imposes fines on 2 firms for irregularities in organic rice exports

LENIENT VIEW. Dept says each firm paid ₹17 lakh/day as detention & demurrage charges for ships being held up

Subramani Ra Mancombu
Chennai

The Customs Department, an arm of the Finance Ministry, has imposed fines of ₹75 lakh on two exporters for "misleading" authorities by trying to ship out non-basmati white rice as organic non-basmati white rice.

In an order passed last month, the Commissioner of Customs (Appeals) imposed an additional fine of ₹95 lakh on Reliteaur Foods Private Ltd and ₹65 lakh on Elite Agro Specialities. Both have been asked to pay the additional fine to avoid confiscation of their cargo of 25,500 tonnes and 16,700 tonnes respectively.

CONSIGNMENTS HELD

However, industry experts feel the Customs authorities should have acted more sternly, and the penalties were lighter than they could have imposed.

ADDITIONAL PENALTY. The exporters have been asked to pay ₹95 lakh and ₹65 lakh to avoid confiscation of their cargo of 25,500 tonnes and 16,700 tonnes respectively

The Commissioner of Customs (Appeals) issued the order after consignments of both exporters on board merchant vessels Della and SW South Wind-I were detained by the Customs along with the ships.

Customs officials held up the shipments on suspicion that non-basmati white rice, which was banned from July 2023 to September 2024, was being exported as organic non-basmati rice.

On August 12, *businessline* reported alleged irregularities in organic rice exports after their shipments during April-July 2024 exceeded the shipments during the entire 2023-24 fiscal.

Questions were raised over the buyers, mainly African countries, and the price of the shipments.

In his order, Additional Commissioner Vishwajeet Singh said he was taking a lenient view on redemption fines as each of them was paying "heavy" detention and demurrage charges of ₹17 lakh per day for vessels being held up at Kandla port. (Both ships were detained for over 2 months.)

Singh said he found that the exporters had indulged in "mis-declaration of goods by declaring non-basmati white rice as organic non-basmati rice (white rice)" rendering their goods, totally valued at ₹165.34 crore, liable to confiscation under the provisions of Section 113(d) of the Customs Act, 1962.

APEDA'S ROLE

Stating that Customs had allowed exports based on "provisional" transaction certificates the exporters got from the Sikkim State Organic Certification Agency (SSOCA), authorised by the organic exports nodal agency Agricultural and Processed Food Products Export Development Authority (Apeda). Apeda confirmed SSOCA issuing the provisional transaction certificates to both exporters, which was valid when the shipping bill was filed. However, on September 19, Apeda informed the Customs Department that the certificate issued to them had been withdrawn for two years.

The additional commissioner accepted the exporters' argument that the certification was valid when they filed for shipping. He said Apeda did not provide a copy of the order despite various emails. Singh said the exporters had admitted that their consignments were of conventional rice, owing to the fumigation done while loading in the vessel.

Business Line. Dt:- 19/11/24

SEA seeks govt support to boost rapeseed meal exports

Our Bureau
Mangaluru

The Solvent Extractors' Association of India (SEA) has sought the Government's help to boost the export of rapeseed meal and maintain MSP (minimum support price) for rapeseed-mustard to support farmers.

In a memorandum to the various ministers in the Union government, Sanjeev Asthana, SEA President, said domestic prices of mustard seed are currently hovering around ₹6,200-6,300 a quintal without strengthened support for rapeseed meal exports.

Referring to the industry estimates, he said there are good chances that seed prices shall be falling below the MSP of ₹5,950 a quintal soon. "This may hurt the government effort to keep market prices of mustard seed above MSP, and create disruption to current sowing of mustard crop," he said.

NEW CHALLENGES

India has long been a key exporter of rapeseed meal as an essential cattle feed ingredient in the international market, and it exported nearly 2.2 million tonnes (mt) of rapeseed meal in 2023-24, providing crucial support to farmers by enabling better prices for their produce.

Stating that this year presents new challenges, he said rapeseed meal exports have declined from 1.51 mt in April-October 2023-24 to 1.18 mt during April-October 2024-25. Attributing this reduction to the higher pricing in the international market, he said rapeseed meal (ex-Hamburg) is quoted at $283 a tonne at present, $40-50 a tonne less than Indian prices.

A glut of soyabean meal globally is contributing to this issue, with global soyabean production up by nearly 28 mt, reaching 422 mt. Increased demand for soyabean oil for food and energy has driven crushing activities, resulting in an oversupply of soyabean meal, which, in turn, has placed downward pressure on the prices of all oil meals, including rapeseed meal, he said.

DISPOSAL AN ISSUE

Farmers have been encouraged to expand the planting area for rapeseed and mustard due to to a favourable monsoon, improved soil moisture, and strong reservoir water levels. "If weather conditions remain conducive, we anticipate a bumper crop of over 13 mt. While this is a promising development, it also presents a challenge: despite a potentially record-breaking harvest, the disposal of rapeseed meal remains a significant issue," Asthana said.

In addition to this, very low prices of maize DDGS and abnormally low prices of ricebran de-oiled meal are replacing domestic demand for rapeseed meal in feed formulation (cattle and poultry).

Business Line. Dt:- 20/11/24.

Steelmakers push for tax on cheap imports

Reuters
New Delhi

India's steelmakers have urged the government to immediately impose a temporary tax to stem cheap imports from China, Japan and South Korea, according to the latest industry presentation, in a fresh move to pressure New Delhi to curb cheap overseas supplies.

"Surging steel imports is a major concern especially from surplus and major exporting countries including China, Japan and Korea," the Indian Steel Association (ISA), a producers' body, said in its presentation to the Directorate General of Trade Remedies (DGTR).

MILLS IN STRESS

The ISA, which counts JSW Steel, Tata Steel and State-run Steel Authority of India among its members, said in its presentation dated November 13 that mills were going through a difficult phase due to "severe stress" caused by unbridled imports.

The ISA also mentioned that Vietnam, which was once a buyer of Indian steel, has now become an exporter of the alloy to India.

ANTI-DUMPING PROBE

India in August launched an anti-dumping investigation into certain steel imports from Vietnam, which is still ongoing.

India, the world's second-biggest crude steel producer, became a net importer of the alloy in the fiscal to March 31, 2024 and the trend has continued since, with imports rising steadily.

India's finished steel imports during April-October surged to a seven-year high at 5.7 million metric tons, according to provisional government data reviewed by Reuters.

LOSSES MADE

"(The) steel industry in 2024/25 by now has lost margins by 68 to 91 per cent and are under severe stress, leading to uncertainty of funding from investors impacting the capacity expansion," said the association.

JSW Steel Ltd, the country's biggest steelmaker by capacity, last reported a third straight quarterly drop in profits, as rising imports dragged down domestic prices.

The DGTR asked the ISA to submit a formal petition to help initiate an investigation to determine whether cheap steel imports have hurt Indian steelmakers.

The imposition of a safeguard duty will depend on the outcome of the DGTR investigation.

Business Standard. Dt:- 20/11/24

Smartphone PLI rings in record electronics exports

SURAJEET DAS GUPTA
New Delhi, 19 November

Electronics exports reached the highest-ever mark of $19.1 billion within a seven-month period of any financial year, at the end of October 2024. This is a 24 per cent growth over the $15.4 billion export figure for the sector during the same period in the last financial year, according to the latest government data.

The momentum in electronics exports has been built due to the big push in exports through the smartphone production-linked incentive scheme.

For the month of October, electronics exports reached $3.4 billion — a 45 per cent growth over last October, when the sector had clocked $2.4 billion in exports.

Nearly 55 per cent of the electronics exports until October 2024 constituted smartphone exports alone. Apple was a major contributor. Exports of iPhones formed 66 per cent of the smartphone exports and 37 per cent of electronics exports from India until October 2024.

Last year, at the end of October, electronics was ranked the sixth-largest export, behind engineering goods, petroleum products, gems and jewellery, pharmaceuticals, and organic and inorganic chemicals. By October this year, it had jumped three positions to occupy the third slot, only behind engineering goods and petroleum products. Electronics has been India's fastest-growing export, not just on a monthly basis but also cumulatively among India's top five exports for the seven-month period, according to the Department of Commerce. It is not only increasing its position in India's top five exports but also narrowing the gap between electronics goods and second-ranked petroleum exports.

In the last financial year, electronics exports were less than a third of the petroleum exports, which stood at $47 billion in the first seven months. In 2024-25, for the same period, electronics exports have reached nearly half of petroleum exports, which have clocked $40.9 billion thus far.

QUICK TAKE

Commodity	Apr-Oct 2024 ($ bn)	Y-o-Y growth (%)
Engineering goods	67.5	9.7
Petroleum products	40.9	-14
Electronic goods	19.1	24
Gems and jewelleries	17.2	-7.7

Source: government

Business Line. Dt:- 21/4/24.

Asean FTA: India to focus on maximising exports, blocking China

Amiti Sen
New Delhi

India will focus on maximising its exports to the Asean bloc by addressing specific market access issues with each country in the ongoing round of the Asean-India free trade agreement (FTA) review, said sources.

"The idea is to have a more balanced trade with the Asean. Since we implemented the pact in 2010, different Asean countries have moved differently in terms of their export competitiveness and import intensiveness. So, we are trying to maximise our trade volumes with these countries," an official tracking the matter said.

New Delhi will also try to ensure that the rules of origin (ROO) — the criteria to determine the national origin of a product — are stringent enough to ensure that third country imports, especially from China, do not come through the bloc at preferential tariffs.

The key drivers of the ASEAN-India FTA are rules of origin and market access

"The key drivers of the Asean-India FTA are ROO and market access. We want to see that the ground principles in these two areas are agreed upon in the ongoing round," the official said.

IMPORTS, EXPORTS

The chief negotiators from the 10 Asean countries — Brunei, Myanmar, Cambodia, Indonesia, Laos, Malaysia, Philippines, Singapore, Thailand and Vietnam — are in Delhi this week to participate in the fourth round of review of the bilateral FTA, officially called the Asean-India Trade in Goods Agreement (AITIGA).

The AITIGA, implemented in 2010, resulted in disproportionate gains for Asean countries. While India's exports to the bloc increased to $41.2 billion in FY24 from $25.62 billion in FY11, imports shot up to $79.66 billion in FY24 from $30.6 billion in FY11.

Under the pact, both sides agreed to open their respective markets by progressively reducing and eliminating duties on 76.4 per cent coverage of goods.

However, the Asean countries did not take on uniform commitments and had a diverse duty structure with countries like Vietnam taking lower commitments, which India wants to be corrected in the review.

DEFENCE MECHANISM

With China's increased integration with Asean countries over the past decade and a half, India wants that the ROO should be effective in blocking imports of Chinese products through Asean countries.

"ROO needs to be stringent enough to block inflow of Chinese goods into India from the Asean countries at nil or low interest rates. India has to protect against that," the official said.

Business Line . Dt: 21/11/24

the value of relaxed percent-

output at 125.82 lt.

DGFT probes sugar exports to Maldives being diverted to Sri Lanka

Subramani Ra Mancombu
Chennai

The Directorate-General of Foreign Trade (DGFT) has launched a probe into sugar exports to Maldives under a bilateral treaty being diverted to Sri Lanka, trade sources said.

On October 25, *businessline* reported that some exporters allegedly misused a part of the 64,494.33 tonnes of sugar allocated by the Centre for exports to Maldives under a bilateral agreement between the two countries. Following this, the DGFT launched a probe and trade sources said sugar exports to Maldives have come to a halt.

The sources said at least seven parcels of sugar set to be exported to Maldives had been detained at the Nhava Sheva port on the suspicion that it was being diverted to some other place.

BILATERAL PACT

On the other hand, Sri Lankan Customs officials have detained about 70 containers of Indian sugar diverted to Colombo after an alert following the *businessline* report.

On April 5, 2024, the DGFT issued a notification under a bilateral agreement with Maldives permitting rice, wheat flour, dal, sugar, eggs, potatoes and onions, besides stone aggregate and river sand. Though India did not allow sugar exports in the 2023-24 season (September-October) because of a decline in production, it allowed shipments of limited quantities to a few countries, such as Maldives.

AT STANDSTILL

Later, on April 15, 2024, the DGFT said the exports of commodities under the bilateral treaty would be permitted only through Mundra, Tuticorin and Nhava Sheva sea ports, besides the Inland Container Depot, Tughlakabad.

Following the launch of the investigation into the diversion, exports of sugar to Maldives have almost come to a standstill. Trade sources said Sri Lankan officials had stopped clearances at Colombo. They have begun a separate probe against buyers based in Lanka.

Over 80 container loads of sugar from the country, permitted for exports to Maldives, landed in Colombo, Sri Lanka, until mid-October.

Sri Lankan Customs has detained 70 containers of Indian sugar diverted to Colombo

A copy of the bill of lading dated September 30, 2024, made available to *businessline*, showed that shipments of 270 tonnes were made from the Nhava Sheva port with the final port of destination as Colombo.

The bill claimed that the cargo was in transit to Male, Maldives, at the consignee's risk. The bill had a curious note asking the buyers to return the empty containers to the "carriers nominated depot in Colombo on consignee account".

The Male port is not a minor port that requires containers to be returned to Colombo. The sugar consignments were reportedly made available to Lankan traders, sources said.

The invoice raised for the shipment revealed a cost and freight payment of \$580/tonne totalling \$1,56,600 to be paid by a Colombo-based firm to a UAE-based shipper. The consignee was "to be advised". Another invoice dated September 23, 2024, showed a Dubai-based firm selling another 270 tonnes at \$585/tonne totalling \$1,57,950 to an unmentioned consignee. It, however, wanted a Colombo-based company to be notified.

Traders alleged that invoices have been switched to show the destination as Colombo and the buyer as a Sri Lanka trader. Sources said the practice for such shipments is to generate documents for exports and customs clearance for the country to which shipment is permitted.

Once the cargo is out of customs' charge, they get the bill of lading switched to the destination to which it is to be diverted and substitute the invoice. Some consignments have even gone to Port Klang in Malaysia from Nhava Sheva port.

The Economic Times. Dt 21/11/24

Services Exports to Pip Goods Shipments by FY30: GTRI

Our Bureau

New Delhi: India's services exports are expected to reach $618.21 billion by FY30, edging past merchandise exports, which are projected at $613.04 billion, think-tank Global Trade Research Initiative (GTRI) said Wednesday.

It said the country needs to diversify its IT exports beyond the US, regulate the dominance of American tech giants and strategically tap into high-growth areas like transport, travel, maintenance and repair to continue this momentum.

The growth estimates are based on a compound annual growth rate (CAGR) of 5.8% for merchandise exports and 10.5% for services exports between FY19 and FY24.

"Regulating the dominance of US tech giants like Google, Facebook, Amazon and OpenAI is essential to foster the growth of homegrown digital enterprises. Establishing regulations to promote a level playing field can empower Indian companies to compete globally," GTRI said.

Software & IT services and other business services (OBS) accounted for 86.4% of total services exports in FY24.

OBS, which includes legal, tax, consulting and market research services, generated $102.8 billion in FY24, or 33.2% of the total services exports.

"With a global market more than twice the size of IT, OBS is poised to outpace IT services in growth, driven by rising demand for specialised expertise and integration with manufacturing processes," GTRI founder Ajay Srivastava said.

Innovations in artificial intelligence, internet of things and digital transformation continue to drive demand for India's IT expertise globally, with about 80% of these services delivered digitally.

To sustain the momentum of services export growth, India must expand OBS beyond its reliance on GCC markets as diversifying and capturing these untapped opportunities will solidify India's position as a global leader in services exports, according to the report.

Business Line. Dt: 25/11/24.

Thermal coal imports decline for the second consecutive month in October

Rishi Ranjan Kala
New Delhi

India's thermal coal imports declined on an annual basis for the second consecutive month in October 2024, primarily due to a decline in power demand compared with the summer months.

According to Kpler, a global real-time data and analytics provider, India's thermal coal imports, largely utilised by the power sector, plunged by almost 33 per cent y-o-y to 12.77 million tonnes (mt) last month. Month-on-month, the inbound shipments were largely flat.

DEMAND FORECAST

Thermal coal imports fell on an annual basis in October, by 6.19 mt from the multi-year high recorded in October 2023 at 12.77 mt, Alexis Ellender, Major Dry Bulks Analyst at Kpler, told *businessline*. Besides, a major uptick in inbound cargoes are not expected in November and December this year.

"We are not expecting any significant upturn in imports in the short-term owing to weak power sector appetite and an improving domestic supply situation. Firm industrial activity suggests power demand will hold steady through November and December, but a steep increase in power sector coal demand is unlikely unless there is a significant variance in temperatures or supply-side disruptions," Ellender pointed out.

During October this year, India's coal production reached 84.45 mt, registering an increase of 7.48 per cent. Coal production from captive and other entities rose to 16.59 mt, clocking a growth rate of 41.75 per cent on an annual basis. Cumulatively, coal production for FY25 up to October 2024 reached 537.45 mt, an increase of 6.10 per cent y-o-y.

Coal dispatches in October 2024 rose by 4.6 per cent y-o-y to 82.89 mt. Dispatches from captive and other entities also grew by 36.83 per cent y-o-y to 16.18 mt. The cumulative coal dispatch (up to October 2024) rose by 5.52 per cent y-o-y to 571.39 mt. "Coal stocks at Indian power plants have decreased in recent months due to lower domestic production during the monsoon season. However, with lower rainfall, production should now be able to recover. This higher domestic availability will cap import demand as power plants are supplied by domestic mines," Ellender explained.

India's overall power consumption in October 2024 stood at a little over 140 billion units (BU), a marginal growth on an annual basis. However, thermal power generation fell by 2.71 per cent y-o-y to 114.08 BU during the month. Cumulative power generation from all sources rose by 0.9 per cent y-o-y to 149.90 BU.

From April to October in FY25, thermal power generation rose by 4.23 per cent y-o-y to 804.25 BU. Cumulative production was up by 5.29 per cent to 1,102.49 BU.