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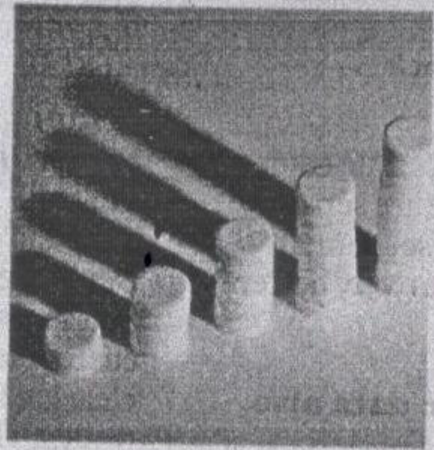
Pharma exports up 3.14% in April-February of FY23

G Naga Sridhar
Hyderabad

Pharmaceutical exports registered a 3.14 per cent growth in April-February period of the current financial year at $22.9 billion compared to $22.20 billion in the same period in the previous financial year.

"The quantum of pharma exports in the current fiscal has been good and as expected, the total pharma exports are set to cross the milestone of $25 billion in FY23," R Uday Bhaskar, Director - General, Pharmaceutical Export Promotion Council (Pharmexcil), an arm of the Ministry of Commerce, told *businessline*.



ON THE RISE. Total pharma exports are set to cross $25 billion in FY23

RESILIENT INDIA

In 2021-22, pharma exports growth was almost flat at 0.71 per cent and reached $24.62 billion. "Given the challenges like the Russia-Ukraine war, I think this is a satisfactory performance," the official said.

Inspite of a slowdown in the growth of global generics space in the current financial year, India's export performance has been resilient, he added.

According to the data from Pharmexcil, a lion's share of exports went to the US, Canada and Mexico (NAFTA) at $7.5 billion followed by Europe at $4.53 billion. Meanwhile, Africa was in the third position with exports of drugs worth $3.2 billion. India also exported 291.55 million doses of vaccines in the same period to 101 countries.

In a noteworthy trend, pharma imports have shown a 10.54 per cent decline during the period at $7.4 billion as against $8.27 billion in April-February 2021-22.

"The industry stepped up APIs production and going forward, we expect more reduction in pharma exports as the production driven by the PLI scheme will help import substitution," Bhaskar said.

In the next financial year, the production under the PLI scheme is expected to begin by some major companies.

Iron ore exports to hit 5-year low in FY23

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Reuters
New Delhi

India's iron ore exports are set to fall 24 per cent to a five-year low in the current fiscal, industry officials said on Wednesday, with export tax imposed last May stalling shipments.

India is likely to export about 20 million tonnes of iron ore in 2022-23, down from 26.3 million last year, the officials said, with China continuing to be the biggest buyer by far.

In May 2022, the government imposed a 50 per cent export tax on low-grade iron ore lumps and fines — with iron content below 58 per cent — and a 45 per cent export duty on pellets to meet the rising local demand.

Although the export tax was eliminated in November, the demand for India's iron ore shipments started to gain momentum only from February 2023, RK Sharma, Secretary-General of the Federation of Indian Mineral Industries, told *Reuters*.

SLOW PICK-UP. Demand for India's iron ore shipments started to gain momentum only from February

CHINESE MARKET

"Exports started picking up in February because the Chinese market picked up slightly, and exports are headed only for China," Sharma said. Between April and January, the first 10 months of FY23, India's iron ore exports to China stood at 10.6 million tonnes, down 43 per cent year-on-year. Supplies to China accounted for 81 per cent of India's total iron ore shipments, government data showed.

In FY22, China bought 21 million tonnes of iron ore and concentrates from India, effectively buying 80 per cent of India's total exports of 26.32 million tonnes.

Engineering exports shrink 9.68% in Feb

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Our Bureau
New Delhi

India's engineering goods exports to nearly 17 key markets, including the US and China, declined in February, as outbound shipments from the sector fell for the seventh straight month, per an analysis shared by Engineering Export Promotion Council (EEPC) India on Wednesday.

Exports dwindled 9.68 per cent in February to $8.58 billion, from $9.50 billion in the same month last year.

"Our analysis indicates that global decline in demand for metals and metal products is mostly responsible for the negative growth in India's exports.

"However, rising raw material prices, especially iron and steel, have also made our metal exporters less competitive in the global market," according to Arun Kumar Garodia, Chairman, EEPC India.

Engineering exports, which account for almost a fourth of total exports of goods from the country, also posted a 4.24 per cent decline in April-February 2022-23 to $96.85 billion from $101.14 billion in April-February 2021-22. Global trade projections are not optimistic, but there are a few positives, said Garodia.

'CHINA TO RECOVER'

"There is a forecast of slow but gradual recovery. China, the largest global consumer, is also expected to recover from its real estate and financial crisis, albeit at a slow pace. In this background, India may also look towards a slow recovery," he pointed out.

Overall goods exports from India in February 2023 fell 8.8 per cent to $33.88 billion, but in the April-February 2022-23 period, exports recorded an increase of 7.55 per cent to $405.94 billion, compared to the same period last year.

Trade flow

	Export figures (in $ billion)				Growth %	
	Feb-22	Feb-23	Apr - Feb 2021-22	Apr - Feb 2022-23	Feb-2022 over Feb-2021	Apr-Feb 2022-23 over Apr-Feb 2021-22
Engineering exports	9.5	8.58	101.15	96.86	-9.68	-4.24
Overall exports	37.15	33.88	377.43	405.94	-8.82	7.55
Share of engineering (%)	25.57%	25.33%	26.80%	23.86%	-	-

Source: Compiled data from DGCI&S, quick estimates published by the Government of India

THE ECONOMIC TIMES dt. 24/3/23

PLI Update, Export Incentives in the Works for Medium Units

Move aims to push small units to scale up operations to move into medium category

Yogima.Sharma
@timesgroup.com

Big Steps

Govt to incentivise small units to become medium sized

Plans to give export & employment-generation incentives

TWEAKED PLI SCHEME FOR MEDIUM UNITS ON CARDS

Niti Aayog working on policy framework

New Delhi: The government could roll out a modified production-linked incentive scheme along with incentives for exports and employment generation for medium enterprises.

The move is aimed at incentivising small units in the MSME category to scale up operations to move into the medium category and generate more employment while integrating them with the global value chain.

The idea is to significantly enhance the number of medium enterprises in the country, which currently constitutes a miniscule 0.01% of the total MSMEs in India, a senior government official told ET.

He said that the NITI Aayog is firming up a policy framework in this regard.

The policy could cover medium units from sectors including engineering, electrical, chemical and pharmaceuticals.

"The government is of the view that the existing MSME policy needs a bit of alignment including a different form of production-linked incentive scheme and direct incentives for certain sectors to help units expand and move into the medium category," the official added.

The draft policy is expected to be firmed up soon, following which the Aayog will seek views of the stakeholders before finalising it.

The government had in March 2020 rolled out the first three PLI schemes for electronic and technology products, pharma, and telecom and networking products, which was later expanded taking the total number to 14.

"If India wants employment generation, we have to incentivise medium-sized enterprises to expand, either through a dedicated PLI scheme for them or other incentives," said Anil Bharadwaj, secretary general at Federation of Indian Micro and Small & Medium Enterprises, adding that the current PLI scheme is targeted at capital incentive manufacturing, which is more automated.

According to Bharadwaj, there is also a need to remove disincentives to grow big. "The government should look at providing easy access to land, equity and reducing the cost of social security to incentivise units to scale up operations as all this is currently a roadblock in transition from small to medium units," he added.

India has an estimated 63.38 million MSME units with 63.052 million enterprises or 99% of total estimated number of MSMEs in the micro category, followed by 331,000 enterprises or 0.52% in small category and 5,000 enterprises or 0.01% in the medium sector, as per the MSME Annual Report 2022-23.

The recent definition of MSMEs classifies enterprises into micro, small and medium on the basis of investment in machinery and equipment, and turnover.

Pulses exports may surge to new high

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BIG BOOST. April-Jan volumes at a record of over 0.5 mt, driven by demand for chickpeas, lentils

Vishwanath Kulkarni
Bengaluru

India's pulses exports for the financial year will likely scale a new record on rising demand for chickpea and lentils from countries such as China, United Arab Emirates (UAE) and Bangladesh.

During the April-January period of the current financial year, pulses exports in terms of volume were up 80 per cent at 5.39 lakh tonnes(lt). In the same period a year ago, exports were 3 lt. In terms of dollar, pulses exports during April-January were up 73 per cent at $476 million ($275 million in the same period a year ago). In terms of rupee, exports were up 85 per cent at ₹3,784 crore (₹2,048 crore), as per the latest data from APEDA. In the financial year 2021-22, pulses exports were 4.1 lt, valued at $379 million.

Scaling new high

Financial year	Volume (lakh tonnes)	Value (US$ million)
2022-23 (Apr-Jan)	5.39	476
2021-22	4.10	379
2020-21	2.96	284
2019-20	2.35	214
2018-19	2.89	263
2017-18	1.80	228

Source: DGCIS, APEDA

DEMAND FROM EXPATS

"There's a lot of demand for Indian pulses, especially *desi* chickpea, *kabuli chana* and lentils among others from countries such as Bangladesh, Sri Lanka and Nepal," said Bimal Kothari, Chairman, India Pulses and Grains Association (IPGA), the apex trade body. From countries such as the US, Canada and the UK, the demand for Indian pulses is largely driven by the expatriates, Kothari said.

"Exports of chana is up due to the demand from Bangladesh and Nepal, while the demand for tur dal is mainly from Gulf countries," said Punit Bachhawat, a miller in Ahmedabad, who supplies to exporters. Also, there's good demand for masoor (lentils) from Bangladesh, which used to import from Australia.

With crop damage in Australia this year, Bangladesh is buying more lentils from India this year and also due to the Ramadan demand, Bachhawat said.

Rahul Chauhan of IGrain India said the growth in pulses exports is driven by the demand for chikpea (*kabuli chana*), desi chikpea and lentils. Other variety of pulses such as pigeon pea (tur), black matpe (urad) and moong have witnessed a decline, he said.

"Lentil exports have more than doubled to around 43,784 tonnes during the April-November period this fiscal against 20,891 tonnes a year ago. Similarly, exports of *kabuli chana* have increased to 85,661 tonnes during April-Dec compared with 45,691 tonnes in 2021-22. Exports of desi chickpea have increased to 68,808 tonnes during April-December compared with 50,773 tonnes a year ago," Chauhan said.

VEGAN PREFERENCE

APEDA chairman, M Angamuthu said "with the rising preferences for vegetarian and vegan foods globally and India being the largest producer of varieties of pulses, we can cater to meet the increasing global demand for pulses."

India is the largest producer and consumer of pulses. As per the second advance estimates for 2022-23, India's pulses production is estimated at a record 278.10 lt against 273.02 lt a year ago. The record pulses output is largely driven by chana and moong crops, while the production of tur and urad was impacted by bad weather across various parts of the country..