Business Line Dt: 04/03/25

Clean cooking push for low-income homes boosts LPG imports in 2024

Rishi Ranjan Kala
New Delhi

India's refined petroleum product (POL) imports during 2024 rose to record levels spurred by higher purchases of liquefied petroleum gas (LPG), as the world's third largest energy consumer pushes clean cooking initiatives, particularly targeting low-income households.

According to OPEC's February 2025 report, India's product imports recorded fresh highs in 2024, averaging 1.2 million barrels per day (mb/d), a gain of 85,000 b/d, or 8 per cent, over 2023. "LPG inflows contributed the most to the increase, up 71,000 b/d, or 12 per cent, boosted by clean cooking programmes targeted to support low-income families..," it added.

IMPORTS UP

LPG imports rose 10.30 per cent year-on-year (y-o-y) to 1.82 million tonnes (mt) in January 2025. However,. it fell by 2.2 per cent on a monthly basis, as per the Petroleum Planning & Analysis Cell (PPAC).

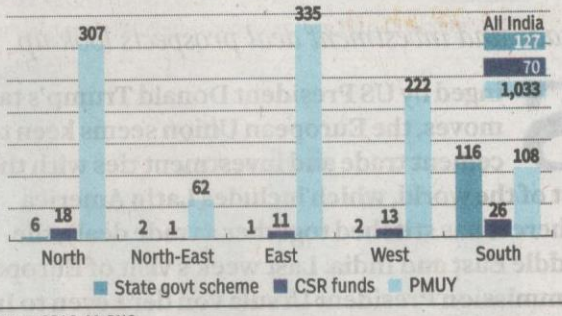
During April-January in FY25, the in-bound cargoes increased 15.1 per cent y-o-y to 17.47 mt on a provisional basis. In fact, LPG imports during Q3 FY25 are among the all-time high numbers for the December quarter. Cargoes rose by 11.52 per cent y-o-y to 5.81 mt. Compared with Q3 FY23, the imports were higher by 18.10 per cent. October 2024 shipments almost touched 2 mt (1.985 mt).

Imports of POL products went up 8.2 per cent y-o-y during April-January FY25 to 43.08 mt, mainly due to increase in imports of petcoke and LPG, etc, PPAC stated.

Imports made due to deficit in production viz, LPG and Lubes/ LOBS accounted for 46.2 per cent share of total POL products import during 10M FY25 compared to 43.2 per cent a year-ago. Share of LPG alone was 40.5 per cent, it added. LPG production stood at 1.18 mt in January 2025.

Fuelling progress

BPL customers (in lakh) covered under various schemes as on Jan 1



Source: PPAC, MoPNG

PMUY'S IMPACT

As of December 2024, the PMUY scheme (Ujjwala 1.0, 2.0 and extended) covers around 10.33 crore beneficiaries, since its launch in May 2016. As of December 2024, a total of 75.1 lakh connections have been issued under the Pradhan Mantri Ujjwala Yojana (PMUY-II extended scheme).

The highest percentage of PMUY connections since its inception in May 2016 have been in the Eastern region at 32.4 per cent. It is followed by Northern region (29.7 per cent), Western region (21.5 per cent), Southern region (10.5 per cent) and Northeast region (6.0 per cent).

South dominates coverage of beneficiaries under State-sponsored schemes, with around 1.16 crore customers covered mainly in Andhra Pradesh, Tamil Nadu, and Telangana, PPAC stated. Only 1.081 crore PMUY connections have been issued as of December 2024 in Southern region, presumably because a large number of BPL families were already covered through State sponsored schemes, it added.

As of December 2024, State-controlled oil marketing companies (OMCs) cumulatively had 32.89 crore active domestic LPG customers, served through 25,542 distributors. OMC's active domestic customers increased at a CAGR of around 8.5 per cent during April 2015 to December 2024. Their LPG distributors increased at a CAGR of around 6.3 per cent during April to 2008 to December 2024.

Around 33.3 lakh new domestic customers were enrolled during April-December in FY25. Public sector OMCs sold nearly 23.1 mt of LPG, of which about 88.7 per cent was in the domestic sector. During the said period, OMCs recorded a growth of 6.1 per cent y-o-y in total sales.

LPG UNDER RECOVERY

Motilal Oswal Financial Services in a recent commentary discussed the session on February 13 led by Oil Minister HS Puri and Oil Secretary Pankaj Jain during the India Energy Week (IEW) 2025. The Ministry of Petroleum & Natural Gas (MoPNG) has said that LPG is a regulated commodity. However, it "remains optimistic" about OMCs receiving compensation to cover LPG under-recovery related losses in FY25 till date.

FINANCIAL EXPRESS. Dt: 04/03/25

China eyeing US farm exports

ASSOCIATED PRESS
March 3

CHINESE MANUFACTURERS REPORTED an uptick in orders in February as importers rushed to beat higher US tariffs imposed by President Donald Trump, as a Chinese state media report said that Beijing was considering ways to retaliate.

Trump earlier imposed a tariff of 10% on imports from China and that will rise to 20% beginning Tuesday. *The Global Times* said Monday that Beijing was studying both tariffs and non-tariff moves to counter Trump's higher tariffs.

Asked about that report, foreign ministry spokesman Lin Jian said that "China will take all necessary measures to firmly safeguard own legitimate rights and interests."

"US agricultural and food products will most likely be listed," it said, citing an unnamed source.

Last week, Chinese Commerce Ministry officials had said the two sides were in a "dialogue" about trade. The stronger-than-expected data came as Chinese leaders gathered in Beijing for the annual session of the National People's Congress.

Business Line. Dt:- 05/03/25

Auto component industry sets $100-b export target in 7-8 years

NEW STRATEGY. ACMA calls to position India as a hub for classic & emerging auto parts

Our Bureau
New Delhi

The Indian auto component industry has taken an ambitious target of reaching $100 billion in the next seven-eight years (currently at $21.2 billion in FY24) in exports.

For achieving this, the country needs to position itself as a hub for both classic and emerging auto components, Automotive Component Manufacturers Association of India (ACMA) said on Tuesday.

The road to $100 billion exports will hinge on two critical factors — a 2-3x growth in classical vehicle components (ICE and carry-over components to EVs) and building an exports-ready foundation in electrification and electronification opportunities, the latest report by Boston Consulting Group (BCG) and ACMA said. The report, titled "Revving Up Exports: The Next Phase of Export Growth for the Auto Component Industry," also said India could potentially add another $40-60 billion in incremental exports by prioritising 11 product families, including engines, gears, gearbox parts, rubber brakes, axles suspension, wiring harness and motors, with focus on the US and Europe markets.

CHANGING FORTUNES. Auto component exports have turned around from a $2.5 billion deficit in FY19 to a $300 million surplus BIJOY GHOSH

Second, India can also capitalise on emerging electric vehicle (EV) and electronic value chain through localisation, to tap into additional $15-20 billion exports in components such as battery management systems, telematics units, instrument clusters and anti-lock braking system, it said.

SUSTAINING GROWTH

"We have not only achieved a positive trade balance, but for auto-specific use cases, the surplus is even more pronounced, reaching around $0.5-1.5 billion. We are committed to sustaining this growth trajectory and have set an ambitious target of $100 billion in exports ahead," Shradha Suri Marwah, President, ACMA, said.

India's auto component exports that reached $21.2 billion in FY24, is a significant turnaround from a $2.5-billion deficit in FY19 to a $300-million surplus, she said. The report also said that as geopolitical dynamics evolve, global original equipment manufacturers (OEMs) are reassessing their supply chains and manufacturing strategies, presenting India with an optimal opportunity to establish itself as a top destination for global OEMs and Tier-1s.

"Encouraging two-three global OEMs to establish manufacturing bases in India can serve as an anchor – helping the domestic auto component players to gain a deeper understanding of global OEM requirements, integrate more seamlessly into their supply chains, and enhance India's position in the global auto component market," Vikram Janakiraman, Managing Director and Senior Partner at BCG, said.

Business Line. Dt: 05/03/25

Nepal to export *chakki atta* to China soon

Gayathri G
Panaji

Nepal will begin exporting *chakki atta* (whole wheat flour made from whole wheat grains using traditional grinding stone mills) to China soon to meet the rising demand from the Indian and Nepali diaspora, a Nepal miller said.

Nepal, which depended on India for wheat until 2022 when New Delhi banned exports, imports wheat from Ukraine and Australia. India permitted export of 2 lakh tonnes of wheat in January through the National Co-operatives Export Ltd (NCEL). But Nepal traders said it was permitted late, and the quantity was insufficient.

Nepal imposes 5 per cent duty on wheat imports from India but in the case of countries such as Australia and Ukraine, it is 10 per cent.

EXPORT CHART. In 2023-24, Japan was the top importer of flour, semolina and chakki atta from Nepal

TALKS ON

The miller, who did not wish to be identified, told *businessline* that talks are on with China and exports may start in a couple of weeks. However, he refused to divulge details such as quantity and cost.

He said the type of wheat available in China is not suitable for making rotis, and Nepal mills were targeting the diaspora.

Till February in the current fiscal year, Nepal imported 72.7 per cent of its requirements from Ukraine and the rest from Australia.

India accounted for 97.8 per cent of Nepal's wheat imports before the Centre banned shipments in 2022 after the Food Corporation of India could not procure enough supplies for its buffer stocks.

In 2023-24, Japan was the top importer of flour, semolina and *chakki atta* from Nepal, accounting for 22.5 per cent of the total shipments. Nepal exports wheat products to Thailand, Malaysia, the UK and the UAE too.

Nepal's roller flour milling industry, comprising 40-odd mills, has a capacity of 1.95 million tonnes. The Himalayan Kingdom produces 21.5 million tonnes of wheat annually.

An Indian industry source wondered why India could not export wheat products such as flour when Nepal, which depends on imports, ships out flour.

The writer is at the conclave at the invitation of The Roller Flour Millers' Federation of India

Business Line. Dt:- 06/03/25

Safeguard duties mulled over rising steel imports

Abhishek Law
New Delhi

The Ministry of Steel has temporarily adopted a "wait-and-watch" policy to assess the full impact of the Trump tariffs.

The primary concern, according to Ministry sources, is to shield the domestic steel industry from a potential supply glut and any distortion in metal prices. To address this, the Ministry is considering the introduction of safeguard duties while urging the Directorate General of Trade Remedies (DGTR) to conclude its investigation into the dumping of steel within the next 6 to 9 months.

According to officials in the know, while the Ministry had pitched for safeguard duties in the 20–25 per cent range, there is a strong possibility of a lower limit expansion. Safeguard duties in the range of 15-25 per cent are being considered to prevent unfair competition and ensure a level-playing field.

Implementation is expected in 6-12 months, but discussions are also on to consider a 6–9 month timeline, sources said.

Some of the steel companies *businessline* spoke to said industry comments have been sought by the DGTR and the same has been provided.

IMPORT INFLUX

India is already witnessing an influx of steel imports, mostly from FTA countries, including China. Finished steel import stood at 8.40 mt for the April–January period (10M FY25), up 22 per cent y-o-y against exports at 4 mt, down by 29 per cent y-o-y. Trade deficit was at 4.4 mt or at ₹36,524 crore in value terms.

Ritabrata Ghosh, Vice-President & Sector Head,

Corporate Sector Ratings, ICRA Ltd, told *businessline*, "With US's steel imports accounting for 6–7 per cent of global steel trade flows, Indian steel mills remain on tenterhooks due to the potential risk of diversion of steel trade away from US to high-growth markets like India." The same concern were raised by some of the Indian integrated steel-makers in their meetings with the Ministry.

According to Abhyuday Jindal, MD, Jindal Stainless, withdrawal of all quotas on steel comes with a set of "opportunities and challenges".

"On one hand, it will in a way help to create a level-playing field to India between various overseas players in the US market," he said., pointing out that India was at a disadvantage compared to Japan, Korea, and the EU, as they benefited from quota-based exemptions. On the other hand, challenges of this policy announcement include reduced market access in the US for major players like Japan, Korea, and EU, and thereby will result in diversion of trade flows to India," he said.

Business Line Dt:- 06/03/25

Arabica coffee exports up 60% in Jan-Feb on demand

Vishwanath Kulkarni
Bengaluru

Indian arabicas are experiencing strong demand from overseas buyers in the early part of this calendar year, despite overall coffee shipments lagging behind last year's levels due to a persistent global supply shortage.

Per Coffee Board data, the permits issued during the first two months were up 64 per cent for the premium arabica parchment variety at 9,881 tonnes over 6,025 tonnes a year ago. Similarly, arabica cherry exports were up 60 per cent at 2,636 tonnes (1,647 tonnes).

The shipments of robustas were down by a quarter during January-February. Robusta parchment exports were down at 2,348 tonnes (3,114 tonnes), while the robusta cherry shipments stood lower at 22,772 tonnes (30,371 tonnes).

Re-exports of coffee were up 11 per cent during January-February at 15,183 tonnes (13,635 tonnes). The overall shipments during January-February were down by a tenth at 60,089 tonnes (66,864 tonnes), data showed.

HAND-TO-MOUTH BUY

Ramesh Rajah, President, Coffee Exporters Association, said overseas buyers are resorting to hand-to-mouth buying as prices continue to rule high. Arabica cherry will receive more movement because of the developments in Brazil, he said.

Brazil is the largest producer of arabicas, while Vietnam is the largest producer of robusta beans. Climate issues in both these top producers have impacted production, resulting in a surge in coffee prices globally. Brazil shipments have been high and it is very surprising, given that the crop was low. So everybody's assuming that they are drawing down heavily on stocks, Rajah said.

Brazil exported a record 50.44 million bags (of 60 kg each) during 2024 — up 28 per cent over previous year.

As coffee prices stay volatile at elevated levels, there is a fear in trade circles that there will be a shift from the high priced arabicas to the less expensive robustas. "Everybody is anticipating that there will be a lot of demand for robustas," he said.

While the harvest of arabicas has ended, the picking of robustas is seen in the final stages. For the current financial year 2024-25, Indian coffee shipments in value terms for the April-January period have witnessed a 43 per cent increase to $1,362 million over corresponding last year's $950 million, mainly on higher prices.

The Economic Times. Dt: 06/03/25

APRIL-JUNE ESTIMATES

Edible Oil Prices likely to Soften as China Slaps Extra 10% Levy on US Soya Imports

Global soya oil prices drop $50 a tonne in 3 days, put pressure on sunflower and palm oil

Sutanuka Ghosal

Kolkata: Edible oil prices are set to soften in the April-June quarter as China has imposed an additional tariff of 10% over and above the 25% import duty on soya bean imports from the US.

The move has led to a decline of $50 per tonne in global soya oil prices in the past three days and has put pressure on other oils such as sunflower and palm oil, whose prices have dropped too.

"Even though India does not import huge quantities of soya bean oil from the US, the Chinese announcement has created a negative sentiment in the market and has brought down prices of the entire edible oil complex," said Sandeep Bajoria, CEO of Mumbai-based Sunvin Group, an oil trading firm. "Due to higher import duty, US soya bean exports to China will reduce and the availability of soya bean in the global markets will go up. This is hurting soya bean oil prices, which have already gone down to $1,100 per tonne from $1,150 per tonne three days back."

India, which annually consumes 22-23 mt of edible oils, imports 14.5-15 mt

Sunflower oil prices have fallen to $1,150 per tonne from $1,190 per tonne and palm oil to $1,200 per tonne from $1,240 per tonne in the past three days.

Angshu Mallick, managing director of Adani Wilmar, said, "Edible oil prices will soften in the April-June quarter as the imported oils at a lower price will land by the third week of March and will be distributed in the market in April. We do not see prices firming up in the first quarter of 2025-26. Prices are expected to stabilise on the lower side."

According to industry executives, oil prices will soften by 4% in April from the current levels. "We are expecting a fall of ₹4 per kg," said Bajoria. He also indicated that there might be a further fall in imported oil prices in the coming weeks. A kg of soya bean oil costs ₹150-155 at present.

India imports more than 65% of what it consumes and its import bill on edible oils stood at $15.9 billion in 2023-24.

The US is the world's second-largest soya bean producer and exporter, next to Brazil. Soya beans make up more than 90% of the US oilseed production. According to the United States Department of Agriculture (USDA) estimates, the US will produce 118.83 million soya beans in the 2024-25 season, up 10.1% from the previous season.

India, which annually consumes 22-23 million tonnes of edible oils, imports around 14.5-15 million tonnes to meet its domestic consumption. The country imports 9 million tonnes of palm oils and 2.5-3 million tonnes each of soybean and sunflower oils.

Mallick said that the production of mustard oil in the country will be quite strong, which will put a lid on the rising prices of edible oils.

"Rise in edible oil prices can only happen if there is a certain knee-jerk reaction globally," he said.

Business Line. Dt:- 10/03/25

Steel imports plunge 40% in Feb amid fears over safeguard duty

Abhishek Law
New Delhi

UNDER STRESS. India's steel exports saw a 60% decline in February to 0.4 million tonnes REUTERS

India's steel imports witnessed a major decline in February — to 0.6 million tonnes (mt), both on sequential and month-on-month basis, down 40 per cent and 29 per cent, respectively. This follows discussions around an ongoing DGTR (Directorate General of Trade Remedies) probe favouring imposition of safeguard duties impacting buying sentiments.

There was some decline in the incoming Chinese stocks too. This is the second major decline in imports this year after November.

In November 2024, buyer sentiments in India were impacted following a brief period of price rise in the metal in China. Imports then were at 0.75 mt versus 1 mt-odd in November 2023 and against a similar 1 mt of the metal coming in October (around 25–30 per cent decline).

EXPORTS SINK FURTHER

Exports continued to be under-stress, witnessing a 60 per cent decline in February to 0.4 mt, from 1 mt levels. Sequentially, shipment of the metal remained flat.

While Indian traders have resumed offers to the Middle East for benchmark hot rolled coils (HRCs), demand from key buyer markets in Europe were weak following the anti-dumping investigations there. Offers to Vietnam were also subdued.

On an 11-month comparative basis, imports remained on the higher side at 8.9 mt (7.7 mt), up 16 per cent y-o-y, and exports were at 4.9 mt (6.7 mt), down 34 per cent y-o-y, indicating that India was a net importer of the alloy, per a Steel Ministry report accessed by *businessline*.

For most months of this fiscal, India's steel imports have been in the range of 0.70 – 1 mt, barring April and June, when Indian steelmakers were still competing with the Chinese on price.

"Discussions around imposition of safeguard duty, and the Budget bringing in relief for Indian steel makers led to some slowdown in orders from Indian traders. This is reflected in February numbers," a Ministry official said. A market participant said, most of the metal orders were in January as numbers shot up to nearly 1 mt (almost up 15 per cent sequentially).

MILLS HIKE PRICE

Incidentally, Indian steel mills have initiated a ₹1,400–₹1,500 per tonne hike in HRC prices for March deliveries, with price of the metal varying in the ₹48,500 per tonne range.

Planned maintenance at key mills may tighten supply coinciding with anticipated quarter-end demand.

But, buyer price resistance and generally subdued market activity is expected to moderate any potential price increase, market research firm BigMint stated in a report.

Till February, the Ministry report said, consumption grew nearly 12 per cent y-o-y to 138-odd mt (123 mt); while finished steel production was 132.6 mt, up nearly 5 per cent.

According to the report, stock variation levels were in the negative, indicating lesser supplies in the market.