

Business line dt. 17.1.23

Amid global headwinds, exports fall 12.2% in Dec

Our Bureau

New Delhi

India's goods exports in December 2022 declined 12.2 per cent (year-on-year) to \$34.48 billion, pulled down by items such as petroleum products, gems & jewellery, engineering goods, cotton yarn & fabrics, coal, and meat & dairy, as global headwinds and recessionary trend in major developed country markets continued to take a toll on demand, according to data released by the Commerce Department on Monday.

The country's goods imports, too, declined during December 2022, although at a lower rate of 3.4 per cent to \$58.24 billion, as gold, chemicals, dyeing/tanning materials, project goods and cotton took a hit, with trade deficit at \$23.76 billion, per the quick estimates.

TRADE DEFICIT WIDENS

During April-December 2022, country's goods exports increased 9 per cent to \$332.76 billion while imports rose 24.96 per cent to \$551.7 billion. Trade deficit for April-December 2022 widened to \$218.94 billion from \$136.45 billion in April-December 2021.

Exports of electronic goods, including smartphones, recorded a growth of 51.56 per cent to \$16.67 billion during April-December 2022 and were a bright spot, according to the government. Exports of petroleum products, too, posted a high growth of 52.15 per cent to \$70.28 billion, a growth of 52.15 per cent. In fiscal 2021-22, India's exports were highest in December, so the growth rate for the month was calculated on a high base, Commerce Secretary Sunil Barthwal said at an interaction with the media on Monday.

"In most of the Western world, including Europe and the US, there are recessionary trends. In China, there are problems due to the Covid-19

TRADE DATA

- Exports in December 2022 declined 12.2 per cent y-o-y to \$34.48 billion
- Imports, too, fell 3.4 per cent to \$58.24 billion
- Trade deficit for April-December 2022 widened to \$218.94 b from \$136.45 b in April-December 2021

situation...We are facing a lot of headwinds," the Secretary said, adding that despite all downsides, India's export competitiveness was holding up.

India's top export destination in April-December 2022 was the US with exports growing 6.8 per cent to \$59.57 billion. UAE was the second largest destination with exports at \$23.13 billion (increase of 15.4 per cent) while Netherlands was at third spot with exports to the country growing 68.86 per cent to \$13.67 per cent. China was India's fourth largest export destination in the April-December 2022 with a 35.58 per cent decline to \$11.03 billion.

BUDGET EXPECTATION

"Considering the gloomy world economic outlook for 2023, the global trade prospects are dim and its signs have been visible in the high-frequency numbers. In view of this, we see challenging times ahead for the engineering goods sector. We hope that in the upcoming Union Budget, the government will consider our demands...", said Arun Kumar Garodia, Chairman, EEPC India.

Exporters' key demands include lowering corporation tax for partnership firms, tax exemption for MSMEs, and weighted tax deductions of up to 150 per cent on costs incurred due to export promotion in other countries.

Business line dt. 17.1.23

Imports from Russia surge 400% on rising crude inflows

COST ADVANTAGE. Offering oil at discount, Moscow turns 4th largest supplier in Apr-Dec

Amiti Sen
New Delhi

Russia became the fourth, largest source of crude oil for India in April-December 2022, with total imports from the country rising 400 per cent (year-on-year) to \$32.88 billion. This is largely due to increased sourcing of discounted crude, following the Ukrainian crisis, data released by the Commerce and Industry Ministry show.

In 2021-22, Russia was India's eighteenth largest import partner accounting for \$9.86 billion of imports.

Russian crude supply in April-November 2022 to India is estimated at \$19.23 billion, according to Commerce Department figures, making it the third largest supplier after Iraq (\$24.39



MAKING ADVANCES. In April-November, Russia was the third top crude supplier after Iraq and Saudi Arabia

billion) and Saudi Arabia (\$20.65 billion).

India's exports of goods to Russia, on the other hand, declined 14.22 per cent in April-November 2022 to \$1.87 billion due to issues related to market access and standards. The Commerce Ministry is in talks with Russian officials,

the Indian Embassy in Russia and various export promotion councils to see how the matter could be sorted out.

RUPEE TRADE

"When the rupee trade mechanism with Russia is fully operational, the country would anyway want to

buy more from India to use the rupee payment it gets for oil. India is hopeful that its exports to Russia will start rising soon," the source said.

The data for oil imports from Russia is largely in line with latest reported data from energy cargo tracker *Vortexa*, highlighting that Russia supplied 1.19 million bpd of crude oil to India in December alone, it said.

"Because of the Russia-Ukraine war, we were able to get crude at cheaper rate from Russia. This allowed us to import more and use our refining capacity to the hilt. We not only consumed the imported oil but also exported refined petroleum products. This is also a success story in terms of petroleum product exports," an official tracking the matter told *businessline*.

Business Standard dt. 17.1.23

Exports slide 12% on recession fears

Imports contract in December; trade deficit widens

SHREYA NANDI

New Delhi, 16 January

India's merchandise exports contracted 12.2 per cent year-on-year (YoY) in December to \$34.48 billion as slowing external demand amid recession fears in developed economies continued to weigh on outbound shipments, the data released by the commerce and industry ministry showed. Still in the first nine months of the current financial year, exports grew nearly 9 per cent.

The latest decline in the value of outbound shipments can also be attributed to the statistical effect of a high base because December 2021 witnessed the second-highest monthly exports in the previous financial year at \$39.3 billion.

"There are a lot of headwinds. Despite that, our export competitiveness has held its head high... It is clear that there are headwinds and there is a recession in our export countries (markets). Therefore, we need to look at export targets in a manner that we are able to reap benefits in relation to countries witnessing GDP growth, such as Brazil and other Latin American nations," Commerce Secretary Sunil Barthwal said on Monday.

Imports last month also contracted 3.46 per cent to \$58.24 billion, amid falling commodity prices. The trade deficit widened to \$23.76 billion, against \$21.06 billion in November last year but was still lower than the all-time high of \$29 billion in September.

Barthwal said that the decline in imports could be because of a combination of factors. For instance, some imports are related to exports. If there are recessionary trends and the export outlook is weak, demand for the import of raw materials of outbound products also declines.

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FROM PAGE 1

Exports...

"We have consciously chosen to reduce gold imports. Some products, such as pharmaceuticals and crude oil, are being purchased at lower prices. Imports also decline if import substitution is taking place," Barthwal told reporters.

Aditi Nayar, chief economist at ICRA, said the softness in prices of some commodities contained imports to an extent, stabilising the trade deficit near the previous month's level -- well below the average \$26-billion gap seen in the six months ended October 2022.

India's merchandise exports saw YoY growth in only 11 of 30 sectors, such as ready-made garments, electronic goods, tea, fruits and vegetables, and rice. High-value products -- petroleum products, gems and jewellery, pharmaceuticals, chemicals, engineering goods -- witnessed export contraction.

According to Barthwal, a

jump in the export of electronic goods can be attributed to incentives being given to companies under the production-linked incentive (PLI) scheme. Rice exports, too, have risen, in a sign that India is trying to become a source of food security for other countries.

"Despite recessionary conditions, India has been able to maintain a good level of exports for textile products," he said.

On a cumulative basis, exports witnessed 8.8 per cent growth during April-December and stood at \$332.76 billion.

"Given cumulative growth until December 2022 and indications of a slowdown in global economic activity, there is cautious optimism about international trade in the last quarter of the current financial year," an official statement said. Non-petroleum, non-gems and jewellery exports, also known as core exports, fell 8.5 per cent in December to \$27 billion.

A Sakthivel, president of the Federation of Indian Export Organisations, said that the decline in merchandise exports

is a reflection of the toughening global trade conditions on account of high inventories, economies entering a recession, high volatility in currencies, and geopolitical tensions. "The drop in commodity prices and restriction on some exports with a view to stemming the price increase in the domestic market have also affected the growth numbers," Sakthivel said, adding that the coming months would be challenging unless both global economic growth and geopolitical situation improved drastically.

Exports Decline 12.2% in Dec as Global Slowdown Hits Demand

Trade deficit widens to \$23.9 b; eleven out of 30 export sectors report growth

Our Bureau

New Delhi: India's goods exports dropped 12.2% in December from a year earlier to \$34.5 billion as the deepening global slowdown dent-ed consumer demand across most of the developed world and many emerging economies.

The drop in imports was less as the growing Indian economy con-tinued to ship in inputs and goods. Imports declined to \$58.2 billion in December against \$60.3 billion in the same month last year. India's merchandise trade deficit in De-cember widened to \$23.9 billion against \$21.1 billion a year ago.

"US and Europe are facing reces-sionary trends. In China, there is huge demand reduction. So, we are facing a lot of headwinds," commerce secretary Sunil Barth-wal said. "Our export competi-tiveness has held its head high de-spite the strong headwinds we're facing."

During April-December this fis-cal, the country's overall exports



rose 9% to \$332.8 billion while im-ports were up a quarter to \$551.7 billion.

"Encouragingly, non-oil, non-gold exports rose, albeit only slightly, despite global growth headwinds and the decline in ex-ports across Asia," Rahul Bajoria of Barclays said in a note.

Eleven out of 30 export sectors reported growth.

Among the key export items, en-gineering goods shipments de-clined about 12% on-year in De-cember to \$9.1 billion while those of gems and jewellery fell 15.2% to

\$2.54 billion.

Petroleum products exports con-tracted almost 27% to \$4.9 billion in December.

In April-December this fiscal, the US emerged as the largest ex-port destination with a growth of 6.8% at \$59.57 billion. It was fol-lowed by UAE, Netherlands, Ban-gladesh, and Singapore.

Though the trade deficit rose in December, reversing several months of declining trend, ex-ports say with commodity prices easing imports should fall, help-ing bring down the merchandise

trade gap.

"We believe the current account deficit has likely peaked in Q2 FY2023, and foresee a moderation to US\$25-29 billion each in the sub-sequent two quarters," said Aditi Nayar, chief economist, ICRA.

SOFTER IMPORTS

On a year-on-year basis, imports fell for the first time since Novem-ber 2020.

Imports of coal, coke and bri-quettes almost doubled to \$40.6 bil-lion during April-December FY23 as against \$21.66 billion a year ago.

Imports from Russia jumped four times to \$32.88 billion during April-December 2022 as India bought more crude oil, taking ad-vantage of the lower prices of-fered.

In December, oil imports rose 6% to \$17.5 billion while gold imports dropped 75% to \$1.18 billion as prices hit a record high.

Imports from China rose about 12% to \$75.87 billion in April-De-cember 2022 period whereas ex-ports fell 35.58% to \$11 billion.

Financial Express dt. 17.1.23

WEST'S INCIPIENT RECESSION HITS INDIA

Exports fall 12.2%, trade deficit up

CAD may have peaked in Q2, but worries alive

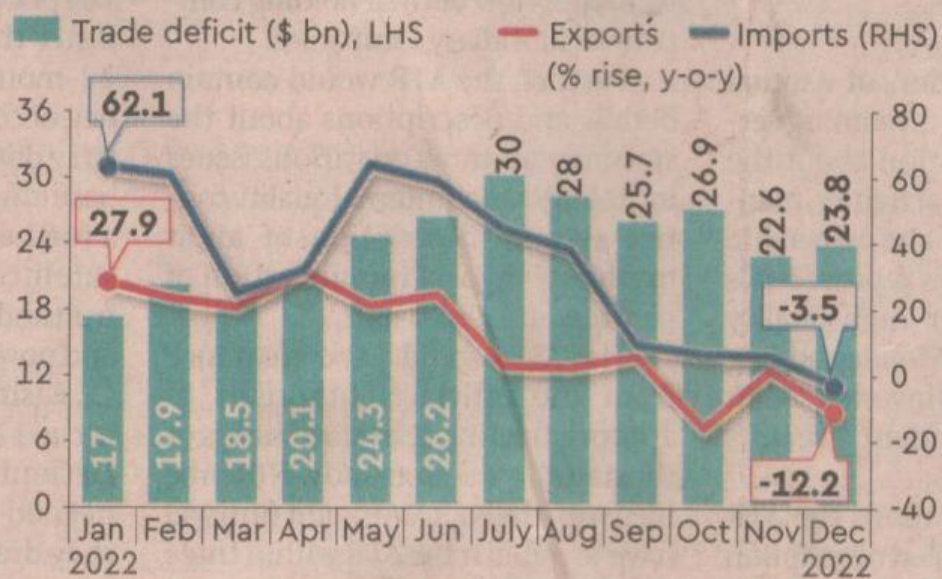
FE BUREAU
New Delhi, January 16

THE IMPACT OF an incipient recession in the west on India's foreign trade has become unmistakable. Merchandise exports shrank 12.2% in December 2022 from a year before to \$34.5 billion, the second contraction in three months, owing to a slowdown in demand from key markets in the wake of aggressive rate hikes by major central banks and an unfavourable base. Goods exports had contracted 16.65% on year in October, while a flat growth was reported in November.

Imports, too, dropped in December, albeit at a slower pace of 3.5%, to \$58.2 billion, reflecting the impact of subdued domestic goods consumption in recent months. Plus, easing global commodity prices have impacted both exports and imports in value terms.

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GOODS TRADE



Source: Commerce ministry releases

Exports fall 12.2%, trade deficit up

Higher imports led to a rise in trade deficit to almost \$23.8 billion in December from \$22.6 billion in the previous month, although it's still way below July's record level of \$30 billion.

India's current account deficit (CAD) widened to \$36.4 billion, an all-time-high in absolute terms, and 4.4% of GDP, in the September quarter owing mainly to a record deficit of \$83.5 billion. There was a massive depletion — \$30.4 billion — of foreign exchange reserves on a balance

of payments (BoP) basis in the quarter, as against accretions of \$4.6 billion in Q1FY23 and \$31.2 billion in Q2FY22. Analysts reckon CAD may have peaked in Q2FY23, but it might still remain at elevated levels, although the possibility of capital outflows is seen to impact the exchange value of the rupee more.

As many as 19 of the 30 key segments — including petroleum products, engineering goods, gems and jewellery, textiles and garments, drugs and pharmaceuticals — witnessed a decline from a year before. However, on a month-on-month basis (without adjusting for seasonal factors), goods exports inched up by 7.7% in December.

With global economic growth expected to drop further in 2023, Indian exporters, who had gained profusely from global, post-Covid industrial resurgence in FY22, foresee greater risks in coming months.

Commerce secretary Sunil Barthwal asserted that India's exports have held up despite growing external headwinds. "There are recessionary trends globally. So, we are facing a lot of headwinds," he said. The commerce ministry, Barthwal said, is undertaking a comprehensive "country-wise as well as commodity-wise" analysis to push up exports.

In a statement, the ministry said, "The resilient growth of the Indian economy during the first half of the current financial year, the fastest among major economies, bespeaks strengthening macroeconomic stability... However, global growth forecasts indicate downturn in global economic activity and trade."

The World Trade Organisation in October warned of a "darkened 2023" and projected that global trade growth will drop to only 1% this year from 3.5% in 2022. Between April and December of this fiscal, goods exports rose 9% to \$332.8 billion, while imports jumped almost 25% to \$551.7 billion, primarily due to impressive growth in the first half.

Merchandise trade deficit until December this fiscal was at \$218.9 billion, against \$136.5 billion a year before. Federation of Indian Export Organisations president A Sakthivel said the export decline "is a reflection of the toughening global trade conditions on account of high inventories, economies entering recession, high volatility in currencies and geopolitical tensions". The drop in commodity prices and restriction on some exports (wheat, broken rice, etc), with a view to reining in domestic inflation, have also affected export growth this fiscal.

EEPC India chairman Arun Kumar Garodia said, "Considering the gloomy world economic outlook for 2023, the global trade prospects are dim and its signs have been visible in the high-frequency numbers. In view of this, we see challenging times ahead for the engineering goods sector." Iкра chief economist Aditi Nayar said the current account deficit has likely peaked in the second quarter (\$36.4 billion). She predicted a moderation to \$25-29 billion each in the subsequent two quarters, as trade deficit moderates from the record level of almost \$84 billion in the September quarter.

Core exports (excluding petroleum and gems & jewellery segments) dropped to \$27 billion in December from \$29.5 billion a year before. Such imports, however, rose marginally to \$36.9 billion from almost \$36 billion. The export segments that witnessed contraction in December included petroleum products (26.9%), gems and jewellery (15.2%), engineering goods (11.9%), drugs and pharmaceuticals (1.9%). The segments that recorded growth included electronics (37%) and rice (13.3%). Oil imports, meanwhile, rose by 5.9% to \$17.5 billion, while gold imports crashed by 75% to \$1.2 billion in December. Meanwhile, imports from Covid-hit China jumped 12% to \$75.9 billion until December this fiscal but exports to the neighbour crashed 35.6% to \$11 billion.

In April-December this fiscal, the US remained the largest export destination with a growth of 6.8% to \$59.6 billion.

PRE-IMPORT CLAUSE

Business Standard dt. 18.1.23

SC: Give specifics of notices to exporters seeking GST relief

SHRIMI CHOUDHARY

New Delhi, 17 January

The Supreme Court on Tuesday asked the revenue department to provide details of the total number of show-cause notices issued for availing of the goods and services tax (GST) exemption in instances where exports had preceded imports, and where high courts (HCs) granted interim orders.

The apex court sought details, while reserving the order on the central government's plea against a Gujarat HC order.

The HC had in 2019 held that the "pre-import" condition is ultra vires the advance authorisation scheme under the foreign trade policy.

The government had moved a special leave petition (SLP), challenging the HC order the same year.

While agreeing to hear the revenue department's plea, the apex court also stayed the HC order.

In the SLP, the revenue department holds the view that a pre-import condition would mean goods have to be imported first and final products manu-



the imported material to be used for the manufacture of finished goods, which, in turn, are required to be exported towards the discharge of an export obligation. The same is possible only when exports happen after the commencement of imports, thereby allowing reasonable time for the manufacture of finished goods.

Therefore, when the law demands a pre-import condition on the input material to be imported, the same cannot simultaneously enjoy the benefit of export in anticipation of authorisation.

The revenue department in the SLP also pointed out that importers/exporters have been availing of the benefit of the said provision without exception and that export goods are made out of domestically or otherwise procured materials and the duty-free import goods used for a purpose other than the manufacture of export goods.

"There is a lack of intelligible differentialia to deny the benefit of exemption to that class of exporters, which had already exported the goods and received the authorisation after exporting such goods," observed Rastogi.

The SC seeks details from revenue department as it reserves final order

factured from such imported goods have to be exported.

Exporters, however, resisted the pre-import condition rule.

"The imposition of a pre-import condition defeats the objectives of the advance authorisation scheme that aims at providing working capital benefit to Indian exporters," argued Abhishek Rastogi, counsel on behalf of exporters.

The revenue department is of the view that a pre-import clause requires

Business Line dt 18.1.23

Russia, UAE aid rise in tea exports

OFFSETTING LOSSES. Growth despite Tehran stopping import of the beverage from New Delhi

Shobha Roy
Vishwanath Kulkarni
Kolkata, Bengaluru

Despite a sharp decline in purchases by Iran, a key buyer, Indian tea exports are predicted to be higher by 13 per cent at around 220-225 million kg (mkg) in 2022 on higher demand from the Russian Federation, CIS countries and West Asia. India had exported 195.5 mkg in calendar year (CY) 2021.

Tea exports during January-October 2022 were up 16 per cent at 185.31 mkg compared with 159.88 mkg during the same period last year, as per Tea Board data. According to industry insiders, exports could have been higher had the situation in Iran been "normal" and export orders were received as usual.

FALL MORE SHARP?

Iran, a vital market for Indian orthodox teas, was the second-largest buyer in 2021. The shipments to Iran declined nearly



UPWARD RALLY. Exports during January-October 2022 were up 16% at 185.31 mkg compared with 159.88 mkg during the same period last year

nine per cent to 19.52 mkg during January-October 2022 against 21.45 mkg last year. The decline in exports could be higher as Iran has stopped buying Indian teas for over a month now.

However, the decline in purchases by Iran is offset by higher demand from other buyers. "There is improved demand from Russia and we have been exporting quite a lot of teas to

Continental Europe and UAE now," said N Lakshmanan Chettiar of Golden Hills Estates Pvt Ltd, an orthodox tea producer and exporter in Coonoor.

Overall tea exports to the Russian Federation were up nearly 15 per cent at 32.8 mkg, estimated at close to ₹532 crore during January-October 2022 against 28.57 mkg valued at ₹515 crore last year. Export to total CIS countries increased 18 per

cent at 43.65 mkg valued at ₹732 crore compared with 36.95 mkg at ₹682 crore, Tea Board said. There has been a significant surge in exports to UAE, which has grown 165 per cent at 32.95 mkg at ₹999 crore against 12.45 mkg at ₹311 crore.

ROUTED VIA DUBAI

According to sources, some of the teas to Iran are being routed through Dubai leading to a huge surge in the numbers. "We are expecting to touch exports of 220-225 mkg during CY 2022. We have already exported around 185 mkg till October this year," Sujit Patra, Secretary, Indian Tea Association told *businessline*.

According to industry insiders, Iran has stopped issuing order registration of the proforma required for importing tea from India since November-end. The Ministry of Agriculture, Government of Iran, as per available reports from some tea buyers, has been prevented from issuing order registration.

Business Line 18.1.23

Rapeseed meal, soyameal boost oilmeals export

Our Bureau
Mangaluru

An increase in the export of rapeseed meal and soyabean meal helped India record a 60 per cent growth in the export of oilmeals during the first nine months of the 2022-23 fiscal.

According to the data available with Solvent Extractors' Association (SEA) of India, the country exported 28.25 lakh tonnes (lt) of oilmeals during April-December of 2022-23 against 17.67 lt in the corresponding period of 2021-22, recording a growth of 60 per cent. Export of oilmeals was provision-

ally reported at 4.33 lt during December 2022 when compared to 1.70 lt in December 2021, an increase of 153.66 per cent.

BV Mehta, Executive Director

of SEA, said the export of rapeseed meal has set a new record of 16.71 lt during first nine months of 2022-23, and broke the earlier record of 12.48 lt in 2011-12. India had exported 7.13 lt of rapeseed meal during April-December of 2021-22.

Currently, India is the most competitive supplier of rapeseed meal to South Korea, Vietnam, Thailand and other Far-East countries at \$255 a tonne (f.o.b) while rapeseed meal (Hamburg ex-mill) is quoted at \$405 a tonne, he said. The better realisation from rapeseed (mustard) oil and export of rapeseed meal not only supported domestic price of mustard seed



Rapeseed meal export has set a new record of 16.71 lt during first nine months of 2022-23 REUTERS

SOYAMEAL UP 70%

India exported 4.47 lt of soyabean meal during April-December of 2022-23 against 2.62 lt in the corresponding period of the previous fiscal, recording a growth of 70.54 per cent. Mehta said South Korea has emerged as the largest importer of oilmeals during the first nine months of 2022-23.

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Drop in exports, demand worry cashew sector

V Sajeew Kumar
Kochi

With falling exports, the cashew industry fears a challenging year ahead amid global slump and high raw material prices.

Industry sources pointed out that the disruptions in production and supply chain are still continuing and they attributed the reason to the impact of Russia-Ukraine conflict, inflation and recession.

J Rajmohan Pillai, chairman of Beta Group, the owners of NutKing brand, told *business-line* that reduced spending on discretionary items like cashew nuts has hit the industry badly. China was a major cashew market and its zero Covid policy adopted last year disrupted shipments there. "Last year was challenging and the situation is expected to continue this year," he said.

The sector is now facing a challenge, with higher prices



for raw cashew, surging processing cost and declining export prices. The price for W320-grade cashew nuts is now in the range of \$2.5-2.6 against \$2.95-3.1 last year. The raw nut price is now in the range of \$1,240 per tonne against \$1,200 last year.

There has also been a delay in receiving shipments of raw cashew. Usually, at the beginning of the year, businesses signed contracts for at least until the third quarter. But this year, most importers in the US and EU do not plan to import cashew until the end of the second quarter, Pillai said.

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National Co-operative Exports to deal with agriculture, textile and handicrafts

Prabhudatta Mishra

New Delhi

The newly-approved National Co-operative Exports Ltd (NCEL) will cover agriculture and allied activities as well as handloom and handicrafts items by enrolling a large number of co-operatives under its fold. It will have a target to double its revenue by 2025 from the current level of about ₹2,160 crore among 10 major co-operatives that will be its members.

NCEL will have an authorised share capital of ₹2,000 crore, in which the initial paid-up share capital will be ₹500 crore to be contributed equally by Indian Farmers Fertilizer Cooperative (IFFCO), Krishak Bharati Cooperative (KRIBHCO), National Agricultural Cooperative Marketing Feder-

ation of India (NAFED), Gujarat Cooperative Milk Marketing Federation (GCMMF) and National Cooperative Development Corporation (NCDC), sources said.

MAIN ISSUES

Initially, the registered office will be in New Delhi and NCEL will start operating from GCMMF's Delhi office, sources said. In the co-operative sector, the export turnover of GCMMF, which owns the AMUL brand, was highest at ₹1,530 crore, whereas its turnover was ₹46,481 crore in 2021-22. In all the other co-operatives, the revenue from export is even lower against turnover, officials pointed out.

"Sufficient finance, export orientation, adequate infrastructure, standardisation, market awareness and certification of products are some of

the main issues that need to be addressed for growth of exports by co-operatives," an official said. Proper institutional support for aggregation of domestic surplus, working capital, logistics, technical know-how and training are required by the co-operatives to raise their share in export basket, the official added.

"Only a few co-operatives are directly involved in exports despite their widespread presence and substantial contribution in the economy," the official said, adding NCEL could easily help double the export turnover of co-operatives in the next two years. As there is no financial contribution by the Centre or its interference in the management of NCEL, the society is likely to operate purely as a business entity, similar to what AMUL has demonstrated, the official said.

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From Anand, Amul to anchor NCOL to boost India's organic exports

Prabhudatta Mishra
New Delhi

National Co-operative Organics Ltd (NCOL), which got the approval of the Union Cabinet last week, aims to propel India's share (currently less than 3 per cent) in the global organic market, estimated at ₹10-lakh crore, where the US, Germany and France together have nearly two-third share.

With an authorised share capital of ₹500 crore, NCOL will be established with initial paid-up share capital of ₹100 crore to be equally shared by the Gujarat Cooperative Milk Marketing Federation (GCMMF), National Agricultural Cooperative Marketing Federation of India (NAFED), National Cooperative Consumers' Federation of India

● **ORGANIC BOOST**

NCOL will manage the entire supply chain of organic products produced by co-operatives and related entities through member co-operatives

opt various business models by utilising the brand and marketing network of GCMMF. NCOL will develop its own brand simultaneously.

BALANCED APPROACH

"Organic farmers have been endeavouring to position up in the value chain without much success as 99 per cent of Indian organic agriculture certification belongs to grower groups, which are mostly promoted by traders. The current organic co-operative will strike a balance and create new independence for farmers," said trade policy expert S Chandrasekaran. Termining the recent government initiative a correct approach, he said: "It is also imperative that APEDA should become a stakeholder in order to create synergy in the public interest."

(NCCF), National Dairy Development Board (NDDB) and National Cooperative Development Corporation (NCDC). The registered office will be at NDDB's head office in Anand, Gujarat, where GCMMF is also located.

NCOL will manage the entire supply chain of organic products produced by co-operatives and related entities through member co-operatives, an official said. It will ad-

Business Live dt. 18.1.23

UP sugar output up; mills exchange export quota

Our Bureau
New Delhi

Sugar production in Uttar Pradesh, India's largest sugarcane growing State, remains high so far this season despite severe rainfall deficit in most of the districts and pest attacks on the main sugarcane variety, CO-0238, in several parts. But, Maharashtra may continue its top position as sugar producer for the second time this season.

According to Indian Sugar Mills Association (ISMA), sugar production until January 15 in the current season (October 2022-September 2023) was 156.8 lakh tonnes (lt) against 150.8 lt in the corresponding period a year ago. The data excludes the quantity diverted for production of ethanol.

Maharashtra has produced 60.3 lt, up from 58.8 lt a year ago, while mills in Uttar Pradesh have reported an output of 40.7 lt against 40.2 lt last year.

Uttar Pradesh became the



AT THE TOP. Maharashtra may continue to be the top sugar producer for the second consecutive season

country's largest sugar producer in the 2016-17 season, thanks to the CO-0238 variety that improved both productivity and cane juice recovery substantially.

However, Maharashtra regained the status of top producer in 2021-22 with a production of 137.2 lt of sugar.

ALTERNATIVE NEEDED

"There is an urgent need to find an alternative variety to CO-0238 with similar yield and recovery. Sugarcane farmers do not know what to do in view of red rot disease affecting the wonder variety,"

Minister of State for Animal Husbandry and Dairy, Sanjeev Balyan, recently said at a conference organised by web portal Rural Voice. Balyan, who is MP from Muzaffarnagar in western Uttar Pradesh, also said it became the first such variety that pleased both farmers and sugar mills.

The CO-0238 variety increased sugar recovery by 2 per cent, benefiting the sugar mills, and raised cane productivity 1.5 times, benefiting farmers.

When the country's sugar production in 2019-20

dropped 21 per cent, the output touched a record high of 126.38 lt in UP. According to ISMA data, production in Karnataka, the third-biggest producer, is also higher, at 33.6 lt against 32.7 lt. Tamil Nadu has produced 3.6 lt compared with 2.1 lt a year ago and Gujarat's output has been recorded at 4.8 lt against 4.6 lt.

Meanwhile, ISMA said 55 lt of sugar has been contracted by mills for export, out of which 18 lt have already been shipped out.

The government has allowed sugar mills to export 60.12 lt by May 31, while a decision to allocate additional export quota is likely to be taken at the inter-ministerial group this month. The country exported a record high of 112 lt of sugar last season.

As many as 193 sugar factories have exchanged 14.90 lt, which is almost 25 per cent of total export quota, with other units at a premium that increased nearly four times before the sale window closed on January 4.

Business Line At. 19.1.23

Iron ore exports jump 5-fold y-o-y in December

EXPORT LEVY CUT. Domestic prices are also increasing

Abhishek Law
New Delhi

A month-after withdrawal of iron-ore export duty, exports jumped 'seven-fold' on a sequential basis in December. Nearly 2.26 million tonnes (mt) of iron ore were exported last month, the third highest monthly bookings reported so far this fiscal.

On a year-on-year basis, exports increased by nearly 500 per cent, trade data suggests. In December 2021 iron ore export was 0.38 mt, according to market research firm *Steelmint* show.

In December 2022, exports were the best after April, when they stood at 3.05 mt, and then May, when it was reported at 2.70 mt. Export orders dropped May onwards on the back of weakened commodity cycle,



BOUNCING BACK. December was among the best months with export bookings to continue (file photo) K BHAGYA PRAKASH

strict Covid control measures in China -the key export market; and India imposing stringent export duty on steel making commodities including high grade ore (amongst the key export items).

Steelmint's data show that in June 0.31 mt of iron ore (lumps and fines included)

was exported; in July 0.5 mt; August 0.41 mt; in September it dropped to zero and picked up slightly in October to 0.13 mt and in November export was 0.30 mt.

According to traders, uptake started end-November onwards after withdrawal of export duty from November 19 onwards.

"Due to cargo lying at ports, Indian iron ore exports rose post-removal of export duties. December was amongst the best months this fiscal and trends suggest good bookings going forward," a trade source told *businessline*.

Domestic iron ore prices are also witnessing an increase.

DROP IN VALUE TERMS

However, Commerce Ministry data shows that iron ore export, in value terms, dropped by over 64 per cent in the April-December period to ₹6,539 crore. In the year-ago-period it stood at ₹18,260 crore.

But, for December 2022, ₹1,293 crore worth of iron ore was exported; up 212 per cent over December 2021's ₹414 crore; and significantly higher than November exports valued at ₹128 crore.