

Sugar industry hopes for a further hike in export quota

Our Bureau
Pune

The sugar industry is hopeful that the government will allow export of additional 30 lakh tonnes (lt) of sugar, said Sonjoy Mohanty, Director-General, Indian Sugar Mills Association (ISMA). This will ensure steady domestic prices, enable timely payments to cane farmers and lower inventory levels, he added.

Based on initial estimates of sugarcane production, the Centre has allowed 60 lt of sugar exports during 2022-23 sugar season. The shipments will have to be done by May 31.

He said that the permission to sugar mills to exchange their export quota with do-



mestic quota of any other mills within 60 days from date of issuance of the order will ensure liquidation of surplus stock.

FARMERS' DUES

This will also allow mills to generate revenue thereby ensuring timely payment to farmers for cane.

In ISMA's statement issued on October 17, the industry body had requested the government to allow export of 90

lt, considering the country's expected total sugar stocks.

The Centre has prioritised availability of about 275 lt sugar for domestic consumption, about 50 lt for diversion to ethanol production, which would leave a balance of about 60 lt as on September 30, 2023.

The remaining quantity of sugar produced by sugar mills in the country will be allowed for export. Since at the beginning of sugar season 2022-23, initial estimates of sugarcane production are available, it has been decided to allow the export of 60 lt sugar. The sugarcane production will be reviewed periodically and based on the latest available estimates, quantity of sugar exports to be allowed could be reconsidered.

'Easing green goods trade can cut emissions, grow GDP'

NO BARRIERS. Cutting NTM on environmental goods can hike global exports, says report

Amiti Sen
New Delhi

The WTO may serve as an appropriate forum for discussions on opening up trade in environmental goods and services that could further facilitate access to, and diffusion of climate technologies, a report on international trade and climate change released by the multilateral trade body at the on-going COP27 meet in Sharm El-Sheikh, Egypt, on Monday said.

"Simulations using the WTO GTM (Global Trade Model) suggest that the elimination of tariffs, together with the reduction in NTMs (non-tariff measures) on a specific subset of EG (environmental goods), could make a contribution to reducing carbon emissions while contributing to an increase in exports and GDP in all regions," the *World Trade Report 2022: Climate Change and International Trade* stated.

The elimination of tariffs and the reduction in NTMs (a 25 per cent reduction in



GROWTH PRESCRIPTION. Ngozi Okonjo-Iweala, D-G of WTO, releases the World Trade Report 2022 GETTY IMAGES

the *ad valorem* equivalent of NTMs) on EREG (energy-related environment goods) and EPP (environmentally preferred products would raise global exports of the goods in 2030 by 5 per cent and 14 per cent above the baseline, respectively, the report noted.

DUAL USE GOODS

India and several other developing countries have not been in favour of elimination of tariffs on environmental goods as there are

apprehensions that it could lead to tariff reduction for dual use goods, that are used also for non-environmental purposes (for example pumps can be used for treating wastewater but also for other purposes).

This could be to the detriment of the domestic industry in poorer countries, they fear.

Also, majority of environmental goods production takes place in developed goods while the share of poorer countries is low.

"While trade itself does generate emissions from production and transport, trade and trade policies can accelerate the dissemination of cutting-edge technologies and best practices, and enhance incentives for further innovation while creating the jobs of tomorrow," the report pointed out.

EMERGING TREND

"These are returns we would be unwise to forego, especially now that the big green investment push we need will coincide with rising real costs of capital and looming uncertainty about energy security due to geopolitical tensions and war," said WTO Director-General.

The WTO also provides trade-related technical assistance and capacity building to developing countries and LDCs, which can help to build climate resilient trade capacity, the report said. Current initiatives include Aid for Trade, the Enhanced Integrated Framework (EIF), and the Standards and Trade Development Facility (STDF).

Business Line dt.8.11.22

Exporters ask government to ensure banks support rupee trade with Russia

Our Bureau
New Delhi

Engineering goods exporters have highlighted payment problems with Russia using the rupee trade mechanism and urged that private sector banks and PSU banks, such as Canara Bank, accept Russian payments and give Bank Realisation Certificates (BRC).

Russia's Sberbank is charging higher exchange rate than the market, EEPG India Chairman Arun Garodia pointed out at a review meeting called by Commerce & Industry Minister Piyush Goyal with representatives of various export promotion councils on Monday.

FLEXIBLE RULES

"Garodia also pointed out that UCO Bank was only dealing with customers who have accounts with them and pro-



in US dollars," Garodia said..

While public sector banks like Bank of India and Union Bank of India were crediting the payments and giving the BRC, private sector banks were not doing that, and banks like Axis Bank were not even handling documents or giving packing credit, he noted.

PROPER GUIDELINES

Goyal asked officials to analyse export data on the basis of sectors, commodities and markets to find out areas of opportunity for Indian exports.

He encouraged export promotion bodies to give an active push to exports and maintain the momentum of healthy growth recorded in the previous year. The government hopes to achieve exports of over \$450 billion in 2022-23, compared to \$421 billion in 2021-22.

posed that the rules are made more flexible," a release issued by EEPG stated.

After the RBI allowed international trade in rupee earlier this year, Russia and India are using it to continue trading after the economic sanctions by the West on Russia its war with Ukraine.

"There are about 12 or 13 small Russian banks which are not on the sanctioned list, and they are transferring the payments from the Russian side to the Indian exporters' banks

Business Line dt.9.11.22

Govt allows export of additional broken rice

Prabhudatta Mishra

New Delhi

The Directorate General of Foreign Trade (DGFT) has asked the Customs authorities to clear for shipments the consignments of broken rice that entered the container freight station (CFS) before the ban was imposed on the export of the cereal. Though the government has not specified the quantity held up at CFS, trade sources said it could be around 15,000 tonnes and these are over and above 3.97 lakh tonnes (lt) of quota issued last month.

In a notification issued on November 7, the DGFT said, "where broken rice consignment has been handed over to the Customs before this notification (banning export) and is registered in their system...with verifiable evidence of date and time

Sources said there could be around 15,000 tonnes of broken rice held up at CFS

stamping of these commodities having entered the Customs Station prior to September 8," shall be allowed.

NOV 30 DEADLINE

It has also asked the Customs to ensure that these are shipped by November 30. On October 12, the DGFT announced that 3.97 lt of fully broken rice would be allowed for exports till the end of the current fiscal.

Two days later, it issued procedures and had stipulated that online applications between October 16 and 20 will only be considered for issuing the permits.

Business Line dt.9.11.22

Slowdown in exports impacts air cargo market

Forum Gandhi
Mumbai

In the light of the current global macro headwinds, demand for cargo flights to India has declined. According to the Airports Authority of India data, there has been a fall in the growth of cargo segment, from 13.7 per cent year-on-year growth in June to 6.1 per cent in July, and a de-growth of 1.2 per cent and 0.5 per cent in August and September, respectively.

In September 2022, Indian airlines carried 274.64

tonnes of freight. This was a 0.5 per cent decline on a year-on-year basis. The decline was mainly due to the fall in international freight of close to 5 per cent. However, domestic freight was up by 6.7 per cent.

The decline can be witnessed from July. In June, there was a 13.7 per cent spike in freight carried by Indian airlines. In July, however, there was a dip of almost six per cent to 6.1 per cent. In August, Indian carriers saw a dip to -1.2 per cent in the freight carried.

Businessline reached out

to Indian carriers, but were unavailable to comment; however, Vistara's Chief Commercial Officer, Deepak Rajawat, said the industry had high hopes for a surge in cargo during the festival season. However, that, too, seems to be contrary to expectations, especially on the back of relaxed pandemic-related restrictions across the globe.

"This can be attributed to various geopolitical and macroeconomic factors, affecting both domestic as well as international markets. At the same time, the cargo ca-

capacity in the industry has increased, making the space more competitive for all players. Having said that, we have managed to add belly-hold capacity across our network with increased number of flights and the demand, too, has kept up with it."

HIGH TARIFFS

Businessline spoke to multiple experts, who said that besides the general dip in economy, exports have been hit and tariffs have been higher. One of the persons said that tariffs have gone up by 10 per cent.

DGFT relaxes registration norms under coal import monitoring system

Our Bureau

New Delhi

The Directorate General of Foreign Trade (DGFT) has relaxed the norms for compulsory registration under the Coal Import Monitoring System (CIMS).

In a notification, the DGFT has reduced the minimum number of days required to inform the Customs about the date of arrival of their import consignment and to complete the registration formalities.

ADVANCE INFO

Coal importers are mandated to provide advance information about their imports and have to obtain a registration number or CIMS licence for foreign trade policy interventions. Earlier, an importer had to complete the registration not earlier than the 60th day and not later than the 15th day

before the expected date of arrival of the import consignment. Now, the DGFT has revised the latter condition to not later than the 5th day before the expected date of arrival of their import consignment.

"Coal is already under the Open General Licence (OGL) and consumers are free to import coal from the source of their choice. This notification by DGFT offers more time to importers to book their consignments with shipping firms," a Coal Ministry official said.

IMPORTS UP

According to CareEdge, Coal traders and power sectors are the major importers of non-coking coal.

During April-August FY23, the country's total coal imports rose 25.3 per cent y-o-y to 115.9 million tonnes. The increase in imports was

mainly driven by non-coking coal, which forms more than 65 per cent of coal imports. Coal traders and power sectors are the major importers of non-coking coal. Coal traders and power sectors are the major importers of non-coking coal.

Coal prices of South African thermal coal, a global benchmark, have been on an upward trajectory since November 2021 and the geopolitical tensions between Russia and Ukraine have caused significant price fluctuations since the beginning of FY23. The global benchmark had crossed an all-time high price of around \$300 per tonne in April 2022 and had reached \$329 in July, before settling at \$321 in September. International coal prices are expected to remain elevated owing to the heightened geopolitical tensions, CareEdge added.

Services exports to buck recession fears

See 25-30% growth, even as merchandise exports fall in Q2FY23

SHREYA NANDI

New Delhi, 7 November

Even as merchandise export growth fell to single digits in the last three months, services exports continued to remain robust and witnessed 25-30 per cent growth since the beginning of September quarter of the current fiscal year, reveals official government data.

Notwithstanding the threat of a recession looming ahead for the developed economies, exporters say they expect a similar trend to continue in the second half of the year. Growth will be driven by sectors such as information technology (IT), accounting, engineering services, as India will have the advantage of offering low-cost services from skilled professionals.

"Recession in the developed economies will only help increase services exports. In a bid to save cost, countries like the US have started outsourcing their work, especially in sectors such as accounting, auditing, and legal services," says Sunil H Talati, chairman, Services Export Promotion Council.

Talati expects IT exports to grow, regardless of recession fears, as certain services are required for systems to operate. Apart from IT, sectors such as hospitality, tourism, accounting, auditing, legal services, engineering, and architectural services are expected to witness vigorous growth. After sustained rise in merchandise exports, the external demand for Indian goods has started decelerating.

The International Monetary Fund last month said more than a third of the global economy is headed for contraction this year or the next, and the three biggest economies — US, European Union (EU), and China — will continue to stall.

Based on the current macro-economics and global trends, the Department of Commerce on a conservative basis is looking at the overall export target to cross \$750 billion in 2022-23 (FY23), compared with \$676 billion in 2021-22. As far merchandise exports go, a target of \$450 billion has been set, the rest will be met by services exports.

Talati hopes services



LOSING STEAM



KEEPING STEADY

Services ■ Exports ■ Imports

	(\$bn)	(%)	Surplus (%bn)
Apr	22.6	25.1	8.5
	14.0	46.1	
May	23.6	32.2	8.4
	15.2	52.7	
Jun	25.3	24.6	9.5
	15.8	45.5	
Jul	23.3	20.2	9.3
	13.9	22.3	
Aug	25.4	24.3	10.3
	15.1	27.1	
Sep	28.0	29.7	11.9
	16.1	28.1	

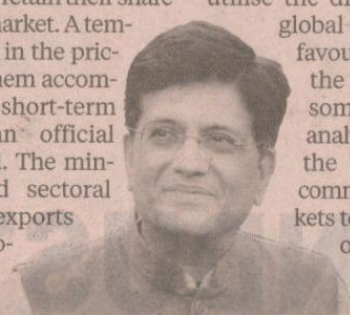
Sources: Department of Commerce, RBI

Goyal tells exporters to tweak prices to retain market share

Amid a slowdown in outbound shipments from India, commerce and industry minister Piyush Goyal on Monday asked exporters to make temporary changes to their pricing structure in order to retain their share in the export market. A temporary change in the pricing will help them accommodate short-term challenges, an official statement said. The minister reviewed sectoral progress in exports with export promotion councils and

industry bodies in New Delhi. The meeting came in the backdrop of a faltering export growth, slowing down to single digits over the last three months. The minister also asked exporters to utilise the disruptions in the global trade in their favour by occupying the space yielded by some countries and analyse export data on the basis of sectors, commodities, and markets to find out areas of opportunity for Indian exports.

SHREYA NANDI



exports will grow at a similar rate of about 30 per cent during the second half of FY23 and reach \$350 billion in the current fiscal year.

Notwithstanding Talati's optimism, economists warned that with imminent threat, the impact on IT services, which constitutes more than half of

India's services exports, can be seen only in the next fiscal year.

"As recession hits the developed economies, there will be further slowdown in both merchandise and services exports" says Madan Sabnavis, chief economist, Bank of Baroda.

More on business-standard.com

Business Standard dt.9.11.22

No anti-dumping duty on Chinese metal cutter wheels

The government has decided not to impose anti-dumping duty on Chinese metal cutter wheels as the finance ministry has not accepted the recommendations of the Directorate General of Trade Remedies (DGTR) for imposing the levy. The commerce ministry's investigation arm DGTR had conducted a probe into the alleged dumping of "Resin Bonded Thin Wheels" from China, and in September it recommended the imposition of the duty.

PT

Exporters flag fresh payment issues for supplies to Russia

BANIKINKAR PATTANAYAK
New Delhi, November 7

EXPORTERS ON MONDAY highlighted fresh payment issues with Russia and the need for an alternative payment mechanism for despatches to Myanmar at a review meeting chaired by commerce and industry minister Piyush Goyal.

Export promotion bodies also urged the government to hold talks with the EU, which is set to withdraw from January 2023 benefits of its duty-free access to select Indian goods under the Generalised System of Preferences (GSP).

Arun Kumar Garodia, chairman of Engineering exporters' body EEPC India, flagged the issue of large

TRADE TALKS

■ Large Russian bank 'Sberbank charging higher exchange rate than the market, leading to a rise in transaction costs'

■ Exporters urge govt to hold talks with the EU, which is set to withdraw from January 2023 benefits of its duty-free access to select Indian goods

Russian bank "Sberbank charging higher exchange rate than the market, leading to a

rise in transaction costs". While sanctions-hit Russian offers to buy a wide range of products from India, persisting payment challenges have dragged down despatches from this country.

Given that the government is unlikely to allow the recently-announced rupee-trade mechanism for goods despatches to Myanmar, which is in the "black list" of the Financial Action Task Force, Garodia also requested the government to firm up alternative payment systems to enable trade with the neighbour.

As for the EU's proposed withdrawal of GSP benefits, Indian goods worth about \$7.8 billion could lose the duty benefits, showed the estimates by

the Federation of Indian Export Organisations (FIEO). As many as 1,800 raw materials as well as finished goods exports from India, including stone, plastics, machinery, and engineering goods, are currently covered under the GSP, according to FIEO.

At the meeting, Goyal impressed on exporters to strive to retain export markets even if they are to make temporary changes in their pricing structure to accommodate short-term challenges. "He encouraged exporters to explore unique products with good export potential such as castor and instructed officials of the ministry to act proactively to promote these products," the commerce ministry said in a statement.

China's exports shrink as slowdown jolts demand

ELLEN ZHANG AND RYAN WOO
Beijing, November 7

CHINA'S EXPORTS AND imports unexpectedly contracted in October, the first simultaneous slump since May 2020, as a perfect storm of COVID curbs at home and global recession risks dented demand and further darkened the outlook for a struggling economy.

The bleak data highlights the challenge for policymakers in China as they press on with pandemic prevention measures and try to navigate broad pressure from surging inflation, sweeping increases in worldwide interest rates and a global slowdown. Outbound shipments in October shrank 0.3% from a year earlier, a sharp turnaround from a 5.7% gain in September, official data showed on Monday, and well below analysts' expectations for a 4.3% increase. It was the worst performance since May 2020.

The data suggests demand remains frail overall, and analysts warn of further gloom for exporters over the coming quarters, heaping more pressure on the country's manufacturing sector and the world's second-biggest economy grappling with persistent Covid-19 curbs and protracted property weakness.

Chinese exporters weren't even able to capitalise on a prolonged weakening in the yuan currency since April and the key year-end shopping season, underlining the broadening strains for consumers and businesses



LOSING MOMENTUM

■ The bleak data highlights the challenge for policymakers in China as they press on with pandemic prevention measures

■ Outbound shipments in October shrank 0.3% from a year earlier, a sharp turnaround from a 5.7% gain in September, official data show

■ The data suggests demand remains frail overall, and analysts warn of further gloom for exporters over the coming quarters

worldwide.

The yuan on Monday eased 0.4% from a more than one-week high against the dollar reached in the previous session, as the weak trade data and Beijing's vow to continue with its strict zero-COVID strategy hurt sentiment.

"The weak export growth likely reflects both poor external demand as well as the supply disruptions due to COVID outbreaks," said Zhiwei Zhang, chief economist at Pinpoint Asset Management, citing COVID disruptions at a Foxconn factory, a

major Apple supplier, as one example.

Apple Inc said it expects lower-than-anticipated shipments of high-end iPhone 14 models following a key production cut at the virus-blighted Zhengzhou plant.

"Looking forward, we think exports will fall further over the coming quarters... We think that aggressive financial tightening and the drag on real incomes from high inflation will push the global economy into a recession next year," said Zichun Huang, economist at Capital Economics.

—REUTERS

Sugar mills seek 3 MT more in export quota

FE BUREAU

New Delhi, November 7

THE SUGAR MANUFACTURERS on Monday urged the government to allow export of 9 million tonne (MT) of sweetener for the current season taking into consideration the expected total stocks in the country. The government on Sunday allowed exports of 6 MT of sugar in the 2022-23 season (October-September), against 11.2 MT shipped out in the last year.

Stating that that the government would allow an additional sugar export of additional 3 MT at later stage, Sonjoy Mohanty, director general, Indian Sugar Mills Association (Isma), said, "This would ensure steady domestic prices, enabling timely cane price payment to farmers and lower inventory levels ensuring there are no additional costs incurred by mills."

"By restricting the sugar

exports, domestic prices will remain under control and no major inflationary trends will arise in the domestic market," the ministry had stated.

It stated that the sugarcane production in the country will be reviewed periodically and based on the estimates, additional quantities of sugar exports would be considered.

Sources said that another 2-3 MT of exports may be allowed later in the season.

As per the food ministry, domestic consumption

tion of sugar this season has been estimated at 27.5 MT, while around 5 MT would be used for ethanol production and a closing balance of 6 MT is likely on September 30, 2023.

The crushing of sugarcane has commenced and a new crop is expected to arrive in the

market by December.

In the 2021-22 season, a record 11 mt of sugar was exported from the country and India emerged as the world's second largest exporter of sweeter after Brazil. The value of sugar exports last season was Rs 40,000 crore.

Record 1 million tonnes Refined Sugar Exports likely this Year

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Pune: As India has allowed export of 60 lakh tonnes of sugar, for the first time ever, the country is likely to export a record 10 lakh tonnes of refined sugar. The industry and the trade are also confident about exporting 60 lakh tonnes of sugar by March and have demanded a second tranche of 30 lakh tonnes of sugar export quota.

India announced its 2022-23 sugar export quota on Saturday. Traditionally, India has been known to export lower grade white sugar and raw sugar. However, this year, the premium quality refined sugar exports are expected to jump. "So far India has signed export contracts for 25 lakh tonnes of sugar. This year, the export of refined sugar is expected to be around 10 lakh tonnes," said Aditya Jhunjhunwala, president, Indian Sugar Mills Association (ISMA).

Refined sugar is the purest form of sugar used in India for specialty use like by pharmaceutical companies.

Maharashtra-based sugar broker Abhijit Gorapade said, "Many Indian mills have signed forward contracts for refined sugar exports thanks to an excellent premium they could get in August/September."

Sugar prices in the European Union hit record high levels in October on a shortage of gas, used as a source of energy in the sugar production process. According to the food ministry data



OPTIMISTIC

The industry and trade are also confident about exporting 60 lakh tonnes of sugar by March and have demanded a second tranche of 30 lakh tonnes of sugar export quota

released this week, in sugar season 2021-22, India exported 110 lakh tonnes of sugar and became the second largest exporter of sugar in the world, earning about Rs 40,000 crore worth of foreign exchange.

Sugar mills have been given the option to either surrender the quota partially or fully within 60 days of the date of issue of order or swap the export quota with domestic quota within 60 days.

The industry thinks that the option of swapping export quota with other sugar mills will help in faster liquidation of the surplus sugar stocks.

Sonjoy Mohanty, director general, ISMA said, "The fact that the government has allowed sugar mills to exchange their export quota with domestic quota of any other sugar mill with-

in 60 days from the date of issuance of the order will ensure liquidation of the surplus stock."

"Sugar industry is confident that the government will allow sugar export of additional 30 lakh tonnes," he added.

Maharashtra's export share to fall in 2022-23 According to trade estimates, out of the 110 lakh tonnes of total sugar export from India in 2021-22, Maharashtra accounted for 65 lakh tonnes or about 59 % of the total.

However, this year, with a quota slightly above 20 lakh tonnes, the state's share in total exports of the country is expected to fall to around 33%. At the same time, the share of Uttar Pradesh in the country's total exports is expected to more-than-double in the current year from just about 12% in the previous year.

The Economic Times dt. 8.11.22

Dull Christmas Looms for Diamond Traders

Nearly 50% drop in US orders as recessionary pressures hit country; China halting export of precious stones hurting industry

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Kolkata: Christmas orders for cut and polished diamonds from the United States have halved, compared to last year, as recessionary pressures have hit the country. Diamond exporters said orders are usually dispatched by November, but this year orders have not yet come from the US, raising concerns among traders.

In addition, China's zero-Covid policy has forced a halt in shipping of large-sized diamonds to the country, exacerbating the woes of India's diamond traders.

"Christmas orders from the US have fallen drastically, close to 50%," said Vijaykumar Mangukhiya, regional chairman (Gujarat), Gem & Jewellery Export Council (GJEPC). "Generally, by this time of the year we start dis-

patching the orders and by the third week of November the orders are all sent. Recessionary pressure in the US has impacted the Christmas and New Year holiday orders."

He said some retailers in the US have been enticing buyers with promotions since early holiday shopping began in October. Consumers are seeking deals as inflation, rising interest



DROP IN DEMAND

Diamond units in Surat have extended the Diwali vacation this year by two weeks as there is a drop in demand from overseas markets

rates and the volatile stock markets have squeezed discretionary spending.

Mangukhiya said the cut and polished diamond units in Surat, which employ about 800,000 people, have extended the Diwali vacation this year by two weeks as there is a drop in demand from overseas markets. "Com-

paratively, demand from the domestic market is better," he said.

GJEPC chairman Vipul Shah said the slowdown in the US and China's zero-Covid policy have posed twin concerns.

"The zero-Covid policy in China, the second largest market after the US, has resulted in inventory of large-sized diamonds going up with the Indian processors," said Shah. "China is a hub where international buyers come. But due to their zero-Covid policy and lockdown, hardly any international buyers are coming to China. Hong Kong, too, is stringent about Covid. The trade is in wait-and-see mode. The situation is very volatile."

Gross exports of cut and polished diamonds stood fell 1.27% year-on-year to \$1,2215.46 million (\$5,805.48 crore) in the April-September period of 2022-23.

The Economic Times dt.9.11.22

AMID LACK OF CONSENSUS ON CURRENCY

India Still Paying Russia in Dollars for Oil Imports

Unwilling to deal in €, dirham; Moscow shying from Re shift as trade gap growing: Officials

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New Delhi: The dollar remains the mainstay of payment for Russian oil, as India isn't inclined to switch to the euro or the United Arab Emirates' dirham, Moscow's preferred alternati-

ves to the greenback, according to multiple executives and officials. Russia is reluctant to shift to the rupee due to the burgeoning trade imbalance between the two countries, they said.

Banks and suppliers not too keen due to issues like US scrutiny and too many rupees in hand

Russia, executives and officials said, adding that the alternative rupee payment mechanism devised by the Reserve Bank of India (RBI) hasn't gained traction.

Traders Concerned Over EU Ending GSP, Ocean Freight Tax

Raise issues like demand slowdown in China and US, and export duty on stainless steel

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New Delhi: Withdrawal of EU Generalised System of Preferences for certain sectors, goods and services tax on ocean freight, export duty on stainless steel, longer period of realization and repatriation of export proceeds, and demand slowdown in China and the US are some concerns that industry has flagged with the government amid slowing growth of merchandise exports.

India's goods exports growth has slowed to low single digits in the second quarter of FY23 and a contraction is expected in October and November.

Exporters have said India's exports of plastics, stone, machinery and mechanical appliances worth \$7.9 billion to the EU will no longer be eligible for low or zero-duty concessions from January 2023. They have also sought the benefits of the Remission of Duties and Taxes on Exported Products (RoDTEP) scheme to be extended to pharmaceuticals, chemicals and steel products as they're excluded



SLOWING GROWTH

Goods exports growth has slowed to low single digits in Q2 of FY23 and a contraction is expected in Oct and Nov

ed at present.

Steel is a key input in engineering goods whose exports shrank

EXPORTERS' WISHLIST

Traders want benefits of RoDTEP scheme to be extended to pharmaceuticals, chemicals and steel products

10.85% on-year in September.

"Engineering exports have been declining since the last two

months because of the Russia-Ukraine crisis, and gas crisis in the EU. Export duty on certain steel products, and GST on ocean and air freight are also adding to the challenges," said EEPC India chairman Arun Kumar Garodia.

The issues were raised at a meeting that commerce and industry minister Piyush Goyal had with export promotion councils on Monday.

Citing low global liquidity, the Federation of Indian Export Organisations pitched for a longer period of realization and repatriation of export proceeds which is nine months at present. The longer period can be used as a marketing tool to push exports, it said.

The gems and jewellery sector highlighted the issue of constrained supply of gold due to various compliances while chemical exporters sought RoDTEP benefits.

Sources said that rising imports of raw materials and intermediates from China but slow growth in exports from India to China and the US were discussed besides rescheduling e-visas for tourists from the UK and Canada.

Russia Buying more from India as Kenyan Tea Turns Costlier

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Kolkata: Russia is purchasing more tea from India at a cheaper price as supplies from Kenya have become costlier.

India's tea exports to Russia were 5% higher in the first eight months of 2022 compared with a year earlier, though the price realisation fell 13% per kg as that country is buying cheaper teas from South India to meet its domestic consumption.

Russia, which prefers orthodox tea, is also now purchasing common variety CTC teas amid growing tea-bag culture in the country. Generally, CTC tea is used in tea bags in Russia.

Russia is the fifth largest buyer of Kenyan tea. But in recent weeks, Kenyan tea prices have started moving northward which prompted it to turn to India. Data from the East African Tea Trade Association show that the price of tea has increased to \$2.37 (Rs 193) a kg now from \$2.27 a few weeks ago.

Mohit Agarwal, a director at Asian Tea Company, said: "Russia is buying teas from South India now. They are lesser in price compared to Assam teas. So, there is a drop in unit price realisation."



Exporters Face Large-scale Defaults by Sugar Mills

Mills backtracking on forward contracts signed in Sept and Oct to cash in on 5-6% increase in global prices, allege traders

sugar, animal feed, and food processing among others.

Indian exporters had started contracting to export sugar from August onward, much before the government came out with its sugar export policy for 2022-23 this weekend, Mills had contracted to sell low grade white and raw sugar to exporters at ₹3,250/quintal to ₹3,500/quintal.

However, as world sugar prices continue to stay firm due to a restricted export quota of India and excess rainfall in Brazil that may delay its crushing operation, Indian sugar millers are now demanding an additional Rs 150-200/quintal from exporters.

Merchant exporters told ET that currently they are witnessing



the merchant exporters had no option but to re-negotiate the rates with the sugar mills as they have already sold the sugar in the international market.

Some exporters, though, are in the process of taking the defaulting mills to the courts to enforce the contracts, ET has learnt.

"Such defaults are not good for the reputation of the state, and the regulating government authorities should take necessary action to prevent it," said Abhijit Ghorpade, a sugar broker.

Jaiprakash Dandegaonkar, president of National Federation of Co-operative Sugar Factories, said, "Once the sugar mills have entered into forward contracts for exports, they cannot default on commitments."

mass default by the millers, especially from Maharashtra.

The exporters have also alleged that the sugar mills are also forming cartels to demand specific rate for export sugar.

"WhatsApp messages are being forwarded on the groups of top management of some sugar mills from the state, appealing the sugar mills to renegotiate the export rates," claimed an exporter who requested not to be identified.

Trade sources told ET that most of

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Pune: Many sugar millers who had entered forward contracts in September and October before international prices increased 5-6% last month are defaulting on their export commitments to take benefit of higher prices, merchant exporters of the commodity allege.

"Sugar exporters are facing large-scale defaults on export commitments by the sugar mills from Maharashtra, which is not good for the country's reputation in the global market," said Satyajit Jagtap, president (trading) at Baramati Agro Ltd, a Pune-based agribusiness conglomerate with interest in