Business Line. Dt:- 14/11/23

Thermal coal imports spike to 15-month high

Rishi Ranjan Kala
New Delhi

India's thermal coal imports hit a 15-month high in October as power consumption witnessed a surge aided by rising industrial and domestic use prompting the Power Ministry to mandate a higher level of blending with imported coal at 6 per cent, from 4 per cent earlier.

According to energy intelligence firm Kpler, inbound shipments by the world's second largest coal importer, stood at 18.66 million tonnes (MT) last month, a jump of 36 per cent m-o-m and 47 per cent y-o-y.

India has been the major demand side driver of the global coal market over the past month, with strong inbound volumes of both thermal and metallurgical coal, Kpler said.

A top government official said that higher imports is an indication of the preparations to meet the rise in demand of power during the upcoming winter and the next summer season.

"At present, the gap in consumption and receipt at domestic power plants is around 2.5 lakh tonnes (lt) daily. Though the Coal Ministry has upped despatch, the demand has been rising at over 20 per cent y-o-y and government wants to ensure adequate stocks," he added.

HIGHER IMPORTS

Kpler's Lead Major Dry Bulks Analyst, Alexis Ellender told *businessline*: "India's thermal coal imports climbed to a 15-month high of 18.66 MT in October, up by 5.98 MT Y-o-Y, outperforming our expectations amid robust shipments from Indonesia and South Africa."

Demand for thermal coal is being driven by rising temperatures and a ramping up of economic activity following the end of monsoon season. Despite surging mine output, domestic coal production is still unable to meet demand, prompting recent government announcements to boost imports, he explained.

"We expect shipments to retreat from their October peak in November, but to continue to exceed the year-ago level through the fourth quarter and into early 2024 and have raised our Indian thermal coal import expectations for the period. This view is held despite the expectation domestic supply will improve amid a seasonal upturn in mining activity and reflects the strength of demand, plus ongoing challenges moving coal from mines to end users," Ellender added.

As per energy intelligence firm Kpler, inbound shipments by India stood at 18.66 mt last month REUTERS

POWER DEMAND

Meeting India's rising power demand was also a key issue during the recently concluded meeting of Centre and State Power Ministers (October 6-7).

Power Minister RK Singh also directed states and union territories to run power plants at full capacity. During August, September and October, India's power consumption rose by over 20 per cent y-o-y.

Sources said that in the next peak demand season, April to June, peak power demand can scale 250 gigawatts (GW) from 241 GW recorded on September 1, 2023.

India's energy consumption rose 22 per cent Y-o-Y to 139 billion units in October owing to a surge in electricity demand due to higher consumption, below-average rainfall and lower base from last year.

In October 2023, thermal power plants (TPPs) consumed 67.46 mt of coal against a receipt of 60.90 mt, while imported coal use stood at 3.02 mt. The gap between receipt and consumption stood at 3.54 mt, which was met by draw down from reserve stocks.

Business Line. Dt: 14/11/23

Edible oil imports up 17.39% in 2022-23 on low customs duty

Our Bureau
Mangaluru

influx of imports has transformed India into a prime destination for excess oil supplies

Edible oil imports were 164.7 lakh tonnes (lt) during the oil year 2022-23 (November to October) against 140.3 lt during 2021-22 oil year, recording a growth of 17.39 per cent. In terms of value, India imported approximately ₹1.38 lakh crore worth edible oil during the oil year 2022-23 against ₹1.57 lakh crore in 2021-22 and ₹1.17 lakh crore in 2020-21.

BV Mehta, Executive Director of the Solvent Extractors' Association of India (SEA), attributed this increase of 24.4 lt of edible oil imports to the current low 5.5 per cent duty on crude palm oil (CPO), soyabean oil and sunflower oil.

He said this influx of imports has transformed India into a prime destination for excess oil supplies. Notably, RBD palmolein imports constitute over 25 per cent of the total palm oil imports, significantly impacting the domestic refining industry, which is grappling with a significant underutilisation of its installed capacity, he said.

PALM OIL UP

Import of palm oil products increased sharply due to price parity and was reported at 97.89 lt during the oil year 2022-23 against 79.15 lt in the previous year. Of this, the share of CPO stood at 75.9 lt (59.9 lt in the previous oil year) and RBD palmolein at 21.1 lt (18.4 lt). Mehta said import of RBD palmolein increased sharply as Indonesia was discounting the RBD palmolein over CPO. The share of palm oil products in the total edible oil import basket increased to 59 per cent from 56 per cent.

During the oil year 2022-23, Indonesia exported 37.50 lt of CPO and 17.66 lt of RBD palmolein to India. Malaysia exported 26.97 lt of CPO and 3.02 lt of RBD palmolein to India during the period. Thailand, which is emerging as a regular supplier of CPO to India, supplied 8.07 lt of CPO and 16,499 tonnes of RBD palmolein to India during the year.

SOFT OILS

Though the overall import of soft oils import increased marginally, the share of soft oils declined to 41 per cent from 44 per cent in the total edible oil import basket. India imported 66.77 lt of soft oils during 2022-23 against 61.15 lt in the previous oil year.

Import of sunflower oil increased to 30.01 lt (19.44 lt) during the period. However, import of soyabean oil dipped to 36.76 lt in 2022-23 from 41.71 lt in the previous oil year. India imported 18.47 lt of crude soyabean de-gummed oil from Argentina followed by Brazil at 14.45 lt. During the year, Russia exported 9.79 lt of crude sunflower oil followed by Romania (mainly Ukraine origin) at 6.44 lt, Ukraine at 4.87 lt and Argentina at 4.76 lt.

VEG OIL

Import of vegetable oils (both edible and non-edible oils) increased to 167.1 lt during the oil year 2022-23 against 144.1 lt in 2021-22. Import of vegetable oils decreased to 10.30 lt in October 2023 against 13.96 lt in October 2022 mainly due to excessive import in previous months and heavy domestic stocks, he said.

Business Standard. Dt:- 14/11/23.

Palm oil, sunoil imports surge to record highs

REUTERS
13 November

The country's imports of palm oil and sunflower oil in 2022/23 surged by 24 per cent and 54 per cent, respectively, to record highs on a rebound in consumption and as both oils were available at a steep discount compared to rival soybean oil, a leading trade body said on Monday.

Higher purchases by the world's biggest importer of vegetable oils could help to lower palm oil stocks in Indonesia and Malaysia and support benchmark futures.

The buying could reduce inventories in sunflower oil-producing Black Sea countries.

Palm oil imports stood at 9.79 million metric tons in 2022/23 marketing year ended on October 31, while sunflower oil imports rose to 3 million tons, Mumbai-based Solvent Extractors' Association of India (SEA) said in a statement.

Soybean oil imports in the year fell 12 per cent to 3.68 million tons as for most of the months it was trading at a premium over palm oil and sunflower oil

FINANCIAL EXPRESS. Dt:- 14/11/23

Edible oil imports touch a record 16.5 MT in 2022-23

Value of imports down 11% to ₹1.38 trillion

SANDIP DAS
New Delhi, November 13

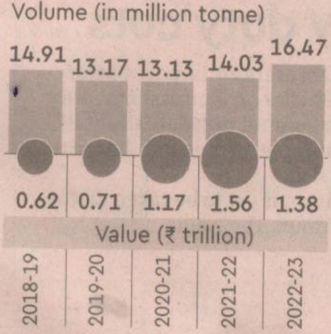
INDIA'S IMPORT OF edible oils – palm, soybean and sunflower – rose 17% on year to a record 16.47 million tonne (MT) in the 2022-23 oil year (November-October), helped by lower import tariffs, according to the trade body Solvent Extractors Association of India (SEA).

The volume of imports of these cooking oils had seen a peak of 15.1 MT in 2016-17. The SEA stated, "the (rise in) imports has transformed India into a prime destination for excess oil supplies." However, the value of edible oil imports in 2022-23 declined by 11% to ₹1.38 trillion from a record ₹1.56 trillion in 2021-22 because of subdued global prices.

The share of palm oil, including crude and refined, in total edible oil imports increased to 59% last year, up from 55% in the 2021-22. Palm oil is mostly imported from Indonesia, Malaysia and Thailand. The trade body has stated that the import of RBD Palmolein or refined palm oil last year constituted over 25% of the total palm oil imports, which has "significantly impacted the domestic refining industry, which is grappling with a significant underutilization of its installed capacity". The domestic oil processors have urged the government to increase the gap between effective import duty on crude and refined edible oils, which is currently at 5.5% and 13.75% respectively, especially when current landed prices of refined bleached and deodorized (RBD) palm oil are at par with or lower than the crude oil prices. Imports of crude soybean and sunflower last year were 3.67 MT and 3 MT respectively. Soybean oil was sourced from Argentina and Brazil, while sunflower oil was sourced from Russia and Ukraine.

The landed prices of crude palm oil (at Mumbai port), which holds close to a 46% share in the country's import basket, declined by 13.5% to $ 885/tonne on Friday, compared to the $ 1024/tonne a year ago. Landed prices of crude soybean and sunflower oil have fallen by 27.5% and 33.5% to $1058/tonne and $ 960/tonne respectively. India imports about 56% of its total annual edible oil consumption of around 24 to 25 MT.

INDIA' EDIBLE OIL IMPORT



Source: SEA, oil year (Nov-Oct)

Business Line. Dt: 15/11/23.

Two-wheeler exports dip in Oct

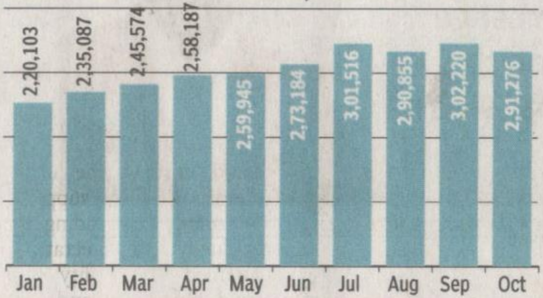
HEADWINDS. Currency devaluation in developing countries, inflation exert pressure

Aroosa Ahmed
Mumbai

As the domestic sales witnessed a year-high in October, exports of two-wheelers fell 3.62 per cent month-on-month in October.

As per the Society Of Indian Automobile Manufacturers (SIAM) data, exports of two-wheelers in October 2022 was 2, 91,276 units, while in September the exports was 3, 02,220 units. While the domestic sales of two-wheelers in October was 18, 95,799 units as compared with 17, 49,794 units in September.

SIAM data on 2W exports 2023



REASON FOR FALL

Devaluing of currency in developing countries, making exports expensive, and inflationary pressures are said to be the main reasons for the fall in exports.

"The decline in motorcycle exports does not exhibit any definitive pattern across the various engine capacities, indicating that the overall demand has weakened from importing countries. Q1FY24 has witnessed an overall 31 per cent decline in export volumes of two-wheelers, driven by a 37 per cent decline in motorcycle sales volumes, which was partly offset by a 30 per cent rise in scooter volumes," mentions a CareEdge Ratings report.

Meanwhile, companies are anticipating a slow pick-up in exports.

"Our exports are still at about 66 per cent or two-thirds of the peak, which we had recorded in the FY22 but sequentially, there is an 8 per cent to 10 per cent quarter-on-quarter improvement in both retail and our shipments, and this has occurred across all regions. Africa is a double-digit improvement powered by Nigeria on a quarter-on-quarter basis. Asia, MENA — Middle East and North Africa, and LATAM are single-digit improvements. The macroeconomic environment combined with the new geopolitical issues remain uncertain and in particular, the financial systems have adapted to this as the new normal which is leading to some improvement in forex availability for trade. Currency-led inflation has continued to dampen the pace of recovery after the sharp fall in H1 of last year," said Rakesh Sharma, Executive Director, Bajaj Auto, during the company's earnings call.

3-WHEELER EXPORT

Exports of three-wheelers also fell 12 per cent month-on-month in October – 25,534 units were exported in October as compared with 29,052 units in September.

Business Line. Dt: 15/11/23

Tesla to double import of components from India: Goyal

Press Trust of India
New Delhi

Commerce and Industry Minister Piyush Goyal has visited the manufacturing facility of US-based electric vehicle major Tesla at Fremont, California and said that the company would be doubling its auto components imports from India.

The Minister is in the US on a four-day visit. The world's largest electric car producer Tesla Inc's chief Elon Musk met Prime Minister Narendra Modi in June in New York and after the meeting Musk had said that he planned to visit India in 2024.

"Visited @Tesla's state of the art manufacturing facility at Fremont, California. Extremely delighted to see talented Indian engineers and finance professionals working at Senior positions and contributing to Tesla's remarkable journey to transform mobility.

"Also proud to see the growing importance of auto component suppliers from India in the Tesla EV supply chain. It is on its way to double its components imports from India. Missed Mr @ElonMusk's magnetic presence and I wish him a speedy recovery," Goyal said on social networking platform X.

ACCELERATION MODE. Union Minister of Commerce and Industry Piyush Goyal during a visit to Tesla's manufacturing facility at Fremont, in California, US PTI

SOPS FOR EV PUSH

The platform is also owned by Musk. The visit comes amid reports that India is looking at giving customs duty concessions to Tesla for setting up a plant in the country. In September, Goyal said the company is looking to source components worth around $1.9 billion from India this year against $1 billion in 2022.

Going forward, demand for electric vehicles will increase and it will help in pushing the growth of the sector. Earlier, the government had stated that it is not looking to frame a separate policy for providing incentives to Tesla, and the company can apply to avail support measures under existing schemes like PLI for auto and advanced chemistry cells.

Replying to the minister on the platform, Musk said :"It was an honor to have you visit Tesla! My apologies for not being able to travel to California today, but I look forward to meeting at a future date".

PREPARING GROUND

The government has rolled out production-linked incentives (PLI) schemes (PLI) for advanced chemistry cell (ACC) battery storage with an outlay of ₹18,100 crore and ₹26,058 crore PLI scheme for auto, auto-components and drone industries. When asked whether the government is considering duty concessions on completely built-up units to attract certain sections of electric cars into India, Goyal in September had said that "everything we have done has been done equally without any differentiation, without any preferences. This is the government which provides equal opportunity to everybody. So we will come out with a policy".

Meets Katherine Tai, discusses ways to boost trade

Press Trust of India
New Delhi

Commerce and Industry Minister Piyush Goyal met the US Trade Representative (USTR) Katherine Tai and discussed ways to further boost trade and investments between the two countries.

Goyal is in the US for a four-day visit. He reached San Francisco on November 13.

He also met Dukgeun Ahn, Minister of Trade, Korea, and Gan Kim Yong, Minister of Trade and Industry, Singapore.

These ministers are in the US for the Indo-Pacific Economic Framework (IPEF) meeting.

"Wonderful meeting my friend Ambassador Katherine Tai, the US Trade Representative. We discussed ways to further deepen our trade & investment ties along with convergence on key WTO issues for a favourable outcome at MC13," Goyal said on the social platform X.

UNDER WTO AEGIS

The 164-member World Trade Organization (WTO) is holding its 13th Ministerial conference (MC) at Abu Dhabi in February next year.

During the ministerial meetings in San Francisco, Goyal discussed potential collaboration under the Indo-Pacific Economic Framework (IPEF), ways and means of further enhancing bilateral trade and commerce linkages and matters related to the WTO.

During the interaction with his Singaporean and South Korean counterparts, he suggested expediting the conclusion of the review of free trade agreements, the commerce ministry said in a statement on Tuesday.

Goyal also attended an investors' round table, where different venture capitalists and entrepreneurs from sectors such as energy, manufacturing, logistics, and technology participated.

During the visit, Goyal will participate in the third in-person IPEF Ministerial meeting, and the engagements of the Asia-Pacific Economic Cooperation (APEC).

Exports to the US have come down to $38.28 billion during April-September 2023, from $41.49 billion a year ago. Imports have declined to $21.39 billion during the first six months of the current fiscal, compared to $25.79 billion in the same period of the previous financial year.

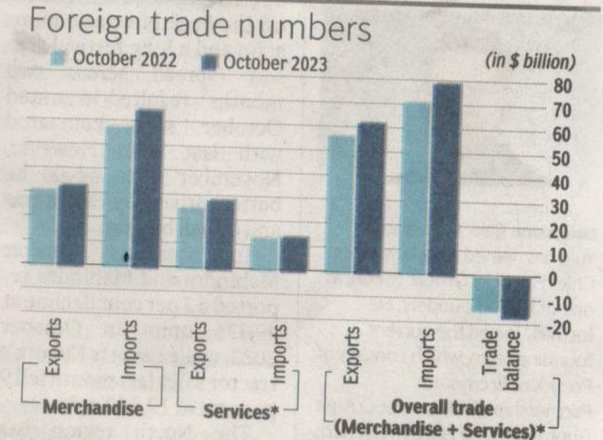
Business Line. Dt:- 16/11/23

Trade deficit soars to $31.46 b in Oct as gold imports surge

Shishir Sinha
New Delhi

India's trade deficit hit a record high $31.46 billion in October as gold imports surged on account of festival demand, government data released on Wednesday showed. Merchandise exports rose 6.21 per cent to $33.57 billion during the month.

Imports increased 12.3 per cent to $65.03 billion in October, with gold imports rising to $7.23 billion, which is almost double compared to the same month last year. Oil imports rose 8 per cent to $17.66 billion.



*Services sector data is estimation based on Sept data released by RBI

Source: Commerce & Industry Ministry

TRADE DEFICIT

The trade deficit had stood at $26.31 billion October last year. "The deficit this October is the highest because of the high import figures," Additional Secretary in the Commerce Ministry L Satya Srinivas told media here.

Commerce Secretary Sunil Barthwal said that the trade numbers in October reflect 'green-shoots' of recovery in outbound shipments. "I am hopeful that we will cross last year's figures," he said, adding that positive growth is there despite a fall in commodity prices, "but we are waiting and watching" the global situation.

Exports were in the negative zone during February–July. After a revision of the numbers by the Ministry, the shipments showed 3.88 per cent positive growth in August, but in September they contracted by 2.6 per cent. Imports have turned positive after ten months of negative growth between December 2022 and September 2023.

Cumulatively, exports during April-October this fiscal contracted 7 per cent to $244.89 billion, while imports fell 8.95 per cent to $391.96 billion. The trade deficit for the seven-month period was $147.07 billion, ($167.14 billion). Gold imports in April-October rose 23 per cent to $29.5 billion, while crude oil imports dipped by 18.72 per cent to about $100 billion.

As per the data, service exports in October were estimated at $28.7 billion, compared to $25.3 billion a year ago. Imports stood at $14.32 billion ($13.51 billion). The estimated value of services exported in April–October 2023 was $192.65 billion ($181.37 billion).

Business Line. Dt:- 16/11/23

with prior approval of RBI.

Russian imports up 64% in April-Oct, led by oil

Press Trust of India
New Delhi

India's imports from Russia rose 64 per cent to $36.27 billion during the April-October period this fiscal on higher shipments of crude oil and fertiliser, according to the Commerce Ministry data. With this, Russia has become India's second-largest import source during the first seven months of this fiscal.

The imports were $22.13 billion during April-October 2022.

HIGHER SHARE

From a market share of less than 1 per cent in India's import basket before the start of the Russia-Ukraine conflict, Russia's share of India's oil imports rose to over 40 per cent. India, the world's third-largest crude importer after China and the United States, has been buying Russian oil after some countries in the West shunned it as a means of punishing Moscow for invading Ukraine.

The Ministry's data showed that imports from China dipped marginally to $60.02 billion during the period against $60.26 billion in the year-ago period. Similarly, imports from the US declined 16 per cent to $24.89 billion during the period under review from $29.56 billion last year.

Imports from the UAE contracted 21 per cent to $24.91 billion during the period under review. During the first seven months of this fiscal, imports also dipped from Saudi Arabia, Iraq, Indonesia, Singapore, and Korea.

Among all the top 10 import source nations of India, imports from Switzerland increased to $13.97 billion against $10.48 billion in April-October 2022 due to gold imports.

On the export front, India's exports to six of its top-10 destinations have recorded a negative growth rate during the period.

The Economic Times. Dt: 16/11/23

GOLD IMPORTS DOUBLE, TRADE GAP WIDENS TO RECORD $31.4 B

Exports See Green Shoots, Increase 6.2% in October

Overall inbound shipments jump 12.3% on strong festive demand

Our Bureau

New Delhi: India's merchandise exports rose 6.21% year-on-year to $33.57 billion in October, while the trade deficit swelled to a record as imports surged, buoyed by strong consumer spending ahead of the festival season. Gold imports almost doubled.

The gap between exports and imports widened to $31.46 billion on the back of a jump in gold imports, official data released Wednesday showed. It was at $19.37 billion in September and $26.3 billion in October last year. Gold imports rose 95% to $7.23 billion last month.

Strong festive demand ahead of Diwali drove up overall imports by 12.3% to $65.03 billion with an increase in the inbound shipments of electronic items and crude oil, apart from gold. The trade figures back

up the government's optimism on exports. "This shows that the green shoots are stabilising," said commerce secretary Sunil Barthwal. "We hope to cross last year's high (export) figures."

In October, exports grew in 22 of the 30 key sectors. Electronic goods exports rose 28.23% to $2.38 billion from $1.85 billion a year ago. "The gap in exports from the previous year is narrowing down and we hope the growth will sustain," Barthwal said. The full year's export growth projection depends on several factors such as interest rates and commodity prices, he said.

To be sure, for the April-October period, exports contracted 7% to $244.89 billion while imports fell 8.95% to $391.96 billion.

Federation of Indian Export Organisations president A Sakthivel said the exports sector is on the road to recovery despite weak demand. There's been a moderation in commodity prices, which spiked last year after the Russia-Ukraine war began, he said.

"Demand is still an issue in many markets due to high inventory and growth reflects that we may be eating into the share of some other countries," he said.

with a seven-wicket haul. PAGE 18

PTI

FINANCIAL EXPRESS Dt: 16/11/23

Exports rise 6.2% in October on low base

Trade deficit climbs to record high of $31.5 bn, imports increase 12.3%

MUKESH JAGOTA
New Delhi, November 15

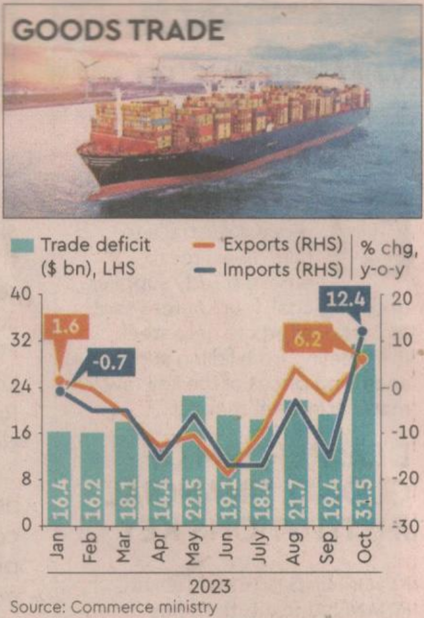
INDIA'S MERCHANDISE EXPORTS showed a 6.21% year-on-year rise in October after being in the negative growth zone since February, barring August, mainly aided by a low base.

Import of goods, too, broke the negative growth trend of 10 consecutive months to register a 12.3% y-o-y increase in October. This was to a large extent due to a surge in inward shipments of gold and silver and had less to do with input imports meant for domestic value addition or exports.

Government officials still attributed the improvement in trade numbers after several months of torpor to economic "green shoots" and expressed hope that last fiscal's exports of $451.1 billion will be exceeded in the current year, despite severe global headwinds.

The import jump, attributable to a shift in festive calender, precipitated a larger-than-expected trade deficit of $31.46 billion in October, which was not only up 19% on year but was also an all-time-high monthly deficit.

"In August, green shoots were visible, and in October and through the first week of November these have stabilised. I am very hopeful that we will be crossing last year's (export) figure, and this is happening despite the fall in commodity prices," commerce secretary Sunil Barthwal said.



Source: Commerce ministry

For the record, exports in October stood at $33.57 billion — incidentally the lowest monthly number in a year — and imports at $65.03 billion. Cumulatively, exports during the April-October period of the current fiscal year shrank 7% to $244.89 billion, while imports fell 8.95% to $391.96 billion.

Continued on Page 7

Business Line. Dt: 17/11/23

Centre slashes windfall tax on crude oil, diesel exports

EASING CURBS. Follows moderation of crude prices; likely to affect oil exploration firms

Shishir Sinha
New Delhi

The Finance Ministry on Thursday lowered the Special Additional Excise Duty (SAED), better known as windfall gain levy on domestically produced crude, to ₹6,300 per tonne from ₹9,800. The change has been made effective from Thursday, November 16.

This decision has been taken as crude prices saw some moderation earlier. This will likely impact oil exploration companies such as ONGC and Oil India.

DOWNWARD REVISION

SAED will decrease to ₹1 per litre from ₹2 per litre currently. The duty on jet fuel or ATF and petrol, bound for export, will continue to be NIL, according to a Finance Ministry notification. Product prices have come down, so windfall gain tax has been revised downward. The basket of crude oil that India imports has averaged $84.78 per barrel this month as against $90.08 a barrel average in the month of October and $93.54 in September.

SLIPPING UP. The duty on domestically produced crude has been reduced to ₹6,300 per tonne from ₹9,800

Cutting the windfall levy on diesel and ATF for export will impact Reliance Industries and Rosneft-backed Nayara Energy as primary fuel exporters. India first imposed windfall profit taxes on July 1, 2022. joining several nations that tax supernormal profits of energy companies. At that time, export duty of ₹6 per litre ($12/bbl) was levied on petrol and ATF, and ₹13 a litre ($26/bbl) on diesel.

A ₹23,250 per tonne ($40/bbl) windfall profit tax on domestic crude production was also levied. The tax rates are reviewed every fortnight based on the average oil prices in the previous two weeks.

The domestic producers of petroleum crude, like ONGC, sell their crude at international parity price. As international crude prices rose sharply, these producers made super-normal profits. The prices of diesel, petrol and ATF rose even more sharply, which led to extraordinary cracking margins (difference between the product price and the crude price) on exports of these products. The cess/duties were imposed in this background.

The government levies a tax on windfall profits from oil producers on any price above a threshold of $75 per barrel. According to the Finance Ministry, the data for SAED on crude oil production is not maintained separately.

Business Standard. Dt: 17/11/23

APR–OCT PERIOD

Netherlands, UK, Aus drive India's exports

SHIVA RAJORA & ASIT RANJAN MISHRA
New Delhi, 16 November

Among India's top 10 export destinations, the Netherlands, the UK and Australia drove shipments during the first seven months (April-October) of the financial year 2023-24, while exports to most other countries remained in negative territory, according to preliminary data released by the commerce ministry.

Shipments to China remain muted with 0.8 growth during the same period.

India's overall exports registered positive growth in August (3.8 per cent) and October (6.2 per cent), with the commerce department claiming this to be a sign of a turnaround. However, exports during the April-October period contracted by 7 per cent.

Experts attributed the growth in exports in October to a favourable base a year ago as shipments fell sequentially from 34.5 billion in September to 33.6 billion in October. Last month, the World Trade Organization (WTO) more than halved its growth projection for world merchandise trade volume for 2023 to 0.8 per cent compared to the 1.7 per cent forecast in April due to a continued slump in goods trade.

The world trade body, however, marginally increased its forecast for goods trade for 2024 to 3.3 per cent from 3.2 per cent estimated earlier.

While disaggregated figures for October are not available, data for the April-September period shows Indian exports to Australia were driven by petroleum products ($2.8 billion) and medicines for retail sale ($188 mn). Shipments to the UK during the April-September period were propelled by petroleum products ($743 mn), smartphones ($494 mn), medicines for retail sale ($261 mn) and turbo jets ($211 mn).

Since the Netherlands is a key trans-shipment hub for the EU, the European nation has been a key importer of petroleum products ($5.6 billion) from India since the Russia-Ukraine war.

Other export items to the Netherlands included smartphones ($484 mn), medicines for retail sale ($161.5 mn) and aluminum ($159 mn). While in April shipments contracted to seven out of top 10 export destinations of India except for the Netherlands, the UK and Saudi Arabia, exports shrank only to Singapore in October, with double-digit export growth to the USA, the UAE, the Netherlands, China, the UK, Saudi Arabia, Bangladesh and Australia. India's imports contracted 8.9 per cent in April-October period though inward shipments shot up 12.3 per cent in October led by a near doubling of gold imports.

During the April-October period, only imports from Russia and the Netherlands saw positive growth due to India's dependence on crude oil and gold respectively on these two countries.

Windfall tax cut on crude, diesel exports

The government on Thursday cut the windfall profit tax on crude oil produced in the country and on exports of diesel in line with softening international oil prices. The tax on domestically produced crude oil has been reduced to ₹6,300 per tonne from ₹9,800 per tonne, and on the export of diesel was reduced to ₹1 per litre from ₹2 per litre. PTI

Business Line. Dt: 20/11/23

Explosives manufacturers seek expansion of authorised ports for defence exports

Dalip Singh
New Delhi

With defence exports on the rise, explosive-manufacturing companies have requested the Defence Ministry to make more ports, at least on the western side, friendly for handling and dispatching RDX, TNT, and ammunition abroad.

This move would not only enhance the infrastructure capacity but also reduce cost, logistic hassles and time required for ferrying these sensitive items.

It's learnt that state-owned Munitions India Ltd (MIL) and private company Economic Explosives Ltd (EEL), both manufacturers of explosives, are uncomfortable exporting their items, including ammunition, as there are only three authorised gateways — ports at Chennai, Kochi and Vizag — for exports.

Both MIL, based in Pune, and EEL, based in Nagpur, find it hard to transport explosives and different versions of ammunition, from small arms to missiles, to far-off ports in the southern part of the country, sources privy to developments told *businessline*. Since most of the explosives are bound for Europe and West Asia, the maritime route consignments taken from the authorised southern ports take long. Instead, they can be dispatched from ports in the West such as Mumbai and Kandla in Gujarat, sources informed. The Ministry of Defence is believed to be working on the suggestions to authorise either the Mumbai port or Kandla port to share the infra load for exports, which has jumped phenomenally over last year.

The issue was reviewed at a meeting that the Defence Secretary, Giridhar Aramane, held on November 15, according to Ministry sources.

It is estimated by industry insiders that the volume of explosive exports is likely to jump from about ₹200 crore in FY22 to about ₹1,500 crore in FY23.

While MIL specialises in military explosives, EEL of late has diversified from commercial explosives into military-grade ammunition.

businessline had reported in September that MIL was sitting on an order book of ₹4,700 crore that would last till 2025. It makes 300 different types of explosives spread across a range of artillery shells, mortars and bullets, besides also supplying companies here and abroad with fuse and explosive fills like TNT, RDX, and MMX, which have high melting intensity.

The authorisation to handle explosives would mean that a port has to upgrade its safety standards to defined parameters, which also includes keeping a safe distance from the surrounding population, industry sources said.

SAFETY STANDARDS

The storage facility and distance between vessels go up at the time of loading explosives and ammunition. The fire fighting capacity of the port also has to meet laid-out safety standards, and the staff have to be adequately trained to handle such specialised consignment and untoward incidents, if any.

Business Line. Dt: 20/11/23

India continues to explore alternatives to counter CBAM impact on exports

Abhishek Law
New Delhi

Ahead of the second round of regulations related to EU's Carbon Border Adjustment Mechanism (CBAM) coming in, Indian officials are reportedly discussing two probable alternatives, which will factor in carbon tax to ensure that exports are not hit.

The first option officials are discussing suggest that an amount equivalent to the levied carbon tax on exports from India be negotiated and factored into the final price of a finished product (using the said exported item) coming in from European Union nations, or on some items of similar nature.

For example, if steel is being exported to EU after paying carbon tax of $100 per tonne, then price negotiations must be done to have another $100 per tonne added to another item coming in from the EU.

Officials told *businessline* that "this is not a countervailing tax on EU", but price negotiations to see that "tax collected from Indian companies be brought back to the country".

The second option is the repatriation of the amount collected as carbon tax. "Repatriation will enable India to take care of its climate mitigation requirements and goals," said an official. Two of the sectors that are expected to be hit the most with the upcoming carbon tax include iron and steel and aluminium exports. Others sectors where CBAM reporting is being mandated include cement, hydrogen, electricity and fertilisers.

The CBAM entered its transitional phase on October 1, and steel and aluminium exports will be worst hit categories when carbon tax gets implemented. At present, exporters will need to mention the carbon content in their products, and shipments will then be checked against the default value range, mentioned in the EU's charter or export list to determine if the carbon emissions are within a particular range. CBAM will get into a taxation phase from January 2026.

DISCUSSIONS ON

According to officials, a recent meeting was held with industry stakeholders and a key Ministry overseeing the impact of CBAM.

After the introduction of carbon tax, the aluminium sector anticipates a 2-5 per cent impact on prices (at existing LME), which is a "big impact". So, some of the companies and associations say that price negotiations must be carried out and carbon tax paid be factored in for goods coming in.

Some companies said that repatriation must be company specific, that is the carbon tax paid must be returned to them at the time of import from the EU, said an official.

Incidentally, officials across Ministries are in favour of the EU repatriating carbon tax – as and when it comes into effect – from Indian exporters. Price renegotiations on imports, officials say, can be seen as a "countervailing tax" and may come under WTO's legal framework.

Business Standard Dt: 20/11/23

Laptop, tablet imports surge 42% amid licensing fears

ASIT RANJAN MISHRA
New Delhi, 19 November

India's import of personal computers, including laptops and tablets, shot up in September by 42 per cent to $715 million, reversing a year-long downward trend after the government announced it would impose import restrictions on such electronic hardware items in August.

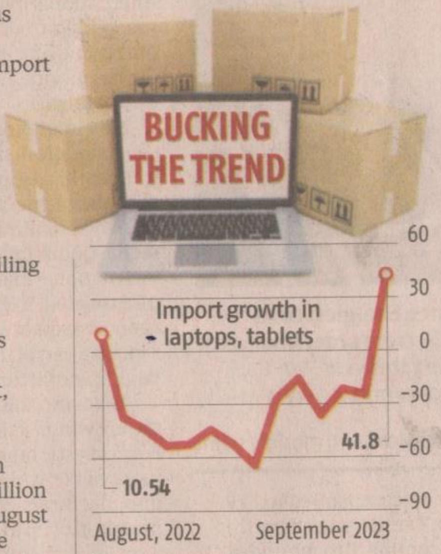
The rise in such imports were led by the largest source China (33 per cent) and Singapore (188 per cent), according to data released by the commerce department.

On August 3, the Centre had announced it was planning to bring seven products in the information technology hardware segment, such as personal computers, micro computers, mainframe computers, super computers, computer systems and data processing units under the 'restricted' label.

The Centre, however, deferred the implementation till October 30 after the industry raised serious concerns over the decision originally aimed at reducing import dependence on China and ensuring a trusted supply chain. In a further stepdown, the government last month announced it would not restrict import of such electronic products from any territory, while unveiling a new contactless import authorisation system.

Personal computer imports have been contracting since September last year. In August, such imports contracted 26 per cent to $525 million.

In total, import of the seven items rose 34.2 per cent to $1 billion in September. During April-August period of FY24, import of these items had contracted 20.5 per cent to $3.6 billion. In FY23, India imported $8.8 billion of the seven items brought under the licensing regime, out of which $5.1 billion (58 per cent) worth of products were sourced from China.



Source: Commerce department

Apart from personal computers, the other key item in the list — data processing units — rose 33.5 per cent to $234.5 million in September with shipments from China and the US rising 25 per cent and 129 per cent, respectively.

The US last month sought details on the matter from India at the World Trade Organisation committee on import licensing. The US asked India to specify the data to be collected and how it would be used. "Will the information impact the process for granting licenses? Is India considering the use of quantitative restrictions based on the information supplied?" it asked.

The government last month clarified that the import authorisation would remain valid till September 2024. After the expiry of the authorisation, the government will study the data, continue to interact with the stakeholders, and will figure out how to take it forward, which will provide certainty to the industry.

With the import management system in place, the government will collect clear data about specific products, coming in from different sources and monitoring it in consultation with stakeholders.

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PLI 2.0: Dixon commits output worth ₹48K cr

Dixon Technologies, the country's largest home-grown electronics manufacturing services player, has committed a cumulative production value of ₹48,000 crore in six years and has been declared eligible under the reworked production-linked incentive (PLI) scheme for IT products. With this move, the firm will account for a seventh of the additional production value of ₹350,000 crore which the government said has been committed collectively by 27 eligible firms in six years.
SURAJEET DAS GUPTA writes