Business Line, At. 17/12/24

Export of two-wheelers jumps 20% in H2 as demand rebounds

STEADY REVIVAL. Shipments rise to 17,63,496 units in July-November against 14,64,081 units in year-ago period

Aroosa Ahmed
Mumbai

With demand revival in the international markets, two-wheeler exports from India are witnessing an uptick in the second half of the current fiscal year.

The exports have risen by a fifth in the July-November period, aided by a low base and a recovery in demand across markets.

According to the Society of Indian Automobile Manufacturers (SIAM), two-wheeler exports rose to 17,63,496 units between July and November, compared to 14,64,081 units sold in the same period a year ago.

"With innovative designs, market-specific products, good distribution networks and robust after-sales service, Indian OEMs have been enhancing their presence across geographies like West Asia and Europe as well. Despite their efforts, weak demand trends across various geographies curtailed export volumes over the past two fiscals; a shortage in forex and inflationary concerns impacted demand materially.

"Aided by a low base and a recovery in demand across markets (barring Africa), the export volumes have reported a recovery over the past few months," said Rohan Kanwar Gupta, Vice President & Sector Head - Corporate Ratings, ICRA Ltd to *businessline*.

Indian original equipment manufacturers (OEM) have increased their focus on expansion into new international markets and are shifting their dependence from existing geographies. including Columbia, Nigeria, Philippines, Mexico, Sri Lanka, Bangladesh, Egypt and Nepal.

STEADY REVIVAL

"Steady revival in the overseas markets continues and the number of countries that remain in stress conditions is also slowly reducing. The Latam region is leading in world growth with 20 per cent year-on-year growth. Asia is now almost at par with the previous year, but Africa continues to decline across nearly all major markets, though the decline rates have reduced to about minus 9 per cent."

"In Nigeria, our benchmark motorcycle sales, as you know, used to be at around 50,000 per month. It dropped to 5,000 in April, but retail recovered to about 25,000 in September. The recovery over there is expected to be steady, in small steps," said Rakesh Sharma, Executive Director of Bajaj Auto Limited during an earnings call.

GATHERING PACE. The two-wheeler segment volume is expected to grow by 10-12 per cent over FY24

GOOD TRACTION

According to Prabhudas Lilladher, the automotive industry is expected to grow at a moderate pace due to pent-up demand and a high base effect. Amongst segments, the two-wheeler segment volume is expected to grow by 10 to 12 per cent over FY24.

"We are seeing good traction coming from markets like Colombia. Colombia, I must say, delivered their first quarter of a bottom-line turnaround. They are cash and EBITDA positive for the first time. And of course, then we see traction coming from Mexico and from some of the other countries as well. There are countries that need to fire more, and that is because of their geopolitical, economic situation, which are Bangladesh, Turkey, and Nigeria. But as it gets sorted out in terms of their economic scenario, that should also aid the growth of our global business."

"I think our focus there -- disproportionate focus on growing the top 10 countries while nurturing the rest of the countries and making selective entries into some of the markets, is starting to play out well," said Niranjan Gupta, Chief Executive Officer of Hero MotoCorp Limited, during the earnings call.

Business standard. dt. 17/12/24.

Trade deficit at record high on gold imports

Hits $38 bn in Nov; exports contract 4.8% to 25-month low

SHREYA NANDI
New Delhi, 16 December

India's trade deficit reached a record high of $37.8 billion in November, amid a surge in merchandise imports, mainly driven by a 4.3-time jump in inbound shipments of gold, data released by the commerce department showed. Imports increased by 27 per cent to a record of almost $70 billion during the month.

On the other hand, exports contracted 4.8 per cent to a 25-month low of $32.1 billion in November. The contraction came in a month after witnessing robust 17 per cent year-on-year (Y-o-Y) growth in October, which, according to government officials, was due to inventory-building by the West ahead of the Christmas season.

Commerce secretary Sunil Barthwal said that in November, decline in petroleum prices had largely affected exports, although on the brighter side, non-petroleum products grew nearly 8 per cent, an indication that demand is intact.

"This Christmas demand for exports is growing, which means that demand for (non-petroleum) Indian products is consistently rising," Barthwal told reporters in a briefing on Monday.

During November, petroleum exports contracted 49.6 per cent at $3.7 billion. That apart, gems and jewellery is another crucial export item that saw a massive decline of 26 per cent to $2.06 billion. Key products that witnessed export growth include engineering goods (13.7 per cent), drugs and pharmaceuticals (1.1 per cent), electronic goods (54.7 per cent), and readymade garments (9.8 per cent).

According to the data, India imported gold worth $14.9 billion, comprising a fifth of merchandise imports in November. Commerce department officials said that a surge in import of the precious metal has been influenced by nearly a 30 per cent increase in price.

"Gold has been reflected as one of the best performing assets in 2024, till November. Higher import is also due to the investor confidence in gold as a safe asset," additional secretary L Satya Srinivas told reporters.

MIND THE GAP

Source: Department of Commerce

P4 INDIA'S MOTOR FUEL EXPORTS MOVING TO ASIA FROM EUROPE

WPI INFLATION AT 3-MONTH LOW; FOOD PRICES SEE DECLINE

Turn to Page 6

Financial Express, dt. 17/12/24

Drug recalls from US raise export concerns

MANU KAUSHIK
New Delhi, December 16

THE RECENT DRUG recalls by US arms of Indian drugmakers have turned the spotlight back on quality issues faced by the domestic pharma companies in the lucrative export market.

Currently, Aurobindo Pharma, Glenmark and Zydus are in the process of recalling their products in the US market due to manufacturing issues. While the concerns around Aurobindo Pharma and Glenmark Pharma pertain to the "deviation from the current good manufacturing practices (cGMP)", in the case of Zydus, wrong labelling is the reason for recall. Experts said the recent instances of recall could impact the Indian pharma industry which is already facing the heat globally due to a spate of quality issues over the past two years.

Industry experts say drug recalls are an accepted practice globally and there could be many reasons behind them

Though industry experts said that recalls are an accepted practice globally, there could be many reasons behind them. "Recalls shouldn't be taken negatively. It shows that the companies are handling the issues responsibly. It's not always that there are problems with manufacturing process, there could be issues with the raw material providers or with certain batches of a product," said Viranchi Shah, national president, Indian Drug Manufacturers' Association (IDMA).

The latest recalls are classified as Class II which, as per the US Food and Drug Administration, indicates a product may cause temporary or reversible health issues, or there is a low chance of serious health consequences. In 2024, there have been 310 cases of drug recalls in the US.

Nevertheless, Indian pharma companies have been at the cross hairs of Indian and foreign drug authorities. In June this year, the USFDA's division found violations in 11% of the facilities inspected in the country. Last year, inspections by the Drugs Controller General of India (DGCI) revealed that 18 pharma companies were involved in the manufacturing of spurious medicines. Facing quality concerns, in November, the Indian Pharmaceutical Alliance (IPA) has sent a bunch of proposals to DGCI asking it to streamline the drug investigation process.

Financial Express, dt. 17/12/24

Petroleum product exports up 3% in Apr-Nov

ARUNIMA BHARADWAJ
New Delhi, December 16

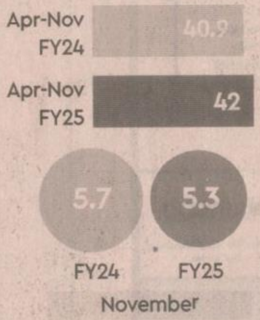
INDIA'S EXPORTS OF petroleum products increased by almost 3% to 42 million tonne during April-November from 40.9 million tonne in the corresponding period of last fiscal, according to data from the Petroleum Planning and Analysis Cell. In November, however, the shipments were down 7% year-on-year to 5.3 million tonne, driven by a significant fall in the supplies to Europe.

In value terms, the country exported $31.2 billion worth of petroleum products in April-November, down 1.3% from $31.6 billion in the year-ago period. Imports of refined oil products increased 6.3% to 33.9 million tonne, up from 31.9 million tonne in April-November 2023. The import bill for refined oil products also increased by 6.6% to $16.1 billion compared to the corresponding period of last year.

SMOOTH FLOW

- In value terms, India exported $31.2 billion worth of petroleum products in April-November, down 1.3% from the year-ago period
- India primarily supplies petroleum products to countries in Europe and Asia
- India's petroleum product exports rose after Europe put restrictions on Russian crude imports in view of its war with Ukraine

Exports of petroleum products (in MT)



Source: PPAC

Europe is increasingly turning out to be the brightest market for Indian oil product exporters that have capitalised on the shortages of diesel and other fuels due to geopolitical tensions and are shipping plentiful cargoes, a trend that is set to spill over to next year, according to S&P Global Commodity Insights.

"Refineries in India have ramped up exports to Europe and the Mediterranean since Europe and the UK banned Russian diesel in 2023. Indian exporters have weathered the Red Sea challenges earlier this year, diverting cargoes to Europe via the Cape of Good Hope on larger clip sizes," said Benjamin Tang, the head of liquid bulk at S&P Global Commodities at Sea.

According to S&P Global Commodities at Sea data, India's gasoil exports to Europe touched 215,000 barrels per day in October, after reaching a high of 282,000 barrels per day in September. Last month, only 104,000 barrels per day was loaded out of Indian ports for Europe.

According to Xavier Tang, market analyst at Vortexa, exports to Europe declined last month as the diesel arbitrage between the East and the West narrowed.

The country's exports of crude oil products, which recovered in September, have once again started to follow a declining trend. Even though analysts fear a supply glut in the oil market 2025 onwards, rising geopolitical tensions and weak demand outlook from the world's top consumers pose threats to the country's exports going forward.

Union minister for petroleum and natural gas Hardeep Singh Puri has said on multiple occasions that there is no shortage of oil in the market but if there are geopolitical tensions, it may lead to an increase in the cost of freight for shippers.

Meanwhile, the domestic consumption of petroleum products in April-November increased to 157.5 million tonne from 152.4 million tonne in the same period in FY24, according to the Petroleum Planning and Analysis Cell.

India primarily supplies petroleum products to countries in Europe and Asia. The EU implemented in December 2022 a price cap and an embargo on Russian crude imports in a bid to curb Russia's revenues for its war with Ukraine. However, this excluded refined petroleum products derived from Russian crude. The spike in Indian exports to Europe coincides with Russia becoming the biggest supplier of crude to India, shipping an average 1.7 million barrels per day in the January-September period, according to S&P.

Business Line, Dt. 18/12/24

i-CAS for halal mandatory for specified meat exports to certain countries: Goyal

Our Bureau
Mangaluru

The Centre has said the India Conformity Assessment Scheme (i-CAS) for halal is mandatory with respect to the export of specified meat products destined to specified countries.

Replying to a question on halal certification in the Lok Sabha on Tuesday, Union Commerce Minister Piyush Goyal said the major meat and meat products importing countries, such as Malaysia, Indonesia, Egypt, Iran and the Gulf Cooperation Council (GCC) countries, have their own regulations, standards and system for certification of imports of halal products. Exports of


Piyush Goyal, Union Commerce Minister

meat products from India and other countries are required to be compliant with the country's specific requirements for halal.

As per the i-CAS for halal formulated for export of specified meat products, halal certificate is a certificate of conformity that confirms that the product, process or service meets the standards/ regulations and the requirements as per Islamic Shariah law, he said in the reply.

The i-CAS for halal has been developed in line with global requirements and best practices to facilitate meat exports to countries requiring halal certification and also for streamlining the certification process.

DIP IN ORGANIC CARBON

Meanwhile, the Centre has said that injudicious or excessive use of chemical fertilizers and stubble burning are some of the reasons for the decrease in organic carbon in the soil.

In a written reply in the Lok Sabha on Tuesday, Union Minister of State for Agriculture and Farmers' Welfare Ramnath Thakur said the major reasons for the decrease in organic carbon in soil are defective practices, such as injudicious or excessive use of chemical fertilizers, frequent tillage/ ploughing, stubble burning, overgrazing and erosion.

To a separate question on saffron production in Kashmir, Thakur said the production in Jammu and Kashmir had decreased from 8 tonnes in 2010-11 to 2.7 tonnes in 2023-24 (third Advance Estimates).

To a question on rubber production, Union Minister of State for Commerce Jitin Prasada said the production of natural rubber had increased from 7.15 lakh tonnes (lt) in 2020-21 to 8.57 lt in 2023-24.

Business Line, dt. 18/12/24

Defence PSUs target ₹2,100 cr export in FY25

Dalip Singh
New Delhi

With India pressing ahead with reducing import dependence for strategic autonomy, nine of the total 16 defence PSUs (DPSUs) have together projected military product exports to the tune of ₹2,100 crore in FY25, with Hindustan Aeronautics Ltd (HAL) pitching the highest at ₹590 crore.

India exports defence products to about 100 countries REUTERS

EXPORT SURGE

The defence exports in FY24 stood at ₹21,083 crore, up from ₹15,918.16 crore in FY23.

Of that, the value of exports by the private sector was around ₹15,000 crore and that from the DPSUs was ₹6,000 crore, as per the Standing Committee on Defence report tabled in Parliament on Tuesday.

India exports defence products to about 100 countries. The committee report was on demands for grants (2024-25) for the general defence budget, and other organisations — such as the Border Roads Organisation and defence PSUs.

The committee stated that the old State-owned companies like HAL's projected export target in 2024-25 is ₹590 crore. While its turnover was ₹28,162 crore in 2023-24 and Profit after Tax (PAT) was ₹7,595 crore.

Bharat Dynamics Ltd has pitched export at ₹500 crore. Its turnover was ₹2,369 crore in 2023-24 and PAT was ₹613 crore.

BEML Ltd has projected the export at ₹440 crore. However, its turnover was ₹4,054 crore and PAT was ₹283 crore, in the last fiscal year.

Likewise, Bharat Electronics Ltd's export target in this FY is ₹120 crore while its turnover of ₹25,378 crore in FY24 and PAT was ₹4,020 crore.

Of the three shipbuilding PSUs — Garden Reach Shipbuilders and Engineers (GRSE) Ltd, Goa Shipyard Ltd (GSL) and Hindustan Shipyard Ltd (HSL) — shortlisted by the Standing Committee on Defence for review of demands of grants, GLS has projected export turnover in FY25 at ₹85 crore. Its turnover was ₹1,635.71 crore in the last fiscal and PAT was ₹271.32 crore.

The GRSE stood second with exports in the current fiscal pegged around ₹80 crore. Its production value was ₹3,588 crore in FY24 and PAT was ₹357 crore.

The HSL said the report, "is not eligible for bidding in view of negative net worth". However, the Visakhapatnam-based shipbuilders is exploring Vietnam People's Navy submarine refit apart from the repairs it did of Belgium Dredger "TSHD Bonny River" in March, this year.

FDI GROWTH

The parliamentary panel report also stated that the Foreign Direct Investment has increased nearly three times in the last decade, from ₹1,388.21 crore in 2014 to ₹5,516.16 crore in 2024.

Though the Committee report does not give a year-wise break-up of the FDI, the Ministry of Defence (MoD), in a reply to members' query, clarified there is no FDI in the about six listed defence PSUs like HAL, BEL, and MDL but FIIs have picked up equity in them.

Business Line, dt. 19/12/24

Safeguard duties on steel coil imports could hurt small rolling mills

ROUGH EDGES. Restricting imports of HR and CR coils would only add to the challenges faced by the broader steel ecosystem ISTOCK.COM

Our Bureau
New Delhi

India's large steel producers' demand for imposition of safeguard duties on the import of hot rolled (HR) and cold rolled (CR) coil, being examined by the government, could impact over 10,000 small rolling mills that depend on affordable imports to stay competitive, according to an analysis by research body Global Trade and Research Initiative. "Such a move (imposition of safeguard duties) could shift the rolling business from small rolling mills to large steel firms, offering little benefit to India's overall steel production," the report said.

The Steel Ministry recently made a request to the Commerce department to examine the possible imposition of safeguard duties on HR and CR steel, Commerce Secretary, Sunil Barthwal, said earlier in the week. A decision on the matter can only be taken after an investigation of the matter by the Directorate General of Trade Remedies (DGTR), he said.

DOWNSTREAM INDUSTRY NEEDS

"The DGTR will look at the whole value chain. We are looking at not only HR coil or CR coil that may be coming to India. We are also looking at the requirement of the downstream industry, whether there is production imbalance or whether the injury is because of excess capacity," Barthwal said.

Safeguard measures restrict imports of a product temporarily through measures such as higher duties, if a domestic industry is seriously injured or threatened with serious injury due to a surge in imports.

Apart from being harsh on the small players, the issue has broader economic implications, the report said. "HR and CR coils are critical inputs for downstream industries, including automobile and appliance manufacturing, which depend on low-cost materials to maintain global competitiveness. Higher coil prices, driven by safeguard duties, could weaken these industries, reducing exports and harming the overall economy," it said.

Business Line, dt. 19/12/24

Gem, jewellery exports down 13% in Nov on weak demand

Our Bureau
Mumbai

Gem and jewellery exports declined 13 per cent in November to $1.99 billion against $2.28 billion registered in the same period a year ago due to weak demand amid economic uncertainty.

In rupee terms, it dropped 12 per cent to ₹16,763 crore (₹19,005 crore), according the Gems and Jewellery Export Promotion Council data. Cut and polished diamond exports declined by 40 per cent to $666 million ($1.12 billion) due to muted demand. Polished lab grown diamond shipments were down 42 per cent at $63 million ($109 million) due to low consumption. However, this product category is still defining its own space and audience, and will ultimately see a rise in demand in the long run.

Gold jewellery exports increased 41 per cent to $1.13 billion ($806 million) as the yellow metal's prices dipped, making it the most desirable asset class to behold in times of global economic uncertainty. Coloured gemstones' export declined 12 per cent to $285 million ($323 million) last month.

IMPORTS JUMP

Overall imports of gems and

Gold jewellery exports increased 41% to $1.13 billion ($806 million) as gold prices dipped REUTERS

jewellery increased 35 per cent last month to $1.36 billion (₹11,512 crore) against $1.01 billion (₹8,418 crore) for the same period last year. Jewellers were stocking up in anticipation of a busy wedding season in India.

Similarly, the overall gross imports of cut and polished diamonds decreased 80 per cent to $54 million (₹456 crore) against $265 million (₹2,210 crore) logged in same period last year.

Import of rough diamonds was down 21 per cent to $6.96 billion (₹58,223 crore) against $8.81 billion (₹72,684 crore). With global economic uncertainty looming, consumers have been taking a cautious step in terms of investing in diamonds, which is a non-yielding asset. However, with the ongoing wedding and holiday season, there may be a rebound in demand.

Colin Shah, Managing Director, Kama Jewelry, said the prolonged geopolitical tension continues to remain a matter of concern for the domestic gems and jewellery industry, which has led to a slowdown in exports after an uptick in the previous month.

"Any critical developments on the geopolitical front may continue to disrupt trade activities in the times ahead. However, with the holiday season around the corner, we expect demand to stay upbeat driven by heightened buying sentiment," he added.

Business Line, Dt. 19/12/24

Rape, castor meals peg back oilmeals exports in Nov

Our Bureau
Mangaluru

The overall export of oilmeals decreased to 27.51 lakh tonnes (lt) during April-November of 2024-25 against 29.64 lt in the corresponding period of 2023-24, registering a 7.15 per cent decline.

BV Mehta, Executive Director of the Solvent Extractors' Association of India (SEA), attributed this decline to a reduction in the export of rapeseed and castorseed meals. During April-November 2024-25, India exported 13.21 lt of rapeseed meal (16.07 lt in April-November 2023-24), and 1.97 lt of castorseed meal (2.54 lt). Total oilmeals exports during November 2024 stood at 3.63 lt (3.97 lt in November 2023), registering a decline of 8.63 per cent.

Mehta said the export of soyabean meal increased to 12.06 lt during the first eight months of the financial year 2024-25 against 9.37 lt in the corresponding period of 2023-24 due to higher imports by the UAE, Iran and France. However, Indian soyabean meal is facing severe competition in recent months due to the increased supply of soyabean meal in world market, he said. He added that export is likely to slow down in the coming months. Bangladesh, which is the major market for rapeseed meal, is faced with uncertainties and the volume of exports has come down in recent months.

SEA is making efforts to persuade the Centre to lift the ban on the export of de-oiled rice bran. Mehta hoped that the government will take some positive steps to allow the export of de-oiled ricebran.

A reduction in the export of rapeseed and castorseed meals dragged the overall shipments down

MAJOR IMPORTERS

During April-November 2024-25, South Korea imported 5.05 lt of oilmeals (5.55 lt) from India, which includes 3.5 lt of rapeseed meal, 1.15 lt of castorseed meal, and 39,036 tonnes of soyabean meal.

India exported 1.78 lt of oilmeals (3.35 lt) to Vietnam during the first eight months of 2024-25. This included 1.49 lt of rapeseed meal, 15,571 tonnes of soyabean meal, 10,970 tonnes de-oiled ricebran extraction, and 2,871 tonnes of groundnut meal. Thailand imported 3.02 lt of oilmeals (4.62 lt) from India during the same period . This included 2.92 lt of rapeseed meal, 7,427 tonnes of soyabean meal, and 2,511 tonnes of groundnut meal.

India exported 4.7 lt of oilmeals (5.95 lt) to Bangladesh in April-November 2024-25. This included 4.13 lt of rapeseed meal and 57,554 tonnes of soyabean meal. Iran imported 1.54 lt of soyabean meal during the first eight months of 2024-25.

Business Line, dt. 19/12/24

Cotton imports up three-fold till Nov-end

Vishwanath Kulkarni
Bengaluru

India's cotton imports witnessed a three-fold jump in the first two months of the 2024-25 season, which started in October. Imports of the fibre crop till November-end stood at 9 lakh bales (170 kg each), as per the Cotton Association of India's latest data. In the same period last year, imports stood at 3 lakh tonnes.

Taking advantage of the low global prices during August-September, Indian millers had contracted for cotton imports, which landed during October-November.

Atul Ganatra, Chairman, CAI, said shipments of around 4.5 lakh bales that were contracted during September got delayed and came in October. Till November end, about 9 lakh bales are estimated to have arrived at Indian ports.

CAI estimated cotton imports during 2024-25 at 25 lakh bales, up from 15.2 lakh bales in the 2023-24 season.

The increase in imports is largely attributed to lower global prices and a decline in the domestic crop size on account of a drop in acreage, besides adverse weather influencing the output and quality in various States.

LOW PRODUCTION

Cotton production during 2024-25 is projected lower by 7 per cent at 302.25 lakh bales over 325.29 lakh bales the previous year.

Cotton prices have been on a bearish trend in the domestic market despite a lower crop on muted demand from mills and also tracking the global price trend.

With prices ruling below the minimum support price levels, the state-run Cotton Corporation of India has been the biggest buyer of the fibre crop with purchases exceeding 31 lakh bales till mid-December. CAI maintained the pressing estimate for the 2024-25 season at 302.25 lakh bales.

Total supply till November-end was estimated at 108.41 lakh bales consisting of opening stocks of 30.19 lakh bales, imports of 9 lakh bales and pressing figures of 69.22 lakh bales. Consumption till November-end is estimated at 54 lakh bales, marginally higher than the same period last year's 53 lakh bales. Consumption for 2024-25 is seen at 313 lakh bales. Exports till November end this year stood at 4 lakh bales, up by a fourth over3 lakh bales last season. However, exports for the 2024-25 season are estimated at lower at 18 lakh bales, down 10.36 lakh bales or 36 per cent over 28.36 lakh bales last season.

Stocks till the end of November were estimated at 50.41 lakh bales. This includes 28.41 lakh bales with textile mills and 22 lakh bales with the Cotton Corporation of India, the Maharashtra federation and others, including MNCs, traders and ginners.

CAI has retained its total supply for the 2024-25 season till end-September 2025 at 357.44 lakh bales, consisting of opening stocks of 30.19 lakh bales, pressing number for the season at 302.25 lakh bales and imports for the season estimated at 25 lakh bales.

Financial Express, dt. 19/12/24

Chinese auto part imports witness flat growth in H1FY25

LOCALISATION EFFORTS

- Exports by Indian auto components makers during H1FY25 stood at $11.1 bn, a 7% y-o-y growth, while imports were $11 bn, a 4% y-o-y growth
- Engine components are the largest product-type imported into India, with a share of 32%, followed by body and chassis, with 17% share
- By 2022, ACMA achieved 6% localisation of imported components worth **₹1.2 lakh cr**

SHRADHA SURI MARWAH, PRESIDENT, ACMA

"There are certain parts and components which will take time because what is needed is scale and huge investment in technologies"

SWARAJ BAGGONKAR
Mumbai, December 18

IMPORTS OF CHINESE auto components, which used to be quite high till a few years ago, are now seeing their growth rate plateauing. The share of Chinese manufacturers in the domestic auto component industry stood at 28% in the first half of FY25, data shared by the Automotive Components Manufacturers Association (ACMA) showed. In FY24, their share was at 29%.

While India is developing capabilities through private investments in areas such as electric vehicle battery cells, where China has an estimated 70% share of the global EV battery market, there are certain areas which require large investments, said a senior industry executive.

At the H1FY25 industry performance review held last week, Shradha Suri Marwah, president, ACMA, said, "There are certain parts and components which will take time because what is needed is scale and huge investment in technologies. The ball has started rolling now and by 2030 we may be seeing a completely different picture."

Exports by Indian auto components makers during H1FY25 stood at $11.1 billion, a 7% year-on-year growth, while imports were $11 billion, a 4% y-o-y growth. In FY20 exports were $14.5 billion, while imports were $15.4 billion, as per ACMA data.

"The growth rate of exports is higher than the growth rate of imports, which means the gap is only going to get wider. It was the other way round a couple of years ago," said Marwah.

Engine components are the largest product-type imported into India presently, with a share of 32%, followed by body and chassis, with 17% share. Drive transmission and steering is the largest product-type exported from India, having a share of 34%, followed by engine components, with a share of 19%.

The slide of China's share in India's automotive market comes on the back of repeated vociferous calls by the Indian government for curbing dependence on China and developing local capabilities instead.

ACMA and the Society of Indian Automobile Manufacturers (SIAM) had set a goal to localise 3% of auto component imports within 2-3 years.

Business Line. Dt:- 20/12/24

Decision on sugar export depends on actual surplus: Food Secretary

Our Bureau
New Delhi

The Indian Sugar and Bio-Energy Manufacturers Association (ISMA) has sought approval for 20 lakh tonnes (lt) of sugar export.

The Union Food Secretary, however, remained non-committal, maintaining that the government would take a call based on the actual surplus as the priority is to ensure sufficient domestic availability and to divert towards ethanol.

Speaking on the sidelines after addressing the annual general meeting (AGM) of ISMA on Thursday, Food Secretary Sanjeev Chopra said: "There is some surplus and how that will be used, whether it will be used for diversion (to ethanol) or otherwise, that call will be taken in due course. As of now, there is no decision on exports." He declined to comment on when a decision would be taken.

Addressing the gathering of private sugar millers, Chopra said the sugar production in current season, which started on October 1, is estimated to be 320 lt whereas the domestic consumption is seen as 285-290 lt and diversion towards ethanol at 40 lt.

After factoring in the carryover stock of 79 lt from the previous season, the closing stock at the end of September 2025 may be 69 lt.

BUFFER STOCK TARGET

The government aims to keep a buffer of 2.5 months' consumption, or 60 lt, to cover the start of the crushing season, assuming the monthly use of 24 lt. This leaves a surplus of 9 lt for export. However, all these calculations are based on the production estimate. ISMA on Thursday said the gross output (including diversion towards ethanol) may be between 325 lt and 330 lt. "ISMA will undertake another round of survey through satellite data and also using the actual crushing report in January to estimate sugar production," said Gautam Goel, President, ISMA. Goel said that the closing balance will be about 80 lt in current season, which is much above the domestic requirement of 56 lt for the first two and half month's consumption. He also said the domestic consumption will drop to 280-285 lt this season against about 295 lt in 2023-24.

ETHANOL DIVERSION

Asked about any possibility of further diversion towards ethanol over and above 40 lt, Goel ruled out any such plan at this stage.

Addressing the gathering virtually, Road Transport Minister Nitin Gadkari assured ISMA he would consider its demand for export and hike of minimum selling price if it presents its case at the committee of ministers, headed by Cooperation Minister Amit Shah.

Business Standard. Dt: 20/12/24

India to make a big export pitch in Jan

Mega meet to stress 6 categories bound for 20 nations

SHREYA NANDI
New Delhi, 19 December

The commerce department is working on a mega meet in January to devise a concrete strategy to push exports of six key product categories, including engineering goods and electronics, to 20 "focus countries" including the United States, Australia, France, China, Russia, the United Kingdom, Japan, South Korea, Singapore, and Indonesia, two senior government officials aware of the matter said.

Indian missions in these countries have been tapped and the ambassadors have been invited.

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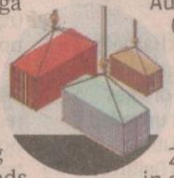
TARGETED APPROACH



- 20 focus countries, including the US, Australia, France, China, Russia, the UK, Japan, South Korea, Singapore, and Indonesia
- 60% share these 20 countries have in global imports
- 6 focus sectors, include engineering goods and electronics; chemicals and plastics; drugs and pharmaceuticals; agriculture and allied products; and textiles.
- 67% share these 6 sectors have in global imports

INDIA, US NEED TO LOWER TARIFFS: GARCETTI 4

FINANCIAL EXPRESS. Dt: 20/12/24.

No sugar exports for now: Official

- Industry urges govt to allow 2 MT of shipments

SANDIP DAS
New Delhi, December 19

DOMESTIC SUPPLY PRIORITY

THE GOVERNMENT IS not in favour of allowing sugar exports at present despite a projection of surplus of around one million tonne in the 2024-25 sugar season (October-September), Sanjeev Chopra, secretary, the department of food and public distribution, said on Thursday.

"We will take a decision on allowing sugar exports in due course in the current season as the first priority is to ensure adequate supplies for domestic consumption and then ensuring supplies for ethanol production," he said on the sidelines of a meeting of the Indian Sugar and Bio-Energy Manufacturers Association (ISMA).

According to the food ministry, the production in the 2024-25 sugar season is estimated to be around 32 MT, while domestic consumption would be 27 MT. The government has allotted 4 MT of sugar to be diverted for ethanol manufacturing. The opening stock of sugar on October 1, 2024 was 7.9 MT.

India exported 6 MT of sugar in the 2022-23 season and since then the government has not allocated any quota for sugar export. The food ministry had earlier ruled out providing any quota for sugar export in the current season as they are closely watching the supply situation as crushing of sugarcane has commenced.

ISMA has urged the government to allow around 2 MT of sugar exports in the current season so that mills don't have to incur the carrying cost of surplus sweetener due to expectation of a better harvest and comfortable opening stocks.

On the sluggish lifting of rice for grain-based distilleries for ethanol manufacturing, Chopra said that prices were not viable. The food ministry has allotted 3.2 MT of rice for ethanol production at ₹28/kg, which the industry association has said is not economically viable. "We will discuss the viability issues," he said.

According to an official note, the blending percentage has touched 15.83% in July 2024 and cumulative blending percentage has crossed 13.6% in the ethanol supply year 2023-24. Encouraged by this progress, the government has set a target of reaching 20% blending by the end of 2025-26.

India is the world's second largest sugar producing country, after Brazil. The government sees the ethanol blending programme as a key to meeting its green energy commitments and improving the financial health of sugar mills.

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Smartphone exports set to top ₹1.70 L cr, rise 31%

RISHI RAJ
New Delhi, December 22

SHIPMENTS ZOOM UP WITH IPHONES

- Smartphone exports reached **₹1.10 lakh cr** in April-November, up 45% from the corresponding period in FY24
- India exported **₹1.29** lakh crore worth of smartphones in FY24
- The PLI scheme for the mobile phone sector has yielded positive results

INDIA'S SMARTPHONE EXPORTS are set to cross ₹1.70 lakh crore in the current financial year – which would be a rise of 31% from ₹1.29 lakh crore in FY24. Around 70% of the shipments will be made up of iPhones. Products of Samsung and domestic contract manufacturer Padget Electronics (Dixon) and a small amount of merchandise exports will make up the balance 30%.

According to industry sources, smartphone exports reached ₹1.10 lakh crore in the April-November period, which is 45% higher than the export figure of ₹76,221 crore for the corresponding period in FY24. In November, monthly exports stood at ₹20,000 crore, the highest. Apple's iPhone vendor Foxconn, based out of Tamil Nadu, was the largest contributor to smartphone exports.

This less-than-four-year-old iPhone factory is also India's largest in terms of employees across all sectors, with a headcount of nearly 42,000, of whom more than 72% are women. The second-biggest contributor in the iPhone ecosystem is Tata Electronics, followed by Pegatron which is said to be in final talks for acquisition by the Tata Group.

The smartphone production-linked incentive (PLI) scheme's success has been secular across multiple policy objectives. Industry association ICEA recently provided a four-year (2021-2024) assessment, informing the government that against a total PLI disbursement of ₹5,800 crore during this period, the smartphone industry contributed a revenue of approximately ₹1.10 lakh crore on account of incremental GST and duties on components. It has created more than 300,000 direct and 600,000 indirect jobs — majority of them for women.

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India's natural gas imports surge 21% in April-November

ARUNIMA BHARADWAJ
New Delhi, December 22

INDIA'S NATURAL GAS imports surged 21% to 24,798 mmscm (million metric standard cubic metre per day) during April-November 2024, compared to 20,486 mmscm in the same period last year, driven by higher consumption from city gas distribution companies and the power sector, according to data from the Petroleum Planning and Analysis Cell (PPAC). The import bill also increased by nearly 15% to $10 billion during the period, up from $8.7 billion in April-November 2023.

In November alone, imports rose 21.7% to 2,941 mmscm compared to 2,416 mmscm in November 2023.

India's import dependency on natural gas climbed to 50.9% during April-November 2024, compared to 46.5% in the same period last year. For November, the dependency reached 50%, up from 44.7% in November 2023.

Despite government efforts to boost domestic crude oil and natural gas production and reduce energy dependency, output has remained stagnant, further increasing reliance on imports.

The government has expressed its intention to offer more incentives to attract global energy giants for oil and gas exploration in Indian territories. However, experts remain cautiously optimistic, calling for more flexible work programmes and a waiver of goods and services tax (GST) on capital equipment to

MORE DEPENDENCY

build investor confidence in the hydrocarbon sector.

Natural gas consumption in India increased 10.4% to 48,682 mmscm in April-November 2024, compared to 44,091 mmscm in the same period last year. According to ICICI Securities, while consumption has grown steadily over the last six to seven quarters, it has shown volatility.

"Q1FY25 saw record consumption of 206 mmscm per day, driven by a spike in gas-fired power demand, which has since moderated to 193-196 mmscmd as power demand tapered off," it said.