Business Line dt. 5.1.23.

Trade bodies oppose extension of ban on palm oil imports through Kerala ports

V Sajeev Kumar
Kochi

Trade bodies and port users in Kerala have hit out against the Directorate-General of Foreign Trade's (DGFT) decision to extend the ban on palm oil imports through ports in the State. The decision will hit the revenue of many minor ports in the State, they say.

Munshid Ali, Secretary of the Kerala Exporters' Forum, said minor ports such as Kollam and Beypore are gearing up to receive more cargo after modernisation, and the DGFT's move will hinder their development.

Road transportation of cargo unloaded at neighbouring Mangaluru and Thoothukudi ports is likely to increase the retail price of palm oil in the local market.

The curbs have not yielded desired results, only led to a rise in prices, say exporters

The exporters' forum and other chambers of commerce have made several representations for lifting the ban on import through Kerala ports.

The Forum urged the Kerala Government, and the State Agriculture and Industries Department to jointly appeal to the Centre to reconsider the decision. It has also requested MPs from Kerala to raise the issue in Parliament.

'NO BENEFITS'

Prakash Iyer, Chairman, Cochin Port Users' Forum, said palm oil import through Cochin Port was banned in 2007 to arrest the falling price of coconut oil. However, after 15 years, neither the coconut farmers nor the government have got the desired results on account of the road transportation of palm oil to Kerala. This has not only hit traffic at Cochin and Beypore ports, but the business of exim trade and logistic partners.

Iyer also cited the instance of the ban on natural rubber imports through Cochin Port, while allowing the same through Thoothukudi, Chennai and New Mangalore ports, which increased costs for the industry, but did not reduce usage of the commodity.

The Cochin Port Users' Forum has requested the Centre to have a re-look at the DGFT notification considering the trade interests of the port community. It has also suggested that the government find new ways to promote coconut oil consumption by highlighting its health benefits across markets, including exports.

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Europe recession to weigh on coffee exports

COLD BREW. Order books thin, but exports may pick up

Vishwanath Kulkarni
Bengaluru

Recession in the European countries and the United States will likely weigh on Indian coffee prices, while exports will likely be sustained in the year ahead. Europe and the US are major markets for Indian coffees and about two-thirds of the beans produced in the country are exported.

Orders are thin currently, but exporters expect orders to pick up once the Indian prices come in line with international prices.

"I think the volumes should be good. We should be able to export on par with last year. While last year, there was an increase in re-exported coffees, we think the green bean exports should also be good this year as the crop looks good. However, prices will be lower mainly because of the recession in Europe and the US," said Ramesh Rajah, President, Coffee Exporters Association.

HINGE ON INSTANT COFFEE

India's coffee exports for calendar 2022 topped the 4-lakh-tonne mark and touched a record high of $1.11 billion on improved realisations, registering an 18 per cent increase in value.

"We should reach around 4 lakh tonnes this year too, but it all depends on the instant coffee exports. We don't know what will be the impact of recession on them," Rajah said. The harvest of milder variety arabicas is almost coming to an end, while harvest of robustas has begun in the key producing areas of Karnataka and Kerala.

"Right now growers are hesitant to sell as prices have come off a bit in the past two months. But we think that once the robusta variety starts arriving in the market in a big way, the shipments will pick up," Rajah said.

"Orders are still slow, but we think it will pick up. Right now, the Indian prices are still a little above international parity and buyers are reluctant to give orders. We think once the arrivals start, Indian prices should drop and it will be more in line with the international prices. Going forward, if the Indian prices come on par with the international prices, the order book will improve," Rajah said.

ALL EYES ON ROBUSTA

Jeffry Rebello, President, UPASI, said the harvesting had progressed with the weather clearing up over the past fortnight. "We are still assessing the crop size and it is too early to say. Robusta looks good in some places and average in some areas. Arabica is likely to be down by 10-15 per cent," he said.

Bose Mandanna, a grower in Kodagu, said the robusta crop looks poor in the district and is seen lower by about 30 per cent as rains during the blossom period had impacted the crop setting.

"It is difficult days for growers as pepper is also not good and costs are rising while the prices are down. We hear that export orders are not easily available due to the recession in the Europe and the US. We will have to look for other markets such as Australia, South Korea and West Asia and concentrate on the domestic market to boost consumption," he said.

Business Line dt. 5.1.'23.

PlastIndia urges Centre to lower import duty on polymer

Our Bureau
Mangaluru

PlastIndia Foundation (a body of the major association, organisations, and institutions connected with plastics) has asked the Government to lower import duty on polymer and increase the custom duty on finished plastic products in the Budget 2023-24.

In his pre-Budget expectations for the plastic and polymer industry, Jigish Doshi, President of PlastIndia Foundation, said the import duty on polymer should be between 5 and 7.5 per cent.

Stating that import is inevitable as India does not produce enough polymer, he said import duty needs to be lowered to make the Indian plastic industry more competitive.

Custom duty on the finished plastic product should be a minimum of 20 per cent or more to support the domestic plastic processing industry, he said.

Stating that the Government is focusing on renewable energy, Doshi said this presents an opportunity for the plastic industry.

To encourage the local manufacturers, the Custom duty on the import of components should be at least 20 per cent.

OTHER SUGGESTIONS

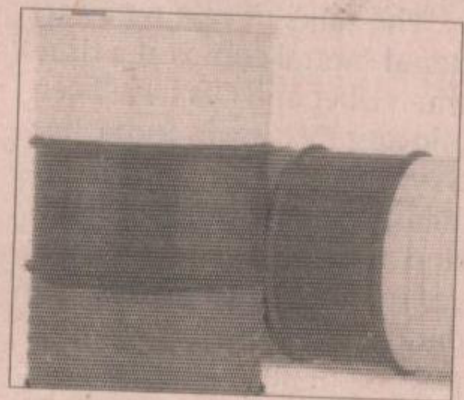
Stressing the need to make uninterrupted power available at less than ₹5 per unit, he said India has a high electricity rate, and power fluctuation is also very high.

On labour laws, Doshi said: "India should have a free labour law, however, the wages should not be so high that it makes the manufacturing industry globally uncompetitive. Labour law should come under the purview of the Central government and wages across the country should be uniform."

Financial Express dt. 6.1.23.

Russia sends more Arctic oil to China, India after sanctions

FLORENCE TAN & NIDHI VERMA
Singapore/New Delhi, January 5



RUSSIA IS SENDING more crude oil produced in the Arctic region to China and India, and at steeper discounts, after Europe slammed its doors shut on Russian supplies last month, trade sources and data show.

Arctic grades Arco, Arco/Novy Port and Varandey do not normally head East but are now finding new homes further afield after the European Union, G7 nations and Australia introduced a price cap on Russian oil in December, on top of an EU embargo on Russian crude by sea. Sellers are selling the Russian crudes at bigger discounts as they absorb higher shipping costs.

"All these Arctic crudes usually go to the EU but now they have to go elsewhere," a Singapore-based trader said.

Arctic crude exports to India have steadily increased since May, with a record 6.67 million barrels loaded in November and 4.1 million barrels in December, Refinitiv data showed. Most of the supplies were Arco and Arco/Novy Port produced at fields operated by Gazprom Neft.

Arco crude is a heavy sour grade from the Prirazlomnoye field while the better quality Novy Port grade, from the Novoportovskoye field, is a medium to light sweet crude.

Last week, India imported its first Varandey crude cargo that loaded in Murmansk port in late November, according to two sources and Refinitiv data.

The 900,000-barrel cargo onboard tanker Bear Alcor that sailed via Europe, the Mediterranean and the Suez Canal, was discharged at Cochin port in Kerala on Dec. 27 for refiner Bharat Petroleum Corp.

— REUTERS

Business Line dt. 6.1.22

Govt mulls lower import duty on electrolysers for 2-3 years

Rishi Ranjan Kala
New Delhi

The Centre is contemplating on providing an incentive in the form of lower import duties on electrolysers for 2-3 years, in an effort to expand the nascent domestic ecosystem for manufacturing green hydrogen and ammonia.

"What we are thinking is that we will announce a date until which the domestic industry will be allowed to import electrolysers at lower import duties — let's say, by 2025-26. We expect domestic manufacturing capacity to come up by then. Thereafter, heavy import duties will kick in and we don't expect anybody to import electrolysers," Power Minister RK Singh told reporters on Thursday.

> We expect domestic manufacturing capacity to come up by 2025-26. Thereafter, heavy import duties will kick in and we don't expect anybody to import electrolysers
>
> **RK SINGH**
> Power Minister

Electrolysers account for around 40-55 per cent of the cost of producing green hydrogen. At present, electrolysers cost around ₹4 crore per megawatt (MW). The present cost of producing green hydrogen is about \$4-7 per kg.

Industry players agree that it will help kickstart the domestic manufacturing ecosystem for green hydrogen and ammonia. Higher production will lead to lower prices with economies of scale.

TRANSITION ASPECTS

Earlier in the day, Singh interacted with industry stakeholders on the national green hydrogen mission. He emphasised that it will support pilot projects in hard-to-abate sectors like steel, long-range heavy-duty mobility, shipping and energy storage to replace fossil fuels.

WRI India Program Director (Clean Mobility & Energy Tech) Pawan Mulukutla said, "Development of the mission strategy considered various aspects of transition like economic impact of adoption in identified sectors and deriving green hydrogen mandates for specific industries. It included an in-depth analysis of domestic and global regulations applicable across the value chain and identification of areas like mobility, shipping, industrial and metal refining for green hydrogen adoption."

WRI India was the knowledge partner on the mission.

"Germany has come out with bids for importing green hydrogen. I have asked the industry to analyse and figure out whether they can participate in bidding," Singh said.

Economic Times dt. 5.1.23

Russia Top Exporter of Crude to India for 3rd Month in a Row

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New Delhi: Every fourth barrel of crude imported by India in December came from Russia, according to energy cargo tracker Vortexa.

Russia remained the top exporter to the country for the third month in a row in December, supplying 1.17 million barrels a day (mbd) of crude, a record. This was 24% higher than imports from Russia in November, aided by a three-quarter rise in imports by private sector refiners.

Imports of Russian crude by state-run refiners remained nearly stable at around 600,000 barrels per day while those by private sector refiners rose to about 570,000 barrels per day.

India's overall crude imports rose 7% month-on-month to 4.6 million barrels per day. Imports from Iraq and the United Arab Emirates (UAE) fell marginally while those from Saudi Arabia rose marginally. US exports to India fell a fifth.

India's imports of seaborne Russian crude were 50% more than China's and nine times that of the European Union's as the latter's ban on imports from Russia kicked in on December 5. For the first time, India's imports of Russian crude exceeded that of China's, which fell 27% month-on-month to 770,000 barrels per day in December.

For full report, go to www.economictimes.com