

Business Line. Dt: 08/10/24

# At 4.7 mt, steel imports up 41% in first-half as exports decline 36% to 2.3 mt

**Abhishek Law**

New Delhi

India was a net importer of steel for the first half of FY25 with imports of the metal at 4.7 million tonnes (mt), up 41 per cent y-o-y, while exports dipped to 2.3 mt, down 36 per cent. Imports more than doubled that of exports by 2.4 mt, per an internal report of the Union Steel Ministry, accessed by *businessline*.

The country was a net exporter of steel at 3.6 mt in the year-ago period (6 months of FY24) while imports were at 3.3 mt.

## **SUBSTANTIAL RISE**

“There is pressure of imports, especially from China and Korea. But on a sequential or month-on-month basis, the rate of growth of imports is manageable. It is in low single-digit numbers. On the positive side, there has been a substantial improvement in exports sequentially. Some price firm up in China is being seen which, if it plays out in the long-run, is a positive,” a Ministry official said.

In September, finished steel imports were around 1 mt, up 78 per cent y-o-y, but staying at the August level (flattish at 1 mt). Exports for the month stood at 0.4 mt, up 16 per cent over the previous month (0.34 mt) but down 8 per cent over the same month last year (September 2023 exports were at 0.43 mt).

Finished steel includes hot rolled coils, cold rolled coils, coated steel, non-alloyed offerings, alloy steels and stainless steel.

Market participants said prices of Chinese HRC (SS400) improved post the stimulus announcement and ahead of the Golden Week holidays. The assessed prices of Chinese HRC (SS400) stood at \$510/t FOB Rizhao,



There is pressure of imports, especially from China and Korea

and \$540/t CFR India as on October 2. Prices from China (freight exclusions) stood at \$410 per tonne, averaging out for the July-September period.

According to BigMint data, Chinese steel prices were at ₹42,800 per tonne (exclusive of freight) while metal coming in from ASEAN FTA nations were priced at ₹41,500 per tonne. In comparison, domestic steel was priced higher at ₹47,700 per tonne.

Per the Ministry report, non-alloyed steel (which include HRC, CRC and others) — used mostly in automobiles, electrical and capital goods, etc — witnessed an over 55 per cent y-o-y increase for the first six months of the fiscal to 3.5 mt while in September there was a 95 per cent y-o-y increase at 0.7 mt but it declined sequentially by 3 per cent.

On the other hand, alloy and stainless-steel imports were at 1.2 mt, up 13 per cent y-o-y for the first half of the fiscal. In September, category imports stood at 0.3 mt, up 44 per cent y-o-y and up 20 per cent sequentially (vs August).

## **DEMAND INTACT**

Domestic steel demand, however, remained strong at 73 mt, a rise of 14 per cent y-o-y. Consumption in the year-ago-period was 64 mt.

Finished steel production saw a 5 per cent y-o-y growth for the first six months of the current fiscal at 71 mt.

# Russia seeks to boost coal exports to India

Reuters

Moscow

Russia is interested in increasing coal exports to India to tap into growing demand for the fuel in the Asian country, Russian Deputy Prime Minister Alexander Novak said.

China remains the biggest buyer of Russian coal but Moscow has said India may overtake it by the start of the next decade as Beijing plans cutbacks on coal usage for power generation.

India has increasingly relied on coal to address record power demand, with the rise in coal-fired power output earlier this year outpacing renewable energy growth for the first time since at least 2019. Its coal production in the last fiscal year to March 31 rose to a record 997.828 million tonnes, a 12 per cent rise from a year ago. More than 75 per cent of India's power generation was from coal in 2023.

## INDIAN MARKET

India imported 176 mt of thermal coal in 2023, driven mainly by power plants. Russian exports to India reached 26.2 mt last year, up from 20 mt in 2022, according to Russia's Energy Ministry.

Russia is already the



Alexander Novak,  
Russia's Deputy Prime  
Minister

largest supplier of crude oil to India thanks to diversification of trade ties away from Europe, once Moscow's key business partner, due to a severe political standoff with the West over the conflict in Ukraine.

"Russian coal-producing enterprises have significant resources and are interested in expanding its presence in the fast-growing Indian market," Novak said, according to a transcript of his remarks released by his office. He made the comments at a meeting with reporters.

Despite close political and business ties, India is wary of sanctions against Russia. It said last month that the country would not buy liquefied natural gas (LNG) produced from Russia's Arctic LNG 2 project, which is sanctioned by Western countries.

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# APEDA suspends certification body, exporter for 'illegal organic' rice export

**CRACKING DOWN.** Sikkim certification body and private exporter fined ₹10 lakh each

bl.impact

**Subramani Ra Manambu**  
Chennai

The Agricultural and Processed Food Products Export Development Authority (APEDA), the nodal agency for the National Programme on Organic Production (NPOP), has suspended the accreditation of an organic certification agency and an exporter, besides penalising both.

The action follows a report by *businessline* that irregularities had been reported in the shipments of organic rice from India since the last fiscal when the government banned white rice exports and imposed a 20 per cent export duty on par-boiled consignments.

According to sources in the know, the decision to suspend the Sikkim State Organic Certification Agency and Reliteaur Foods Private Limited was taken last week.

The suspension will be for one year. Besides, both have been fined ₹10 lakh each by

APEDA. Consignments of Reliteaur in merchant vessel *mv Della* have been detained by the Customs authorities since August. The company has moved the Gujarat High Court, and the next hearing has been scheduled for October 17.

Data show that Reliteaur shipped 71,131 tonnes, the highest volume, during April-July this fiscal. Organic rice exports in the first four months of the fiscal were 1,46,585 tonnes compared with 1,07,727 for the entire 2023-34 fiscal. Of this, white rice made up 1,27,120 tonnes, broken rice 8,000-odd tonnes and parboiled rice made up the rest.

The majority of the shipments took place from JNPT (60,809 tonnes), Sonapat Inland Container Depot (30,624 tonnes), Mundra (26,049 tonnes) and Kandla (25,100 tonnes).

Most of the consignments were headed to countries such as Vietnam (22,166 tonnes), Angola (22,100 tonnes), Mozambique (16,457 tonnes) and Kenya (11,801 tonnes), which do



**DUPING AUTHORITIES.** Most of the consignments were headed to countries such as Vietnam, Angola, Mozambique and Kenya, which do not import organic rice from India

not import organic rice from India.

### DECLINING PRICES

The US and the Netherlands, India's principal organic rice buyers, bought 13,626 tonnes and 16,457 tonnes respectively during the period. Vietnam, Madagascar, Kenya, Mozambique, other African countries and Malaysia are not traditional importers of organic rice. African nations have never imported Sona masoori and organic rice in such volumes, but they were found to have

purchased them.

In view of the irregularities, the price of organic rice exports declined constantly since October 2023 — the timing coincides with the ban on exports of white rice in July. From \$940/tonne in September 2023, the price declined to \$529 in June 2024.

S Chandrasekaran, a Delhi-based trade analyst, said, "Unfortunately, the profiteering motto has overshadowed the integrity of organic agriculture. Though penalty has been imposed on

offenders, we are repeatedly witnessing such incidents recur. The government should introspect over such recurrence."

Traders wondered how organic rice could be sold at prices less than \$500 a tonne when it fetches a premium. A source said the directors of Reliteaur are the same as Elite Green Private Limited, whose organic certification was withdrawn by the NPOP and penalised ₹5 lakh in December 2023.

"Action against Elite Green was taken as the NPOP found major non-compliances and violations. Why did the authorities not check the antecedents of the company when it was registered?" the sources wondered.

### BAN VIOLATION

While exporting white rice in the garb of organic rice, the shippers are reported to have violated the ban on white rice. (The ban was lifted on September 28, 2024). In the case of parboiled rice, they had dodged the 20 per cent export duty.

# China slaps anti-dumping levy on brandy imports from EU

**RETALIATORY MEASURE.** Move follows EU vote for tariffs on Chinese-made EVs

Reuters  
Beijing/Paris

China imposed temporary anti-dumping measures on brandy imports from the European Union on Tuesday, hitting brands from Hennessy to Remy Martin, after the 27-State bloc voted for tariffs on Chinese-made electric vehicles (EVs).

An investigation has preliminarily determined that dumping of brandy from the EU is threatening China's own brandy sector with "substantial damage", the Chinese Commerce Ministry said.

Importers of brandy originating in the EU will, as of October 11, have to put down security deposits mostly ranging from 34.8 per cent to 39 per cent of the import value, the Ministry added.

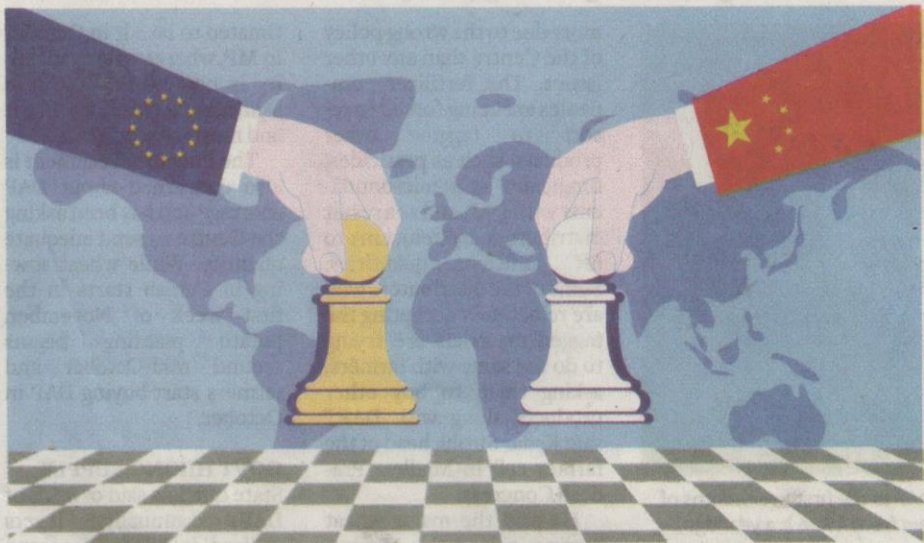
France was seen as the target of Beijing's brandy probe due to its support of tariffs on China-made EVs. It also accounted for 99 per cent of China's brandy imports last year, with French brandy shipments reaching \$1.7 billion.

## WORST HIT

Hennessy and Remy Martin were among the brands worst-hit, with importers having to pay security deposits of 39 per cent and 38.1 per cent respectively.

The deposits would make it more costly upfront to import brandy from the EU. It was not immediately clear how and when importers would be able to get back their deposits. The Chinese Commerce Ministry gave no details.

Companies that cooperated in the Chinese investigation were hit with security deposit rates of 34.8 per



**TOUGH TARIFFS.** Importers of brandy originating in the EU will, as of October 11, have to put down security deposits mostly ranging from 34.8 per cent to 39 per cent of the import value ISTOCK

cent. The rate on Martell was the lowest, at 30.6 per cent.

## IMPORT DUTY

French cognac trade body, the Bureau National Interprofessionnel du Cognac (BNIC), Pernod Ricard and Remy Cointreau did not immediately respond to a request for comment. The punitive measures came on the heels of a vote by the EU to adopt tariffs on China-made EVs by the end of October. Ahead of the vote in late August, China had suspen-

ded its planned anti-dumping measures on EU brandy, in an apparent goodwill gesture, despite determining that EU brandy had been sold in China at below-market prices.

At the time, the Commerce Ministry said its probe would end before January 5, 2025, but that it could be extended.

China's Commerce Ministry previously said it had found that European distillers had been selling brandy in its 1.4 billion-strong con-

sumer market at a dumping margin in the range of 30.6 per cent to 39 per cent and that its domestic industry had been damaged.

In the EU's decision to impose tariffs on China-made EVs, the bloc set tariff rates ranging from 7.8 per cent for Tesla to 35.3 per cent for SAIC and other producers deemed not to have cooperated with the EU's anti-subsidy investigation. These will come on top of the EU's standard 10per cent car import duty.

## No reason for China to retaliate for EV tariffs: Top EU exec

Reuters  
Paris

The EU's action against China-made electric vehicles was "fair and proportionate" and there was no need for Beijing to retaliate, Economy Commissioner Paolo Gentiloni said on Tuesday in a reaction on China's decision to slap new duties on European brandy

imports. "I am never worried", Gentiloni told a news conference in Luxembourg when asked if he was concerned there could be additional Chinese tit-for-tat measures.

France will work with the European Union to take action at the World Trade Organization (WTO) level to protest against China's decision to slap duties on European brandy imports, the

French Trade Minister told Reuters on Tuesday.

"This announcement seems to be a retaliatory measure following the (EU) Commission's investigation into electric vehicles.

"Such a retaliatory measure would be unacceptable, and in total contradiction with international trade rules," said Sophie Primas.

Business Line. Dt: 09/10/24

# Lower DAP imports feared to be behind shortage in MP and Punjab

**MINISTRY CLUELESS.** Shipments to India down 50% during April-Aug; wrong policy blamed for the situation

**Prabhudatta Mishra**  
New Delhi

While there has been a surge in the sale of all fertilizers, an over 20 per cent drop in diammonium phosphate (DAP) has been noticed during April-August of the current fiscal.

This has surprised many as there have been reports of shortages of phosphatic fertilizers in Punjab and Madhya Pradesh ahead of the rabi sowing season.

The Fertilizer Ministry, which two years ago withheld demand-supply information from the public domain citing shortage as the reason, has not been able to clarify the reasons for the shortage. However, experts are pointing to lower import.

According to official data, sales of DAP in the first five months of the current fiscal were 38.36 lakh tonnes (lt),



**CAUSING CONCERN.** Sales of DAP in the first five months of the current fiscal were 38.36 lt, down from 48.26 lt a year ago

down from 48.26 lt a year ago. Even the Agriculture Ministry's assessment pegged demand at 50.52 lt for this period in 2024-25.

On the other hand, import of DAP dropped by a half to 15.88 lt from 31.05 lt in the

corresponding period of 2023-24. Not only DAP, import of all other fertilizers also declined and the fall was in the range of 4-23 per cent.

**TAGGING OF PRODUCTS**  
"The shortage of DAP is

more due to the wrong policy of the Centre than any other issues. The fertilizer companies are being forced to resort to tagging other products, such as pesticides, fungicides and micronutrients with DAP, and as a result distributors are reluctant to lift sufficient quantities. Some of the distributors who are reluctantly accepting the tagged materials are trying to do the same with farmers, asking them to buy other products along with DAP," said Kedar Sirohi, head of the farmer cell in Madhya Pradesh Congress.

He said the major wheat sowing period in Madhya Pradesh is October-November and this year neither DAP nor complex fertilizers were available in ample measure. He said farmers were buying DAP at ₹1,700/bag of 50 kg whereas its MRP is ₹1,350/bag.

The demand for DAP is es-

timated to be 3 lt in October in MP, whereas the availability is not even 2 lt, Sirohi said, adding that both wheat and mustard require it.

The Punjab government is also concerned about DAP shortage and has been asking the Centre to send adequate quantity. While wheat sowing in Punjab starts in the first week of November, potato planting begins around mid-October and farmers start buying DAP in October.

**GOVT HIKING SUPPLY**  
State officials said of 8.5 lt of DAP used annually, 5.5 lt gets utilised in the rabi season alone and this year there is a 3.5 lt shortage. However, sources in Union Agriculture Ministry said the shortage in the monthly demand is not huge, and the government has been trying to increase supply both in October and November.

# As Customs officials hold up shipments at ports, rice exports get delayed

*Business Line, 1st. 10/10/24*

**TO PREVENT FRAUD.** Authorities are playing it safe to verify if consignments are of white or parboiled rice

**Subramani Ra Mancombu**  
Chennai

White and parboiled non-basmati rice consignments are being held up at major ports by Customs authorities despite the government easing curbs on shipments from the country.

According to trading sources, the consignments are held up at container freight stations (CFS) to ensure that parboiled rice is not exported in the garb of white rice to dodge the 10 per cent export duty. "The situation is opposite to what it was before the Centre eased the curbs last month-end," said an exporter, who did not wish to be identified.

## CHANGE IN SITUATION

Until the end of September, Customs authorities held up parboiled consignments to check illegal shipments of white rice, which was banned since July 2022. On September 27 and 28, the Centre



**INCREMENTAL CHARGES.** Exporters said the hold-up leads to additional costs of \$70-80 a tonne

eased the restrictions on rice exports. First, it reduced the duty on parboiled rice exports to 10 per cent from 20 per cent and made the duty on white rice zero. Next, it allowed export of white rice.

Customs authorities are carrying out tests to ensure parboiled rice is not shipped out as white rice. In the global market, white rice is

quoted at \$491-495 and parboiled above \$500 free-on-board. Since officials suspect that attempts could be made to ship out parboiled rice as white rice without duty being paid, they are testing if the rice is white as claimed by the shippers.

Exporters said this had led to a delay of nearly 10 days of export consignments, be-

sides leading to \$70-80 a tonne additional costs. They say this is particularly affecting small and medium exporters.

"When we take our rice consignments to any port, the container is offloaded at the CFS. Customs authorities draw samples from the container and until the results of the tests come, the container is held up at the CFS," said an exporter.

## RISKS INVOLVED

Exporters said it takes at least three days for the results to come from the lab if it is a major city such as Chennai. If it is Kakinada or Vizag port, then it takes an additional 2-3 days. "We have to pay ₹7,000 to keep our consignment in CFS for nine days. Mostly, we find we have to pay additional money since the tests don't get done by this period," said an exporter from Kakinada.

In case of big exporters, the CFS does not charge them additionally since they

are giving them continuous business, he said.

Another exporter in Chennai said shippers are beginning afresh after the ban was lifted on white rice exports. A delay at this time could cost them dearly.

"The additional costs that we have to incur itself will make exports unfeasible. And there are chances of the consignments missing the ship," he said. Another exporter said those permitted to examine did not know how to go about carrying out tests. This is resulting in "needless delay", he said.

In July 2023, the government imposed a ban on exports of white rice due to fear that deficient rainfall would affect rice production. This was after it imposed a 20 per cent export duty in September 2022. In August 2023, the government imposed a 20 per cent duty on parboiled, brown and husked rice after the emergence of El Nino resulted in deficient rain in paddy-growing areas.

# Scarcity of coconut shells may hit activated carbon exports

*Business Line, dt. 10/10/24*

**V Sajeer Kumar**

Kochi

India's activated carbon exports are likely to face a bumpy ride in the wake of a shortage of coconut shells and higher freight cost triggered by the Red Sea crisis. The crisis has led to delayed delivery of cargo by around 30 days to Europe and the US markets due to diversion of ships via the Cape of Good Hope.

India is a major producer and exporter of activated carbon, which is mainly used for gold extraction and purification of water and air.

Insufficient coconut shells, the primary raw material for activated carbon, have stoked charcoal prices, which reached ₹45,000 per tonne from ₹27,000 in January, causing the production



India exported about 1,41,861 tonnes of activated carbon in 2023, valued at \$242 million

cost to surge by 30 per cent. Increased demand for carbon in the gold mining industry has also squeezed the supply of raw materials.

## **PROBLEM FOR LANKA**

Joshy Joseph, Director of IndCarb, the Palakkad-based manufacturer and exporter of coconut shell-based steam activated carbon, said coconut shell shortage is

posing a concern not only for India but also for Sri Lanka, the leading producer.

He attributed the reasons for the shortage to declining raw nut production due to climate change in major producing countries and dispatch of ball coconuts in bulk to north India for making various value-added products.

India exported about 1,41,861 tonnes of activated carbon in 2023, valued at \$242 million. Other significant exporters are Philippines at 62,724 tonnes, followed by Sri Lanka with 54,069 tonnes. The global market is projected to reach \$7 billion by 2030 from the present \$4.4 billion.

Out of the ₹3,469 crore exports of coconut products in FY24, around 60-70 per cent was activated carbon shipments.

# 'Pharma, Meditech Exports to Sustain Growth Pace'

Press Trust of India

**New Delhi:** Exports of India's pharmaceutical and meditech sectors are expected to sustain the growth momentum in the ongoing fiscal despite a slowdown in the global economy, a senior government official said on Wednesday.

With the government revving up support for drug development in India, as many as 16 blockbuster molecules targeted for a wide range of therapeutic areas, including cancer, diabetes, HIV and tuberculosis, are in the pipeline to be produced in India, Department of Pharmaceuticals, Secretary Arunish Chawla told reporters on the sidelines of CII Pharma and



Life Sciences summit here.

"We have been analysing the export trends in the recent data. Even though there is a general slowdown in exports globally, the good news is that the Indian pharmaceuticals, biotech, and bulk drug exports have grown double-digit over the last year," he said in response to a query on export prospects of the pharma industry amid a global slowdown.

He further said, "In the first four months of this year, these exports have now become the fourth largest merchandise export item for the Indian economy. That's a huge achievement, and it's an important milestone that has been crossed."

Going forward, Chawla said, "We expect robust performance from both pharma and the meditech industry. In the last year, in the consumables and surgical space we became an export-oriented industry. In other segments as well, like imaging devices, body implants, in-vitro diagnostics, we are a rising power, and these exports are also showing a good growth this year."

Bullish on India's pharma and meditech exports, he said, "We are confident that when the data comes finally for the current financial year, you will see impressive results for yourself."