

# Watermelon seed prices crash on import fears

Suresh P Iyengar

Mumbai

Watermelon growers in Gujarat and Rajasthan have urged the government not to relax import restrictions, following pressure from traders. They warned that overseas shipments could depress prices just as domestic supplies have begun reaching the market.

Watermelon is largely cultivated as an intercrop in several States, including Rajasthan and Gujarat. However, the delayed onset of the monsoon prompted farmers, who traditionally grow *guar* (cluster bean), *bajra* (pearl millet) and *moong* (green gram), to consider watermelon as their main crop this season.

A farmer from Bhavnagar, Gujarat, said farmgate prices of watermelon seeds had fallen to about ₹170 a kg from ₹245 per kg in recent weeks, amid reports that import restrictions could be re-



laxed. "If imports are opened in mid-August, shipments could arrive between September and November, precisely when domestic produce starts reaching the market. This will put significant pressure on prices," he added.

## STABILISED PRICES

Tulcharam Sinvar, State general secretary of the Bharatiya Kisan Sangh, Rajasthan, said farmers are actively expanding watermelon cultivation as watermelon seed prices have stabilised around ₹200 a kg after having fallen

to ₹70 a kg earlier. He attributed the recovery to stronger demand and government measures restricting cheap imports.

"Farmers are now taking up watermelon cultivation in a big way. We do not want imports to be opened when domestic production is about to enter the market," Sinvar told *businessline*.

Farmer organisations are working with the Agriculture University of Jodhpur to strengthen domestic seed production and improve availability. India requires around 60,000-70,000 tonnes of watermelon seeds annually, and currently faces a deficit of 10-15 per cent, Sinvar said.

"The shortage is coming down every year with the active help of the university," he added.

## ACREAGE RISES

Watermelon is generally sown between June and August, with the crop beginning to reach markets from early

September. Farmers across Rajasthan, Gujarat, Maharashtra, Madhya Pradesh, Uttar Pradesh and Karnataka have expanded acreage after the Centre assured them that agricultural commodities produced abundantly in India would not be exposed to foreign competition.

Although the government has not officially announced any relaxation in watermelon seed imports, farmers said rumours of a possible move had already affected prices.

Lal Khaji, a watermelon farmer from Rajasthan, said high labour costs had made it difficult for domestic growers to compete with cheaper imports. "Even if the work on the field does not last a full day, I have to pay around ₹750-800 a day for labour," he said.

Sinvar said issuing a fresh import quota at this stage would leave farmers vulnerable to a sharp price crash when domestic supplies arrive from September.

Business Line Dt: 12/08/26

# As refinery economics favour sour crude, oil imports from the US may hit a record low in Aug

**Rishi Ranjan Kala**

New Delhi

Crude oil imports from the US during August are expected to hit their lowest levels since December 2024 as refinery economics pushed for more medium-to-high sour crude, while choking of the Strait of Hormuz (SoH) and the Bab-el-Mandeb (BeM) pushed up logistics costs.

Sources said Indian refiners had been contracting lower supplies from the US, which is a light sweet crude grade that produces more petrol and naphtha. Sweet crude forms a small part of the overall basket.

However, refineries are configured for medium-to-high sour grades such as Ural, Murban and Basrah. Another issue is the higher travel time of 40-45 days, which adds to the freight.

Kpler opined that US crude exports may be running high, but India is telling a very different story. Amid

## Downward dip

India's crude oil imports from the US

(thousand barrels per day)



Source: Kpler

all the fanfare around strong US crude exports and expectations of more US barrels moving into Asia, India presents an interesting contrast.

## REFINING DIET

Kpler data suggest that India's US crude imports are on track to fall to their lowest level since December 2024 in the range of 70,000-80,000 barrels per day (b/d).

Sumit Ritolia, Kpler's

Lead Research Analyst for Refining & Modeling, noted that Washington's crude oil supply had become increasingly light, which does not always fit naturally into the refining diet of India's complex refining system.

"At the same time, with

disruptions to higher-API Middle Eastern Gulf barrels, the share and importance of medium-grade crude in India's import slate has increased. This further limits the economics of adding incremental light US barrels," he explained.

There is also a freight element, said Ritolia, adding that longer voyages, elevated freight costs and competition from East Asian refiners for US barrels could make the arbitrage into India less compelling.

"So, while aggregate US crude exports may look strong, high exports do not necessarily mean more barrels into every Asian market," he emphasised.

## INDIA'S EQUATION

For India, the equation re-

mains refinery specific — crude quality, yields, freight and competing alternatives ultimately matter more than the headline availability of US crude, Ritolia pointed out.

According to the US Energy Information Administration (EIA) data, India's crude oil imports from the US had been on the lower side since the beginning of the current calendar year.

Data show that New Delhi cumulatively imported around 759 thousand b/d (kb/d) of crude oil from Washington during January-May 2026, which is the second lowest on record.

Prior to this, the lowest was recorded during January-May 2018 at around 455 kb/d. The US EIA has data only till May 2026.

# Business Line. Dt: 12/08/26

## Engineering, textiles, toys imports from China rise

**Amiti Sen**

New Delhi

Imports of engineering goods, textiles, toys and plastics from China recorded a considerable increase in 2025-26, with engineering goods, one of the largest imported segments, rising nearly 19 per cent, according to data furnished by the Commerce Ministry in the Lok Sabha on Tuesday.

Imports of engineering goods rose to \$75.82 billion in FY26, posting 18.6 per cent growth from \$63.95 billion in 2024-25. Textile imports increased 22.5 per cent to \$4.46 billion from \$3.64 billion, while toy imports grew 20.7 per cent to \$350 million from \$290 million.

Imports of plastics rose at a slower pace of 5.8 per cent to \$6.71 billion from \$6.34 billion.

The government put the import surge in a broader context, pointing out that imports from China span several product categories and include raw materials, intermediate goods, capital equipment and advanced technologies.

The response came against concerns raised in Parliament about low-cost Chinese goods, including textiles, toys, plastics, electronics and light engineering products, potentially distorting the Indian market and putting pressure on domestic manufacturers and MSME clusters in Tamil Nadu such as Karur, Tiruppur, Coimbatore and Erode.

"India imports products



such as lithium, cobalt, nickel, graphite, rare earth elements, etc. that are essential inputs for clean energy technologies, electric vehicles, electronics and semiconductors," Minister of State for Commerce and Industry Jitin Prasada said in the written reply.

In FY26, India's imports from China touched a high of \$131.63 billion, accounting for 16.96 per cent of total imports, while India's deficit with the country was at \$112.16 billion, per data furnished earlier.

### QUALITY CONTROL

In the reply, Prasada highlighted measures to tackle possible duty evasion and misdeclaration. "Wherever violations are detected, appropriate action is taken under the provision of the Customs Act, 1962, including seizure of goods, initiation of investigations, recovery of duty and prosecution, wherever warranted," the reply reinforced.

Stricter quality standards, quality control measures (such as QCOs), testing protocols and mandatory certification help curb sub-standard imports.

# Record cotton imports set to push up 2026-27 opening stocks to new high

**Vishwanath Kulkarni**

Bengaluru

The opening stocks of cotton for the new crop year 2026-27, starting October, are estimated higher by 68 per cent at a record high of 93.59 lakh bales (170 kg) against 55.59 lakh bales in 2025-26 on record imports of the fibre crop.

As per the latest estimates by the Trade body Cotton Association of India (CAI), closing stocks for the current crop year 2025-26, ending September, will be 93.59 lakh bales, 38 lakh bales higher than last year.

The trade body has yet again raised production estimates for the 2025-26 season by 2 lakh bales to 339 lakh bales, according to a statement released by CAI President Vinay N Kotak and CAI Crop Committee Chair-

## Balance sheet

(In lakh bales of 170 kg each as of July 31, 2026)

|                 | 2024-25 | 2025-26 |
|-----------------|---------|---------|
| Opening stock   | 39.19   | 55.59   |
| Cotton pressing | 312.4   | 339     |
| Imports         | 41      | 62      |
| Demand          | 319     | 348     |
| Exports         | 18      | 15      |
| Closing stock   | 55.59   | 93.59   |

Source: Cotton Association of India

man Atul S Ganatra. The increase in projections is on account of the upward revision of pressing estimates in Maharashtra, Madhya Pradesh, Karnataka and Tamil Nadu.

Last month, the CAI had raised projections by 3 lakh bales to 337 lakh bales.

### HIGHER IMPORTS

Ganatra attributed the record closing stocks to the surge in imports in the past

two years. "Cotton imports of 62 lakh bales this year is a record. We have never done this much of import in a year. Over the last two-three decades, our annual imports were in the range of 15-20 lakh bales. Last year, our imports went up to 41 lakh bales. Due to the record imports in the last two years, our closing stock is also at a record," Ganatra said.

Till July-end, cotton im-



ports of 54 lakh bales had taken place, and another eight lakh bales are expected till September end.

Presently, the cotton imports are duty free till the end October this year.

The CAI has maintained consumption at 348 lakh bales (319 lakh bales). Till end-July, cotton consumption in the country stood at 290 lakh bales.

Cotton exports for the year are estimated at 15 lakh bales (18 lakh bales).

Till July-end, about 12.25 lakh bales are estimated to have been exported from the country.

Currently, cotton prices are firm on global trends, domestic demand and the prospect of delayed new-crop arrivals due to the late sowing. Prices of cotton sold by the Cotton Corporation of India rose ₹200 per candy (356 kg) on Tuesday.

# ‘Despite headwinds, exports up by about 15% in April-July’

**TRADE AVENUES.** Nine FTAs finalised in last four years will open up big markets: Goyal

Our Bureau

New Delhi

Despite global economic uncertainties, India's exports surged by about 15 per cent during the April-July period of the current fiscal, according to Commerce and Industry Minister Piyush Goyal.

The Minister added that the nation is on track to hit \$1 trillion export target for goods and services in 2026-27, up from \$863 billion in 2025-26.

“During the first four months of this fiscal, about 15 per cent growth is there in exports,” he said on Wednesday. The final exports and import numbers for July will be released on August 13.



Today's \$4 trillion economy is set to become at least a \$30 trillion economy by the year 2047

**PIYUSH GOYAL**  
Commerce Minister



The Minister said the nine free trade agreements (FTAs) finalised by India in the last four years will open up big markets for the domestic industry. These nine pacts together account for about two-thirds of world trade.

“The whole world is witnessing India's emerging

strength. The whole world wants to establish trade ties with India. Today's \$4 trillion economy is set to become at least a \$30 trillion economy by the year 2047,” he said.

The nine FTAs mentioned by Goyal span 38 countries. The pacts are with Mauritius, the UAE,

Australia, the EFTA bloc (Switzerland, Iceland, Norway, Liechtenstein), the UK, Oman, New Zealand, the EU and the US (only a framework to an interim deal has been signed with the US).

During April-June this fiscal, India's goods exports increased 15.92 per cent to \$129.32 billion, while imports rose 19.89 per cent to \$216.18 billion.

Merchandise trade deficit in April-June 2026-27 was \$86.86 billion, compared to \$68.75 billion in the same period last year.

With the West Asian crisis continuing to put pressure on freight and insurance cost for India's shipments to the region as well as Europe, exporters' profits have taken a hit.

# Drug Formulations & Biologicals Keep India's Pharma Exports Healthy in Q1

Exports rise 6.8% in Q1; stronger presence needed in complex generics, biosimilars, says exec

Teena Thacker

**New Delhi:** India's pharmaceutical exports grew 6.8% to \$8.10 billion in the first quarter of FY 2026-27 compared to \$7.58 billion in the same period last year, according to data by the Pharmaceuticals Export Promotion Council of India. According to the data, drug formulations and biologicals remained the backbone of India's pharmaceutical exports, contributing \$5.98 billion, which is nearly 74% of total exports.

The growth indicates the continued strength of India's pharma-

ceutical exports in the global market, Pharmexcil chairman Namit Joshi said. "The performance reflected India's ability to combine scale in established markets with growing momentum across newer geographies, adding that the country must now build a stronger presence in complex generics, biosimilars, and peptides to drive the next phase of growth," he further said.

The momentum strengthened in June, with pharmaceutical shipments increasing by 7.13% to \$2.81 billion compared to \$2.62 billion in June FY26 higher than 6.86% higher than May, signalling a steady start to the financial year.

According to the Pharmexcil data, drug formulations and biologicals continued to lead during the quarter, contributing \$5.98 billion and accounting for nearly 74% of total exports. The category recorded a growth of 4.14% over the same quarter last year and conti-



nued to dominate India's pharmaceutical exports.

Bulk drugs and drug intermediates, the second-largest category, grew by 13.84% to \$1.36 billion. The standout performer was vaccines, which emerged as the fastest-grow-

ing segment, rising 35.68% to \$0.39 billion. Surgical products also posted healthy growth of 11.95% to \$0.21 billion, revealed the data.

"The strong growth in vaccines and bulk drugs is an evidence of India's deepening capabilities across the pharmaceutical value chain," said Bhavin Mehta, vice chairman Pharmexcil.

According to the data, North America, Europe, Africa, and Latin America together accounted for nearly 75% of India's total pharmaceutical exports during the quarter. The United States remained the single largest destination, contributing 34.28% of overall exports with shipments valued at \$2.50 billion.

Brazil, the United Kingdom, the Netherlands, and France followed the US in country-wise rankings. The top 25 export destinations together accounted for nearly 70% of total exports, valued at \$5.65 billion, growing 5.50% year on year.

Business Line Dt: 14/08/26

# Exports hit record \$44.24 b in July, but rising imports push trade deficit to a 6-month high

**Amiti Sen**

New Delhi

Goods exports rose 19.6 per cent year-on-year to a record \$44.24 billion in July, while imports increased 17.5 per cent to \$76.22 billion, widening the trade deficit by nearly 15 per cent to a six-month high of \$31.98 billion, according to data released by the Commerce Department on Thursday.

Higher shipments of petroleum products, electronics and engineering goods were offset by a sharp rise in import of crude oil, electronics, machinery and fertilizers, pushing up the trade deficit.

Exports were partly boosted by higher global commodity prices, especially petroleum, which grew 67.64

per cent to \$6.9 billion. Electronics, engineering, chemicals, meat, poultry and iron ore also posted a sharp rise, Commerce Secretary Rajesh Agrawal told reporters.

"Merchandise exports in July registered the highest-ever monthly level at \$44.24 billion," he added.

## DIVERSIFICATION

July's export growth was marked by greater diversification, with several non-US and non-EU destinations recording strong gains.

Exports to China surged 64.6 per cent to \$2.19 billion, while Asean shipments also rose sharply — Singapore up 83.7 per cent to \$1.6 billion, Malaysia up 73 per cent to \$917 million and Vietnam up 25.48 per cent to \$630 million. Exports to South Africa

rose 50.1 per cent to \$916 million, Tanzania 78.9 per cent to \$631 million, Japan 65.3 per cent to \$941 million and Sri Lanka 72.5 per cent to \$588 million. "The data show diversification is building up in our export supplies. This will give us more resilience," said Agrawal.

Exports to the US rose 12.85 per cent to \$9.02 billion, while shipments to the UK declined 4.3 per cent to \$1.2 billion.

## WEST ASIA CRISIS

The West Asia crisis had a limited impact on exports. Shipments to the region rose 8.62 per cent to \$5.7 billion in July after plunging 56 per cent in March to \$2.62 billion.

Agrawal said ports in Oman and the UAE were

handling cargo diverted from disrupted hubs. On the import side, petroleum was the largest segment, rising 17.6 per cent to \$18.31 billion.

Electronic goods imports jumped about 44 per cent to \$14.37 billion, machinery and electrical equipment rose 13.8 per cent to \$6.09 billion, fertilizer imports increased 55.4 per cent to \$2.48 billion and gold imports rose 4.8 per cent to \$4.16 billion.

Cumulatively, merchandise exports in April-July rose 17 per cent to \$173.78 billion from \$148.48 billion in the corresponding previous period, while imports grew 19.3 per cent to \$292.38 billion from \$245.14 billion.

The trade deficit widened to \$118.60 billion from \$96.66 billion a year earlier.

# Jewellery exports up a tad on strong demand

**GOLDEN GLOW.** Industry optimism endures amidst challenges

**Our Bureau**

Mumbai

Gems and jewellery exports were up marginally last month at \$2.35 billion against \$2.34 billion logged in the same period last year, largely due to a rise in gold jewellery shipments.

However, in rupee terms, it jumped 12 per cent to ₹22,512 crore against ₹20,158 crore due to rupee depreciation.

Exports between April and July increased two per cent to \$9.17 billion (₹87,078 crore).

Gold jewellery exports were up 9 per cent in June to \$1.04 billion (₹9,972 crore) driven by strong demand from the UAE, Hong Kong, Singapore and the UK.

Cut and polished diamond exports declined 18 per cent to \$876 million (₹8,398 crore) while silver jewellery shipments dipped marginally to \$77 million (₹736 crore).

Polished lab-grown diamond and coloured gemstone shipments declined 8 per cent and 5 per cent y-o-y to \$112 million and \$21 million.

## APRIL-JULY TREND

Kirit Bhansali, Chairman, GJEPC, said despite a challenging global environment, gems and jewellery exports had shown encouraging resilience, with value-added seg-



**EXPORTS SHINE.** Gold jewellery exports were up 9 per cent in June to ₹9,972 crore, driven by strong demand from the UAE, Hong Kong, Singapore and the UK PTI

ments, such as studded gold jewellery, silver and platinum jewellery, leading the way. The easing of gold prices is also expected to support demand in key consuming markets.

On the recently introduced Taxation and Other Laws (Amendment) Bill 2026, Bhansali said India is already the world's leading centre for cutting and polishing diamonds, but was entirely dependent on imports for rough diamonds.

By providing a 15-year income tax exemption to foreign companies trading rough diamonds through special notified zones, the new law removes a long-standing structural barrier, he added.

Gold jewellery exports grew 6 per cent to \$4 billion (₹38,307 crore) during April-

July against \$3.81 billion logged in the same period last year. Cut and polished diamond exports declined 8 per cent to \$3.6 billion (₹34,172 crore), while silver jewellery exports surged 72 per cent to \$508 million.

Platinum jewellery exports increased 17 per cent to \$78 million (₹738 crore) driven by strong demand from the US, Switzerland and Germany.

Polished lab-grown diamond exports increased 7 per cent to \$408 million due to strong demand from Hong Kong, Israel and Canada. Coloured gemstones' exports dropped 13 per cent to \$104 million (₹983 crore).

# Edible oil imports up 33% in July led by palm, soybean

Our Bureau

Mangaluru

An increase in demand for palm oil and soybean oil led to an increase of 33.3 per cent in India's total import of edible oils during July as compared to June.

Data compiled by the Solvent Extractors' Association of India (SEA) showed that India imported 14.81 lakh tonnes (lt) of edible oils in July 2026 against 11.11 lt in June 2026.

BV Mehta, Executive Director of SEA, said this increase was primarily driven by an increase in demand for palm oil and soybean oil.

## UP 5% FOR SEASON

India imported 7.3 lt of palm oil in July against 4.87 lt in June, an increase of 49.89 per cent. Soybean oil imports increased to 4.98 lt in July from 3.80 lt in June, a growth of 31.05 per cent.

Total edible oil imports recorded a growth of 5 per cent in the first nine months of the 2025-26 season (November-October). India imported 119.23 lt of edible oils during October-July of the oil year 2025-26 against 113.46 lt in the corresponding period of the oil year 2024-25.

During November-July of the oil year 2025-26, total palm oil imports increased 11.51 per cent, and sunflower oil by 9.77 per cent. However, the import of soybean oil declined 5.63 per cent during the period.

India imported 57.45 lt of palm oil during the first nine months of the oil year 2025-26 (51.52 lt in November-July of 2024-25), and 23.48 lt of sunflower oil (21.39 lt). Soybean oil imports stood at 38.20 lt during November-July of the oil year 2025-26 (40.48 lt).

Mehta said that imports of refined oils from Nepal continued at significant levels. During November-May



2025-26, Nepal exported approximately 3.93 lt of refined oils to India.

Nepal's refined oil exports to India were estimated around 56,000 tonnes in June and 61,000 tonnes in July 2026, consisting mainly of refined soybean oil, along with smaller quantities of sunflower oil and RBD palmolein. Nepal enjoys nil import duty under the Safta agreement for export to India.

## MAJOR EXPORTERS

Argentina was the largest supplier of edible oils to India during the first nine months of the oil year 2025-26 with 27.35 lt. This included 21.34 lt of crude soybean oil and 6.01 lt of sunflower oil.

Malaysia was the major supplier of palm oil at 22.61 lt during the period. It exported 22.39 lt of crude palm oil to India, 8,000 tonnes of RBD palmolein and 14,850 tonnes of crude palm kernel oil.

Indonesia exported 22.36 lt of palm oil to India during the first nine months of the oil year 2025-26.

This included 21.99 lakh tonnes of crude palm oil and 36,478 tonnes of RBD palmolein.

Comparing the current price level of imported edible oils with July 2025 levels, Mehta said crude palm oil price increased 13 per cent, RBD palmolein by 9 per cent, soybean oil by 8 per cent and sunflower oil 20 per cent.

# Surge in imports bill pushes trade deficit to 6-month high

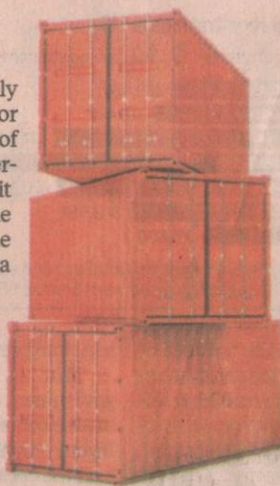
KRITY AMBEY

New Delhi, 13 August

A sharp rise in imports in July pushed up India's trade deficit for the month to a six-month high of \$31.98 billion even as both merchandise exports and imports hit their second-highest levels in the same period, according to the commerce-ministry data released on Thursday.

The trade deficit stood at \$30.42 billion in June and \$27.88 billion in July a year earlier. Imports of goods in July rose to a nine-month high at \$76.22 billion while goods exports jumped nearly 20 per cent to \$44.24 billion during the month. The commerce department said the rise in exports was owing to elevated prices and a swift rebound in shipments to West Asia following disruption amid the United States-Iran war.

The department estimated services exports at \$35.89 billion in July, up a little over 6 per cent year-on-year (Y-o-Y), while services imports were estimated to have risen nearly 10 per cent to \$18.94 billion. This resulted in an estimated services trade surplus of \$16.95 billion. The Reserve Bank



## Tracking the trends

Figures in brackets denote year-on-year % change Value (\$ billion)



Source: Department of Commerce

of India (RBI) is expected to release the data on final services trade later this month. Elevated commodity prices led to the sharp jump in imports in July with crude oil, electronic goods, coal, and fertiliser shipments being the key drivers.

India's imports of crude oil rose nearly 18 per cent Y-o-Y to \$18.31 billion in July, while that of electronic goods jumped 46 per cent to \$14.37 billion. Fertiliser imports grew a little over 55 per cent to \$2.48 billion and coal ship-

ment increased 29 per cent to \$3.05 billion. India's gold imports were \$4.16 billion in July, up nearly 5 per cent Y-o-Y. Inward shipments of chemicals also surged nearly 22 per cent to \$1.22 billion. Among exports, those of engineering goods grew nearly 18 per cent Y-o-Y to \$12.24 billion, while outward shipments of electronic goods rose 57 per cent to \$5.92 billion.

Exports of petroleum products increased nearly 68 per cent to \$6.92 billion. India's exports to West Asia inched to \$5.70 billion

in July from \$5.24 billion a year ago. Imports from the region, however, were \$9.81 billion, down nearly 21 per cent Y-o-Y. The US remained India's top export market in July with exports rising nearly 13 per cent Y-o-Y to \$9.02 billion.

India's outward shipments to the US have registered growth in July after falling in each of the last two consecutive months.

China continued to be India's largest import source, with inward shipment increasing a little over 34 per cent Y-o-Y to \$14.67 billion in July. Exports to China also jumped 65 per cent to \$2.20 billion.

Experts had a word of caution on the rising import bill and the widening trade deficit. "While imports of energy, capital goods and intermediates are associated with higher domestic economic activities, we need to simultaneously strengthen domestic manufacturing capabilities in critical inputs, electronics, machinery and other areas of high import dependence," Federation of Indian Export Organisations President S C Ralhan said.

Economists expect the country's current account deficit to widen in July-September.

# PCB Crunch, US Tariffs Shrink Q1 Electronic Component Exports

**SILVER LINING** Upstream gear only category to shrink within \$22b electronics export basket



## Taking Stock

Electronic component exports fell **16%** YoY to **\$1.34 billion** in Q1 FY27

**22.5%**

Rise in overall electronics exports

Component exports have fallen for three consecutive months in FY27

Exports to the US, India's largest component market, plunged 51%

**Subhayan Chakraborty**

**New Delhi:** India's electronic component exports fell in the June quarter despite an increase in overall electronics shipments, as a worsening shortage of key parts and higher trade barriers hit manufacturers.

First-quarter electronic component exports shrank 16% year-on-year to \$1.34 billion, while overall electronic goods exports increased 22.5%, latest data from the commerce department showed. This made electronic components the only category within the broader \$22-billion electronics export basket to register a decline.

The country's fledgling components segment has seen exports drop for three consecutive months in FY27, reversing the monthly growth uptrend seen in FY26. The drop comes despite the Centre pushing manufacturers to build upstream domestic capacity.

Officials attributed the decline to multiple supply chain challenges, including struggling production of printed circuit boards (PCB), as well as a steep drop in exports to the US. PCBs, considered the backbone of electronics, provide the physical

foundation and electrical pathways that allow delicate components to communicate.

"Its manufacturing has faced challenges in sourcing materials and other inputs due to the war in Iran," an official in the ministry of electronics and information technology said. "The government is monitoring the situation to ensure rising PCB prices don't affect overall electronics prices."

ET had reported last week that the PCB industry was planning to write to the Centre, state government and banks that electronics production in India could fall by 30-40% within three months if the current shortage in key materials and components persists. Prices of copper-clad laminates (CCL), a key input material, have surged by more than 300% in the last 12 months, while prices of other inputs have jumped by up to 200% in six months, according to industry body India Printed Circuit Association (IPCA).

"Import of other specialty chemicals and epoxy resin supplies have also been hit. We are in touch with the commerce department," the official said. A 51% fall in component shipments to the US, India's largest market in this category, also brought down the first-quarter export figures, data showed.

Heavy tariff barriers reduced the US' share in India's electronics component exports to 28% as of June end, down from 50% a year ago. In this category exports of assembled photovoltaic (PV) cells and light-emitting diodes (LEDs) was the most affected. This was due to the high 50% import duty imposed by the Donald Trump administration last year, as well as the anti-dumping and countervailing duty investigations directed against India, officials said.

## KEEPING WATCH



The govt is monitoring the situation

to ensure rising PCB prices don't affect overall electronics prices

# Goods exports jump 19.4% in July

● Trade deficit at 6-month high as imports rise 17.5%

**MUKESH JAGOTA**  
New Delhi, August 13

**HIGHER REALISATIONS ON** petroleum products and growth in engineering and electronics goods shipments helped India's merchandise exports expand 19.6% year-on-year to \$44.24 billion in July. This is the fastest export growth since June 2022, and it came on a strong base (13.2%).

In June 2022, exports had grown 30.1%, but was

## PETRO ITEMS WEIGH ON DATA



aided by a very low base due to the peak of the Covid pandemic in June 2021.

While high crude oil prices led to a 67.64% increase in petroleum exports to \$6.91

billion in July, they also weighed on imports. Imports during the month increased 17.52% to \$76.22 billion with oil imports growing 17.64% to \$18.31 billion.

The trade deficit in July stood at \$31.98 billion, which was the highest since January (\$34.8 billion).

**Continued on Page 9**

SHIPMENTS RISE SEVENFOLD TO \$369 MILLION IN APRIL-JUNE

# Electric car exports zoom in Q1, Europe key driver

MUKESH JAGOTA  
New Delhi, August 16

## IN THE FAST LANE

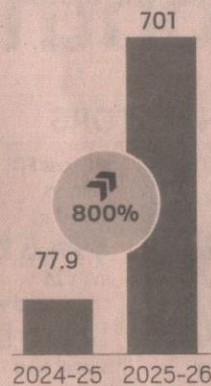
**INDIA'S FLEDGLING ELECTRIC** vehicle (EV) exports gained significant momentum in the first quarter of the current financial year, with green passenger cars expanding their footprint across major international markets. Driven by massive demand in Europe, electric car shipments surged 17-fold year-on-year to reach \$369 million in the April-June quarter, according to Department of Commerce data.

In volume terms, Indian automakers exported 10,802 electric cars during the quarter—a 7.6-fold jump compared to 1,309 units shipped in the corresponding period last year. The surge helped lift overall motorvehicle exports by 15% to \$2.87 billion, boosting the share of clean mobility in the country's total auto export portfolio.

The stellar performance follows strong exports during FY2025-26, with annual electric car exports surging eightfold to \$701 million from \$77.9 million in FY2024-25. Commerce Ministry officials noted that the figures demonstrate the growing international acceptance of India-made EVs and reinforce the country's position as an

### India's electric vehicle (EV) exports

(\$ mn, % growth y-o-y)



emerging global hub for sustainable mobility.

### Europe drives the boom

Europe has cemented its position as the top region for Indian EV shipments, with Spain taking the top spot. Spain alone imported \$146.4 million worth of electric cars (4,007 units) during the quarter, accounting for nearly 40% of India's total EV exports by both value and volume.

The United Kingdom made a dramatic entry as the second-largest destination, importing \$78.7 million worth of electric vehicles (2,646 units)—up

from just a single vehicle shipped in the same quarter last year.

Several other European economies also witnessed strong growth in imports of Indian electric vehicles. Exports to Germany reached \$25.1 million, followed by Norway (\$21.1 million) and Denmark (\$21.0 million). Additional demand came from Belgium (\$12.9 million), the Netherlands (\$12.0 million), Greece (\$3.8 million), Italy (\$2.7 million), Sweden (\$2.1 million) and Poland (\$1.6 million).

Beyond Europe, India also expanded exports across Asia-Pacific markets. Japan imported \$13.4 million worth

of electric cars, while shipments were also recorded to Israel (\$2.8 million), Australia (\$2.7 million), Singapore (\$1.7 million), Taiwan (\$1.3 million) and South Korea.

While traditional neighbouring markets such as Nepal continued to remain important destinations, with imports worth \$8.1 million, the diversification towards advanced European markets represents a notable shift in India's EV export profile. New opportunities also emerged in Latin America, where exports reached Brazil (\$2.4 million), Colombia (\$1.0 million), Chile (\$0.4 million) and Costa Rica (\$0.5 million).

## FERTILISER SUBSIDY PROJECTIONS MAY MODERATE

# Urea import prices fall 60% since April

SANDIP DAS

New Delhi, August 16

**WITH EASING GLOBAL** supplies and diversified imports, the landed cost of urea, India's most consumed soil nutrient variant, has declined by around 60% to \$390/tonne now, down from a peak of close to \$1,000/tonne in April.

In a major boost to supplies in the coming rabi season, the Rashtriya Chemicals and Fertilizers (RCF), one of the three agencies entrusted with fertilizer imports, has finalised bids for imports of 1.7 million tonne (MT) of urea at a price range of \$390/tonne—\$393/tonne this month against the price range of \$935/tonne—\$959/tonne in April, 2026.

The National Fertilizers (NF) tender in June drew bids around \$449/tonne for urea. The three agencies entrusted with imports for fertilisers—NF, RCF and Indian Potash—have so far released import orders of 4.2 MT of urea during April-July, 2026, out of which 3.5 MT has been delivered so far.

In FY26, out of the total consumption of 40 MT of urea, about 10 MT was imported as finished product.

Officials said that with softening prices, the government will reassess the initial fertiliser subsidy budget projected at the beginning of the current fiscal year due to a price spike caused by the West Asia war. The government has spent over ₹70,000 crore in 2026-27 so far under fertiliser

## COST RELIEF

■ Rashtriya Chemicals and Fertilizers secured 1.7 MT of urea at \$390-\$393/tonne

■ India ordered 4.2 MT of urea between April and July; 3.5 MT delivered



■ Cheaper imports may ease subsidies, but FY27 costs could still exceed ₹2.17 lakh crore

subsidies which is 40% of the budget estimate of ₹1.77 lakh crore due to the rise in global prices of soil nutrients since the West Asia war.

The actual subsidy is likely to be over ₹15,000-₹20,000 crore higher than the ₹2.17 lakh crore incurred in FY25. This is still much lower than the Department of Fertilizers' internal estimate in the middle of the serious supply disruptions in April-May, which suggested the subsidy bill could spike to even ₹3 lakh crore.

In FY26, expenditure on fertiliser subsidies was ₹2.17 lakh crore—₹1.42 lakh crore for urea and ₹74,999 crore for nutrient-based subsidy. This was a 17% increase over the revised estimate of ₹1.86 lakh crore. This, according to officials, is due to the rise in fertiliser prices from March 2026. Industry sources said that urea prices went up sharply since the beginning of the West Asia war as supplies of LNG were severely disrupted because of conflict.

As part of its diversification plan, the government has

started importing urea from several countries including Oman, Malaysia, Vietnam, Georgia, Nigeria, Russia, Finland, Egypt, Algeria, Turkey, and the Netherlands. Import of other variants di-ammonium phosphate (DAP) and NPKs were procured from Russia, Morocco, Egypt, USA, Jordan, South Korea, Tunisia, and Saudi Arabia via the Red Sea.

According to the Department of Fertilizers, against the requirement of 11.88 MT of urea during April-July, 2026, the availability was 17.3 MT and sales of soil variants were over 10.7 MT. Similarly for DAP, against the requirement of 3.42 MT, 4.1 MT was available while sales were 2.54 MT.

Last time global conflict impacted the subsidy outgo was in FY23, when fertiliser subsidy was at a record Rs 2.54 lakh crore as shipping supplies through the red sea was impacted due to Ukraine-Russia conflict. India imports about 70% of its fertiliser and its raw material usage. Annual consumption of several variants of fertiliser in FY26 was over 70 MT.