Business Lines. Dt:- 11/06/24

All-women FPO exports Amrapalli mangoes to London

Our Bureau

New Delhi

A women farmer producer company in the tribal district of Rayagada in Odisha has exported 9.5 quintals of Amrapalli mangoes to London, realising 40 per cent higher price from local market that has benefitted over 1,900 farmers.

"We didn't anticipate that mangoes from our FPO would reach global markets. Through this linkage, we now realise that the demand for mangoes in international markets is high. By adopting best packaging practices, gaining access to storage infrastructure, and using quality packaging materials, we believe we can establish sustainable market linkages through export," said Gita Nimhala, a director on the management board of the Mahila Kisan Farmer Producer Company (MKFPCL).

TAPS POTENTIAL

The woman FPC, promoted by PRADAN (an NGO), under the Agricultural Production Cluster scheme of the Odisha government, was helped by Palladium India, a firm which works with government and various multilateral agencies in implementation of various projects and schemes, to undertake the export.

Palladium, under the Promotion and Stabilisation of FPO project of Odisha, had supported MKFPCL in exporting the mangoes as it is exploring new export avenues for fresh produce from the State.

"By focusing on women-led FPOs, we are tapping into a transformative potential within the agriculture sector. By enabling these women farmers to access international markets, we are not only ensuring higher price realisations but also setting the stage for a new revolution in agriculture. Women farmers, when given the right opportunities, can drive significant economic and social change. This initiative is a testament to the power of inclusivity and empowerment in driving sustainable development," said Biswajit Behera, director at Palladium India.

Palladium has also recently facilitated 7.5 quintals of premium mango varieties, including Amrapali, Mallika, Chousa, Himsagar, Baiganpali and Latsundari, which are showcased at the recently held Indian Mango Festival in Doha, Qatar, during May 30-June 8.

Business Lines. Dt:- 12/06/24

Centre curbs import of specified gold jewellery, articles

Our Bureau
New Delhi

The Centre has imposed restrictions on the import of specified gold jewellery and articles in a notification issued on Tuesday bringing them to the 'restricted' category from 'free' with immediate effect.

This means that import of the indicated items, which includes gold jewellery studded with pearls, diamonds and precious & semi-precious stones, will now require an import authorisation (government permit).

The restrictions will, however, not apply to imports under the India-United Arab Emirates Comprehensive Economic Partnership Agreement (CEPA), per the notification issued by the Directorate General of Foreign Trade (DGFT) on Tuesday.

"The import policy of ITC (HS) code 71131912, 71131913, 71131914, 71131915, 71131960 has been amended from "free" to "restricted" with immediate effect. However import under ITC (HS) codes 71131912, 71131913, 71131914 and 71131915 shall be permitted without restricted import authorisation under a valid India-UAE CEPA TRQs," the notification noted.

"The import restrictions on gold jewellery and articles is to accord more protection to domestic jewellers and also to encourage jewellery exports," an industry source said.

Business Standard Dt: 12/06/24

Utility vehicles log 50% higher exports in May over low base

SOHINI DAS
Mumbai, 11 June

Exports of utility vehicles (UVs) were up 50.5 per cent in May 2024 owing to a low base in the same month of the previous year, while domestic wholesales and production went up 17.6 per cent and 26.9 per cent, respectively, shows the data released by the Society of Indian Automobile Manufacturers (Siam).

PVs comprise passenger cars and UVs. UVs are mainly sports utility vehicles (SUVs) or multi utility vehicles (MUVs).

India exported 24,490 UVs in May, up 50.5 per cent from 16,274 units in May last year.

Domestic UV sales were up 17.6 per cent to 182,883 units while production was up 26.9 per cent to 213,462 units.

Export growth has been led by companies like Hyundai Motor India, Honda Cars India, and Volkswagen India. Hyundai exported 14,400 passenger vehicles (PVs) in May, up 31 per cent from May 2023.

An official of the company said exports last year in May were affected due to shortages of semiconductor chips and therefore a low base effect pushed exports up in May 2024.

Hyundai Motor India forms a critical part of Hyundai Motor Corporation's global export hub with exports spanning across Africa, West Asia, and other countries including Bangladesh, Nepal, Bhutan, and Sri Lanka.

Meanwhile, Honda Cars' exports increased 11 times in May to 6,521 units, up from the 587 in May last year. Volkswagen India too saw a rise in PV exports to 5,839 units in May, up from the 3,222 in the same month last year.

European car major Skoda Auto Volkswagen India (SAVWIPL) said at the end of May it had manufactured over 1.5 million vehicles at its Chakan facility in Pune since it commenced operations at the plant in 2009.

These include models from Volkswagen and Skoda, such as the Kushaq (Skoda), Slavia (Skoda), and Taigun (Volkswagen). The Skoda-Volkswagen Group exports over 30 per cent of its car production in India to 40 global markets.

Piyush Arora, managing director and chief executive officer, SAVWIPL, had said as the firm outlined its expansion plans in India, it aimed to elevate India's position as a global hub for automotive manufacturing.

Exports of passenger cars dipped 19.6 per cent. Passenger car sales were also down 11.1 per cent and production was down by 13 per cent in May.

Domestic PV wholesales were up 4.2 per cent in May while retail sales were down by nearly 1 per cent.

POWER MODE Figures for May '24

	Exports	% change Y-o-Y	Domestic sales	% change Y-o-Y
Utility vehicles	24,490	50.5	182,883	17.6
Passenger cars	28,802	-19.6	106,952	-11.1
Vans	699	-39.6	10,960	-14.5
Total PVs*	53,991	1.4	300,795	4.2
Total 2W**	312,418	20.2	1,620,084	10.1

Data for BMW, Mercedes, JLR, Tata Motors, and Volvo Auto was not available; *passenger vehicles; **two-wheelers
Source: Siam

Business Standard Dt: 12/06/24

iPhone exports from India hit $2 billion in April–May

Apple's vendors achieve 25% of FY25 target under PLI scheme

SURAJEET DAS GUPTA
New Delhi, 11 June

Technology giant Apple Inc has pushed the pedal on exporting iPhones from India by racking up exports valued at over $2 billion in the first two months of the current financial year (FY25), according to the data provided by vendors to the government. This accounts for 81 per cent of the country's total production of iPhones worth $2.6 billion.

In May, Apple repeated its performance of April and once again crossed $1 billion of iPhone exports.

An Apple Inc spokesperson declined to comment on the matter.

The commitment under the production-linked incentive (PLI) scheme for the three Apple Inc vendors in FY25 is to hit a production value of $10.2 billion (including exports). They have achieved 25 per cent of that target in just two months.

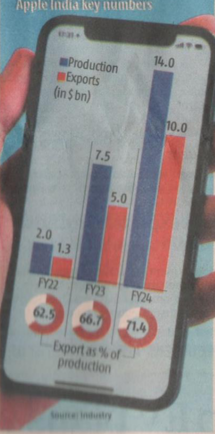
So far in FY25, Apple's leading vendor Foxconn Hon Hai has contributed 65 per cent of the total exports, Wistron 24 per cent, and the remaining 11 per cent has come from Pegatron. All three iPhone vendors are participants in the smartphone PLI scheme, and have just begun the fourth year of the five-year scheme.

Apple, which has the world's largest global value chain (GVC), closed FY24 in India with a total iPhone production of $14 billion in free-on-board (FOB) value. The market value of these iPhones would be approximately $22 billion, depending on the cost of logistics and local taxation. In FY24, Apple exported $10 billion worth of iPhones, which accounted for 70 per cent of the FOB value of the year's production.

Rapidly growing iPhone exports pushed up India's mobile phone exports to $15.5 billion in FY24. This constitutes a nearly 40 per cent increase from the $11.1 billion mobile phone exports in FY23. Electronics exports, led by mobile phones, have also climbed from sixth spot in FY23 (with an export value of $23.6 billion) to fifth in FY24, clocking $29.1 billion — which is an increase of 23 per cent over the previous year.

In FY24, iPhone exports constituted 35 per cent of India's total electronics exports and 65 per cent of its total mobile phone exports. Apple has continuously expanded its production and exports from India over the last three years, crossing $1 billion exports each month during non-peak periods of April and May.Usually, Apple's production for India sales peaks ahead of the festive season between July and October, and the new iPhone model is usually launched in the country in September. Its exports peak from October to December as the Indian factories get ready to supply iPhones to Western markets during Black Friday, Thanksgiving, and the Christmas and New Year festivities.

FULL FORCE AHEAD
Apple India key numbers



Source: Industry

COAI names Vi's Abhijit Kishore as chairperson

Telecom industry association COAI on Tuesday named Vi's COO Abhijit Kishore as its chairperson and Bharti Airtel's Chief Regulatory Officer Rahul Vatts as the vice-chairperson. PTI

Business Line. Dt:- 13/06/24

Revenues of Indian shrimp exporters rising 8% this fiscal: Crisil report

Our Bureau
Bengaluru

Indian shrimp exporters will see their revenues grow by 8-10 per cent this fiscal year as demand from key importing nations recovers and realisations improve, Crisil Ratings said in a statement. The revenue growth will be despite the higher duties for Indian exporters in the United States and locational advantages enjoyed by key competing nations, it said.

Higher revenues and lower procurement costs will help Indian shrimp exporters sustain an operating margin of around 7 per cent this fiscal, despite supply chain disruptions and higher logistics costs because of geopolitical uncertainties.

Credit profiles will remain healthy as the debt remains in check because of improved cash accrual, prudent working capital management, and limited capital expenditure due to surplus capacities. An analysis of 69 shrimp exporters rated by Crisil Ratings, accounting for almost two-thirds of the industry's revenues, indicates as much, it said.

Himank Sharma, Director of Crisil Ratings, said "Indian shrimp exporters stand to benefit as demand improves for two reasons. First, lower channel inventories at the importers' end, who had reduced purchases in the past few months, will need to be replenished. Second, higher spending on discretionary and food items, as the economic outlook improves for Western economies, will drive up volume and realisations for exporters. Volume and realisations of Indian shrimp exporters will go up in tandem by 4-5 per cent each, driving the revenue growth."

India, Ecuador and Vietnam account for around two-thirds of global shrimp exports

MARKET INSIGHTS

India, Ecuador, and Vietnam account for around two-thirds of global shrimp exports. In the past two fiscals, Ecuador surpassed India to become the largest shrimp exporter, backed by higher acreage, a favourable climate, and significant investments to improve the genetic quality of brood stock. Ecuador also benefited from its proximity to the US and the European Union as Asian exporters grappled with higher logistics costs amid container shortages. Crisil said the recent investigations by the US Department of Commerce about countervailing duty (CVD) and anti-dumping duty (ADD) on shrimp exporting nations could have a bearing on their competitiveness. Albeit, the final determination of CVD for Indian exporters and the key competing nations, along with the outcome of ADD investigations by the USDOC on Ecuador and Indonesia, will be monitorable.

MARGIN STABILITY

A higher ADD for the competing countries could be a shot in the arm for Indian exporters. Procurement costs for Indian shrimp players will reduce this fiscal because of better production compared to last fiscal when the summer crop took a hit due to a sudden rise in temperatures early in the season. Thus, higher revenues and lower procurement costs this fiscal year will keep operating margins stable at around 7 per cent, despite increased logistics costs due to geopolitical tensions. The working capital requirement will moderate as purchase costs are reduced. To add to that, surplus processing capacities available with Indian exporters will limit capex, which will reduce dependence on external borrowings, Crisil said.

Business Line: Dt: 13/06/24

Seafood exports down 5.3% in FY24 due to Red Sea crisis

V Sajeev Kumar
Kochi

The Red Sea crisis and sluggish overseas demand dented India's seafood exports in value terms in FY24. It witnessed a 5.39 per cent decline in rupee terms and an 8.80 per cent decline in dollar terms.

However, the export volume increased by 2.67 per cent in quantity.

India exported an all-time high volume of 17,81,602 tonnes of seafood worth $7.38 billion and ₹60,523.89 crore.

The US and China were the major importers, and frozen shrimp continued to be the major export item, according to the Marine Products Export Development Authority. It attributed the dip to sluggish demand in major export destinations due to inflation in the US, EU, and UK markets and issues connected with the Red Sea route.

TRADE UPTICK. The quantity of Vannamei shrimp exports increased by 0.33% from 6,23,432 tonnes to 6,25,475 tonnes

Frozen shrimp exports increased by 0.69 per cent in quantity from 7,11,099 tonnes to 7,16,004 tonnes. However, its exports declined in terms of rupee, dollar, and unit value. Competitive rates due to an oversupply of shrimp from competing countries such as Ecuador were also a reason for the decline.

The US is the single largest importer (2,97,571 tonnes) of frozen shrimp, followed by China (1,48,483 tonnes), the European Union (89,697 tonnes), South-East Asia (52,254 tonnes), Japan (35,906 tonnes) the Middle East (28,571 tonnes), and other countries (63,521 tonnes).

The quantity of Vannamei shrimp exports increased by 0.33 per cent, from 6,23,432 tonnes to 6,25,475 tonnes.

Of the total Vannamei shrimp exports, about 53.52 per cent were exported to the US, followed by China, the European Union, South-East Asia, Japan, and the Middle East.

Shaji Baby John, Chairman of Kochi-based Kings Infra Ventures, said "The Red Sea crisis has made the transit time for cargo to reach its destination more than 20 days.

"The European war has led to a subdued demand, considerably reducing the sale of squid and cuttlefish, leading to a price drop. The uncertainty over CVD duties in the US markets in March led to a slowdown in Indian exports, witnessing a rise in exports from Ecuador to the US markets," he said.

FINANCIAL EXPRESS Dt 13/06/24

Imports of bulk drugs from China on the rise

MANU KAUSHIK
New Delhi, June 12

INDIA'S DEPENDENCE ON the imports of bulk drugs from China for the manufacturing of pharmaceutical formulations continues to increase, despite several policy steps aimed at lowering it.

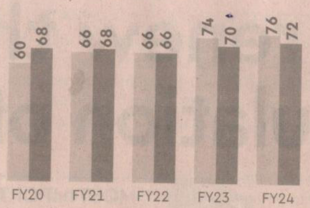
According to government data, growth of pharma imports from China has risen in both value and volume terms over the past five years. In terms of value, India's pharma industry imported 72% of the bulk drugs and intermediates from China in FY24.

This is significantly higher than 66% imports in FY21. Experts said that the dependence of imports is growing despite concerted efforts by the government and the industry to reduce the reliance on China.

"The rise in imports is a result of both cost arbitrage and availability. It's still cheaper to import from China than to manufacture in India. Indian drugmakers are still looking at few APIs but they have plan to expand their portfolio over a period of time," said Anay Shukla, founding partner at Arogya Legal. India's total pharma imports touched nearly $8 billion in FY23, recording a 8% CAGR (compounded annual growth rate) between FY2017 and FY2023. Within the overall imports, bulk drugs have the largest share (nearly 60%).

SOARING RELIANCE

Share of China in India's overall import of bulk drugs and intermediates



Source: Directorate General of Commercial Intelligence and Statistics, Ministry of Commerce and Industry

A report by Rubix Data Sciences said that while India's import of other pharmaceutical products is diversified across various countries, when it comes to bulk drug imports, India is heavily reliant on China.

"India faces significant vulnerability due to its heavy reliance on China for active pharmaceutical ingredients (APIs). For instance, a prominent Indian pharmaceutical company, which is a major supplier of generic drugs to the US, sources over 55% of its raw materials from China. This dependence exposes the Indian pharma industry to supply chain risks and also renders it vulnerable to price fluctuations," the report said.

Various measures have been taken to minimise the country's dependence on imports and to give fillip to indigenous manufacturing.

To become self-reliant, in 2020, the department of pharmaceuticals (DoP) introduced the PLI (performance-linked incentive) scheme for promotion of domestic manufacturing of critical key starting materials (KSMs) or drug intermediates and APIs.

The PLI scheme has outlined setting up of greenfield plants in four different segments (segments 1 and 2 are fermentation based and segments 3 and 4 are chemical synthesis based).

In addition, the performance-linked incentive scheme envisaged manufacturing of 41 bulk drugs with a total outlay of ₹6,940 crore during the tenure of the scheme from financial year 2021 to financial year 2030. Till April 2024, thirty projects have been commissioned for bulk drugs with an actual investment of ₹3,715 crore.

Business Line. Dt:- 14/06/24

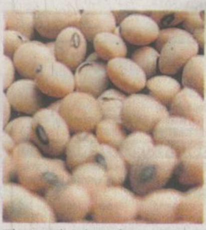
Soyameal exports up 8% in Oct-May on robust demand from West Asia

Our Bureau
Bengaluru

India's soyameal exports increased by about 8 per cent during the October-May period of the 2023-24 oil year on improving overseas demand, while the domestic offtake witnessed a decline during the period.

Soyameal exports during October-May were up at 16.41 lakh tonnes (lt) over 15.16 lt in the same period a year ago, as per the latest data released by the Soyabean Processors Association of India (SOPA). Though market arrivals for the period were slightly lower at 89.50 lt over 91 lt in the same period last year, the crushings till May improved, according to a SOPA statement.

SOPA estimates that soyabean stocks with the crushing units, traders and farmers as on June 1 are estimated to be around 45.71 lt, lower than 53.87 lt in the same period last year.



The production of soyameal during October-May was up at 68.26 lt over 66.65 lt in the same period last year

CRUSHING UP

Crushing during October-May was up at 86.50 lt over 83.50 lt in the same period last year. The production of soyabean meal during the period was up at 68.26 lt over 66.65 lt in the same period last year. However, the domestic offtake from the feed sector was down marginally at 45.50 lt (46.25 lt in the same period last year). Similarly the domestic consumption from the food sector during the period was down at 5.45 lt (6.25 lt).

The balance soyameal stock as on June 1, stood at 2.31 lt, as compared to same period last year's 1.52 lt.

Imports of soyabean meal stood at 0.24 lt during the October-May 2024 period over same period last year's 0.06 lt.

Iran was the largest buyer of Indian soyameal during October-May at over 3.79 lt, followed by the United Arab Emirates at over 3.45 lt, Bangladesh at over 2.86 lt and Nepal at over 1.53 lt.

FINANCIAL EXPRESS. Dt:- 14/06/24

SUFFICIENT STOCKS TO MEET DOMESTIC REQUIREMENTS

No plan to cut import duty on wheat: Govt

SANDIP DAS
New Delhi, June 13

THE GOVERNMENT ON Thursday ruled out reducing import duty on wheat by stating that there are "sufficient stocks" of the grain to meet the domestic requirements and undertake a market intervention.

While stating that the food and consumer affairs ministry is keeping a close watch on market prices of wheat, an official statement said, "in addition, suitable interventions, as warranted, shall be undertaken to ensure that there is no hoarding by unscrupulous elements and the price remains stable".

There have been concerns that with stocks hovering around the buffer level, the prices could rise.

While according to the statement, "at present there is no proposal to alter the duty structure on imports of wheat", trade sources have said that import of around 4-5 million tonne (MT) by reducing imports duties would help improve domestic supplies while allowing the government agencies to hold on to adequate stock as a buffer. In April, 2019, import duty on wheat was increased to 40% from 30% in April 2019, to boost procurement by agencies

The current wheat stock with the Food Corporation of India (FCI) is 30.23 million tonne (MT) which is above the buffer of 27.58 MT for July 1.

The official note stated that after meeting the requirement for the public distribution system and other welfare schemes, which is approximately 18.4 MT, sufficient stock of wheat will be available to undertake market interventions, as and when required.

The food ministry had earlier projected procurement of around 27 MT in the 2024-25 marketing season (April-June), against a target of 30-31 MT at the beginning of the season. Till Wednesday , wheat purchases by agencies have crossed 26.58 MT against 26.19 MT in the 2023-24 season and purchase operations are still on in Rajasthan and Uttar Pradesh.

In FY24, the FCI had sold a record 10 MT of wheat to bulk buyers at tame prices. Inflation in wheat has been relatively stable with inflation in May, 2024 was reported 6.53% on year.

The agriculture ministry has projected wheat production in the 2023-24 crop year (July-June) at 112 MT while a private survey had estimated the output at 106 MT.

After achieving a record procurement of 43.3 MT in the 2021-22 season, the purchase by the government agencies under the minimum support price (MSP) operations fell to a record low of 18.8 MT in the 2022-23 season. However, it rose by around 40% to 26.2 MT in 2023-24.

The government has announced an MSP of Rs 2,275/quintal for the 2024-25 season, which is an increase of Rs 150/quintal over the previous season. In addition, Rajasthan and Madhya Pradesh have announced a bonus of Rs 125/quintal over the MSP.

AT A GLANCE

- There have been concerns that with stocks hovering around the buffer level, the prices could rise
- Import of around **4-5 MT** by reducing imports duties to improve domestic supplies, said trade sources
- The current wheat stock with FCI is **30.23 MT** which is above the buffer of **27.58 MT** for July 1
- Agriculture ministry has projected wheat production in 2023-24 crop year (July-June) at **112 MT**

Business Line. Dt: 17/06/24

Crude oil imports hit record 21.8 million tonnes in May

HIGH ON FUEL. Import bill on oil and gas for May at $12.4 b; Russia top crude supplier

Rishi Ranjan Kala
New Delhi

India's crude oil imports during May 2024 rose to its highest level on record as refiners topped up to meet domestic demand for auto fuels as well as for export opportunities.

The world's third largest importer procured 21.8 million tonnes (mt) of crude oil last month provisionally, a growth of 2 per cent m-o-m and 6 per cent y-o-y. In-bound shipments of the critical commodity rose for the fourth consecutive month during May, Petroleum Planning & Analysis Cell (PPAC) data showed.

Prior to this, Indian refiners imported an all time high of 21.6 mt in April 2022 followed by 21.5 mt in January 2024 and 21.4 mt in April this year. Analysts attributed the higher numbers to more export volumes being shipped out of Russia and lifting of lower cargoes by Chinese refiners. Energy intelligence firm Vortexa's data showed India's crude oil imports fell marginally to 4.54 mb/d in May 2024 (April: 4.58 mb/d), but were higher by 1.6 per cent annually. Brent averaged $82.05 per barrel in May 2024 against $90.15 in April 2024 and $75.55 in May 2023.

PRICES YO-YO. The price of the Indian crude basket averaged $83.56 per barrel last month against $89.46 in April 2024 and $74.98 in May last year REUTERS

IMPORT BILL

Indian basket crude price averaged $83.56 per barrel last month against $89.46 in April 2024 and $74.98 in May last year. India's net import bill of oil and gas for May 2024 was $12.4 billion of which, crude oil imports constituted $13.2 billion, LNG imports $1.1 billion; exports were $3.8 billion.

Imports from Russia fell marginally to 1.72 million barrels per day (mb/d) in May 2024 (April: 1.75 mb/d) on a monthly basis, and by 13 per cent y-o-y. Ural shipments stood at 1.44 mb/d last month compared to 1.56 mb/d in April.

Vortexa's Head of APAC Analysis, Serena Huang told *businessline:*

"Russia continues to be the top crude supplier for India in May. Whilst imports of Russian crude are down slightly in May compared to April, May's volumes are still the second highest compared to last July."

REFINERS

Public refiners Indian Oil Corporation, Bharat Petroleum Corporation (BPCL) and Hindustan Petroleum Corporation (HPCL) imported 1.04 mb/d crude oil, marginally down from 1.05 mb/d in April 2024. However, annual imports were down 16 per cent.

Private refiners Reliance Industries (RIL) and Rosneft-backed Nayara Energy, imported around 679,000 barrels b/d from Russia in May 2024 compared to 695,000 b/d in April. Shipments were down by 5 per cent y-o-y.