Business Line. Dt:- 06/08/24

'Swift reforms, more sops can boost e-comm exports to $350 b by 2030'

Our Bureau
New Delhi

India's e-commerce exports may fall way short of the potential $350 billion by 2030 and touch just about $25 billion if the government does not introduce swift reforms in rules, offer more incentives to the sector and formulate a policy to also support the overseas warehouse model, per a report by research body Global Trade and Research Initiative (GTRI).

"About 60 per cent of China's e-commerce exports use foreign warehouses for faster delivery. They have special rules and support systems that help their e-commerce sector grow.

"If we don't adopt similar measures, our e-commerce exports might only reach $25 billion by 2030, despite having the potential to reach $350 billion," the report authored by GTRI founder Ajay Srivastava pointed out.

At present, India's e-commerce exports are estimated at an annual $5 billion while China's e-commerce exports were at $331 billion in 2023, the study noted. There is huge potential for growth for India as global cross-border e-commerce exports are projected to grow from $1 trillion in 2023 to $8 trillion by 2030.

To move with the fast-paced growth in e-commerce globally, the government needs to support not just the direct export model but also the overhouse warehouse model. "Indian regulations primarily cater to the direct export model. Separate regulations need to be introduced for meeting the needs of warehouse model," it said.

HUGE GAP. India's e-commerce exports are estimated at an annual $5 billion while that of China were at $331 billion in 2023, the GTRI study noted

EXPORT MODEL

In the direct export model, exporters get orders from overseas buyers and then ship products. There is a longer delivery time as the package has to travel from India to the destination country. There are also potential customs delays.

In the overseas warehouse model, exporters store top-selling products in warehouses located in key markets overseas. On receipt of orders, products are delivered to buyers from these warehouses within 1-2 days, matching local delivery speeds.

Benefits include over 50 per cent savings in freight, no Customs delays, and faster delivery, the report noted.

"While the direct export model provides an easy entry point for new exporters, the overseas warehouse model enhances sales by offering a competitive buying experience similar to domestic sellers," it added.

MORE REFORMS

The report highlighted a number of Customs-related reforms to boost e-commerce exports.

These including creating a dedicated green channel for e-commerce shipments, developing an online identifier to distinguish e-commerce export shipments from offline B2B shipments, gathering and analysing data on e-commerce exports to enhance downstream processes such as returns management and payment reconciliation, establishing a single window clearance system, introducing express-like processes in air and ocean cargo channels and enabling complete digital submission of documents.

The report also makes a case for waiver of bank charges and exemption of shipment value up to $1000 per shipment from monitoring till single window is implemented.

Business Line. Dt: 06/08/24

Govt to spend ₹6,800 crore on oilseeds mission, create horti clusters for exports

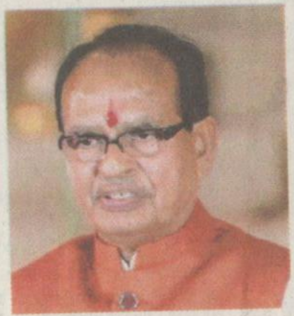
FARM PRIORITIES. Minister Chouhan says Centre will invest ₹1.4 lakh crore to create post-harvest infra

Our Bureau
New Delhi

Union Agriculture Minister Shivraj Singh Chouhan on Monday announced schemes that the government will unveil in the next few days after the Cabinet's approval. The schemes include developing 100 horticulture clusters on an investment of ₹18,000 crore in the next five years and the much-awaited National Oilseeds Mission on an outlay of ₹6,800 crore.

Speaking in the Rajya Sabha during a discussion on agriculture, Chouhan said, "We will create 100 export-oriented horticulture clusters in the next five years on an investment of ₹18,000 crore. We are investing an astounding ₹1.4 lakh crore to create post-harvest infrastructure. We will integrate 1,500 *mandis* (with e-NAM). With an investment of ₹6,800 crore, we are starting an oilseeds mission so that we become self-sufficient."

> Nehru did not utter the word 'farmer' in any of his speeches. Indira Gandhi spoke on couple of occasions but it was said casually
>
> **SHIVRAJ SINGH CHOUHAN**
> Union Agriculture Minister



The minister said the government will develop 50,000 villages as climate-resilient units.

He said important amendments will be made in the Pesticides Law to ensure quality agro-chemicals are made available to farmers.

SIX PRIORITIES

On August 2, he announced that the government has set six priorities for growth of the agriculture sector — raising production, reducing cost of production, fair price to farmers, financial relief to farmers on crop damage, crop diversification and natural farming.

He highlighted the "achievements" of the Modi government in the last 10 years and assured the House that the Centre is committed to providing remunerative prices for crops to farmers as well as continuing the policy of making urea and DAP fertilizers available to farmers at highly subsidised rates.

Continuing from where he left off in the Upper House, Chouhan responded to the Opposition's attack on him for the 2016 firing incident in Mandasaur (in Madhya Pradesh) that led to death of six farmers, by counting past incidents of aggression on farmers by different Congress governments.

"I had told you (Opposition) not to provoke me. I will not spare you now," he said.

DIG AT OPPOSITION

Pointing at Congress MP Digvijay Singh, who was Chouhan's predecessor as chief minister in Madhya Pradesh, the Agriculture Minister said 24 farmers had died in firing during Digvijaya Singh's tenure.

He mentioned several incidents of firing in which farmers had died during the Congress's tenure.

He said that in the Independence Day addresses of successive Prime Ministers, farmers were were ignored till the time Narendra Modi assumed charge as PM.

"Jawaharlal Nehru did not utter the word 'farmer' in any of his speeches. Even Indira Gandhi spoke on couple of occasions but it was said casually, no talks on policy issues," Chouhan said, adding, "Even for Rajiv Gandhi, it (farmer) was not priority. Congress never had any priority for farmers."

Reacting to the statement of Chouhan, Congress MP RS Surjewala and AAP MP Sanjay Singh told media outside Parliament that – the Opposition will move a motion on breach of privilege against Chouhan for misleading the House by stating wrong facts, after going through the record of the proceedings.

Business Line. Dt:- 06/08/24

PM urged to take up shrimp export ban with US

V Sajeev Kumar
Kochi

Kerala's fishing boat operators have sought Prime Minister's intervention in lifting the embargo imposed by the US government for wild caught shrimp exports for not using Turtle Exclusive Devices (TED) on fishing nets.

The ban imposed on shrimp products from India is on flimsy grounds and it resulted in dropping of prices for the commodity putting the livelihood of fisher-folk in disarray, Joseph Xavier Kalapurackal, general secretary of All Kerala Fishing Boat Operators Association said.

The objection of US importers in accepting shrimp products is the apprehension that the fishing nets inadvertently catches turtles during fishing activity which would lead to dwindling of its population.

Quoting a CMFRI study, Kalapurackal said the turtle population in the coastal belt of the country is passing through different States and the number of turtles visiting Kerala beaches for nesting is very limited. They assemble in groups for nesting in the beaches of Bay of Bengal in abundance. Turtle nesting along the beaches of the West Coast is very low, mostly less than 10 numbers per annum at specific locations.

NOT FAIR. The fishing boat operators' body said the ban imposed on shrimp products by the US is on flimsy grounds

'IMPRACTICAL SOLUTION'

Moreover, the tapping of marine mammals in shrimp nets is 0.01 per cent which does not amount to those killed in accidents in the seas. Odisha is imposing a ban on fishing in their coastal waters for more than 120 days a year for turtle nesting, he said adding that Kerala is operating a hatchery along Kozhikode coast for turtle propagation.

Fixing TED in fishing nets is an impractical solution as the bigger holes in the device would not only help escape turtles but fish as well. Besides, the device would cost around ₹39,000 which the poor fishermen cannot afford. Further, there is not that much presence of turtles where they fish.

The Association has sought the assistance of the Prime Minister as all their efforts at the State level has not helped in lifting the ban imposed. If the embargo persists, they requested the government to channelise the shrimp products from the State for selling through supermarkets across the country.

FINANCIAL EXPRESS. Dt:- 06/08/24.

Isma urges govt to lift curbs on sugar exports

SANDIP DAS
New Delhi, August 5

CITING SUFFICIENT SUPPLIES of sugar for domestic consumption and ethanol production, the Indian Sugar Mills and Bio-Energy Manufacturers Association (Isma) has urged the government to lift the restrictions on exports of the sweetener.

Isma had projected a marginal 2% drop in sugar production in the next 2024-25 season (October-September) at 33.11 million tonne (MT) compared to the current year. While estimating an opening stock of 9.05 MT on October 1, the industry body has projected net sugar availability of 42.35 MT in 2024-25 sugar season.

Isma has projected domestic consumption of sweetener at 29 MT in the next marketing year, which would lead to a closing stock of 13.35 MT on September 30, 2025.

"We anticipate sufficiently higher sugar production in the next 2025-26 season because of adequate rainfall in this monsoon season and the production in the next sugar year would be sufficient to meet ethanol blending programme and exports while ensuring adequate domestic supplies," Deepak Ballani, director general, Isma, told *FE*.

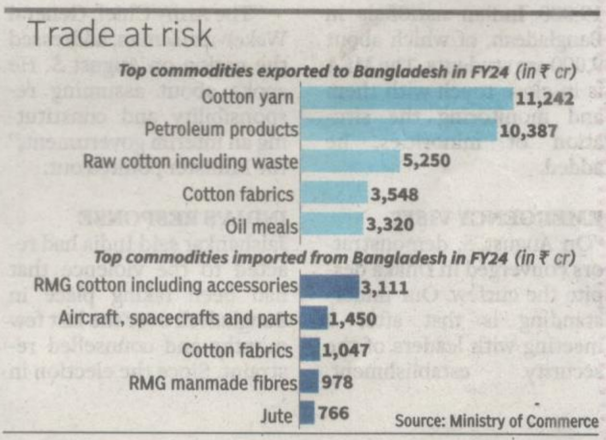
Ballani said that allowing around 2 MT of sugar in the current season would help companies save carrying cost of sweetener and reduce interest burden. In the current 2023-24 season, the government has not allowed sugar exports to boost domestic supply and control retail prices.

According to the agriculture ministry, sugarcane sowing this season has been completed with a total sown area of 5.76 million hectare (MH), which is marginally higher than normal sown area compared to the previous year. According to Isma, area under sugarcane this season is 5.6 MH, a 6% decline from previous season.

Business Line · Dt: 07/08/24

Bangladesh unrest brings export of key commodities to a standstill

Our Bureaus



The turmoil in Bangladesh has brought to a halt exports of cotton, vegetables — particularly onion — and oilmeals from India. Entrepreneurs who established manufacturing bases in the neighbouring country are facing challenges on meeting delivery schedule.

Also at stake are seafood exports and imports of high-quality jute that are re-exported as value-added products. However, the impact will likely be for the short term. The textile and jute sectors may gain over the long term as buyers abroad look for a safe destination for a timely delivery.

TOP MARKET

Data collected by *businessline* show that Bangladesh is among the top 10 export markets for India with exports totalling $11 billion in 2023-24. It is among the top 5 destinations with which India has a trade balance of $9.2 billion.

FIEO Director-General and CEO Ajay Sahai said the disruption in trade, particularly of perishables, is a cause of concern.

"Bangladesh is a very important export market. Trade has been impacted over the last fortnight. There were issues with clearances and logistics. We are concerned with the export of perishables. We hope things will get better."

"Cotton exports to Bangladesh have come to a halt. Since last month, there has been no export of cotton or yarn," said Ramanuj Das Boob, a sourcing agent for multinationals and domestic firms from Karnataka's Raichur.

India's raw cotton exports to Bangladesh, including the waste, stood at $633 million during 2023-24 and made up over half of the shipments. Atul Ganatra, President, Cotton Association of India, said the ongoing crisis will not impact exports. "This is a slack season," Ganatra said.

Anand Popat, a Rajkot-based trader in cotton, yarn, and cotton waste, said, in the short term, India could suffer a reversal in cotton exports.

Terming as unfortunate the turbulence in Bangladesh, Prabhu Dhamodharan, Convenor of the Indian Texpreneurs Federation, said, "As a de-risking strategy, buyers may divert some orders to other countries, including India. With our monthly run rate of $1.3-1.5 billion in apparel exports, we can handle an additional $300-400 million in monthly volumes," he added.

OILMEAL EXPORTS

BV Mehta, Executive Director of Solvent Extractors' Association of India, said, "We have to stop our exports for the time being. Let us wait and watch when normalcy returns."

A prominent onion trader said over the past three days, no trucks have crossed the border into Bangladesh, the primary export destination this year. Seafood exports to Dhaka are at stake, though the quantity is "negligible", official sources said.

A jute industry insider said import of high-quality jute from the neighbouring country is at stake. The jute imported from Bangladesh is re-exported as value-added products to the US, Europe and African nations.

An industry source said the country may gain from exports of jute products too as Bangladesh's situation could force buyers to turn to India.

The political turmoil in Bangladesh has impacted some Indian businesses that have set up manufacturing bases there. M Rafeeque Ahmed, Chairman of Farida Group, said his shoe manufacturing facility was hit by the shutdown. "We are to meet European delivery orders. We hope normalcy is restored," he said.

With inputs from KV Kurmanath in Hyderabad, Sindhu Hariharan in Chennai, Vishwanath Kulkarni in Bengaluru, Radheshyam Jadhav in Pune, Vinayak AJ in Mangaluru, Mithun Das Gupta in Kolkata and Sajeev Kumar V in Kochi

More reports p2

Business Line. Dt:- 07/08/24

Low paddy prices may buoy Basmati exports

TREADING WITH CAUTION. Farmers report 15 per cent drop in yield in Uttar Pradesh; millers resort to cautious purchases

Prabhudatta Mishra
New Delhi

Farmers are selling Basmati (paddy) at an average ₹2,200-2,500/quintal with over 15 per cent moisture level this year in Uttar Pradesh. This is causing distress as last year they fetched over ₹3,000/quintal. Uttar Pradesh usually gets Basmati crop first among all the growing States since Pusa Basmati 1509 is comparatively a short duration variety and is transplanted earlier than in Punjab and Haryana.

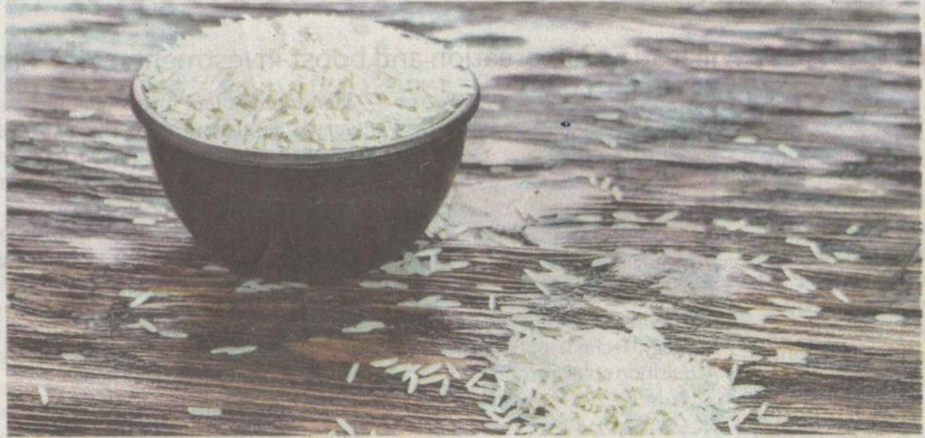
This will likely help exporters as it will make shipments of the fragrant rice from the country competitive vis-a-vis Pakistan.

"I am expecting the same price as last year. I sold at ₹3,200/quintal in my village," said Devender Singh of Shamli district in Uttar Pradesh. Singh, who transplanted the PB 1509 variety around mid-May and is hopeful of harvesting after another 15 days, said the yield might fall by a quarter as no farmer has got more than 3 quintals from one bigha (1 acre = approximately 6 bigha) whereas last year it was over 4 quintals.

Bhushan Tyagi, another farmer from Aligarh district, who sold the PB 1509 variety at Khair mandi at ₹2,500/quintal last week, said there was a drop of 15 per cent in yield from last year. He said traders did not offer "rates" in the auction at the mandi this year and he was forced to sell as he could not take the crop back home.

FEARS OF PRICE FALL

Singh said he reduced the Basmati area to 6 bighas this year from 9 bighas last year as he feared prices might be lower. "When prices are high in a year, usually the next season's sowing area also goes up and prices crash," Singh said.



LOSING STEAM. Per Agmarknet portal, Basmati (in the form of paddy) prices were ruling in the range of ₹2,100-2,600/quintal in Uttar Pradesh during August 1-5

According to the Agmarknet portal, Basmati (in the form of paddy) prices were ruling in the range of ₹2,100-2,600/quintal in Uttar Pradesh during August 1-5. "We do not know the reasons, but exporters are not ready to buy above ₹2,500/quintal," said a commission agent in Khair mandi. He added that the moisture level was quite high at 20 per cent. But some traders said the average moisture could be around 15 per cent.

Farmers of UP's Shamli district, who sell their produce in the neighbouring Karnal mandi in Haryana, said the rates were not more than ₹2,400/quintal this year.

CAUTIOUS PURCHASE

Explaining the reasons for lower rates, Rajinder Gupta, vice-chairman of the Association of Commission Agents, said millers were buying cautiously as they had incurred losses last year after buying Basmati paddy at high prices. Besides, supplies are also higher since farmers expanded the area in anticipation of another year of high rates, Gupta said.

India's Basmati rice exports, allowed at a minimum export price (MEP) of $950/tonne, registered a 16 per cent growth at 9,65,128 tonnes (worth $1,037 million) in the first two months of the current fiscal against 8,30,872 tonnes (worth $917 million) a year ago.

Business Line. Dt - 07/08/24

Solar PV cells, module imports from China fall post FY23 but still account for over 60%

Rishi Ranjan Kala
New Delhi

The share of China in India's imports of solar photovoltaic (PV) cells and modules has been declining consistently since FY23 aided by scaling up of domestic module manufacturing capacity over the past 12 months thereby improving availability.

However, the world's largest exporter still accounts for more than 60 per cent of cell and module imports combined.

According to data shared by Minister of State for New and Renewable Energy Shripad Yesso Naik on a written question in Rajya Sabha, China accounted for 94 per cent of India's cumulative solar PV cell imports and 93 per cent of solar PV module shipments in FY23.

However, the share of cells and modules fell to 56 per cent and 66 per cent, respectively, in FY24. China accounted for 68 per cent of solar PV cell and 59 per cent of solar PV module imports during April-May of FY25.

In value terms, India imported around $1.7 billion worth of solar PV cells and modules in FY20, which fell to $571.65 million in the Covid-impacted FY21. In FY22, which was again impacted due to the pandemic, India's imports rose to $4.5 billion. In FY23, imports fell to $2.25 billion, but surged to a record $6.21 billion a year later. During April-May of FY25, imports stood at around $551 million.

CHECKING IMPORTS

As per the data, China accounts for a lion's share of Indian imports of solar PV cells and modules. Vietnam, Thailand, Malaysia and Singapore are the other top exporters, albeit on a much lower scale. During FY24, the Ministry of New and Renewable Energy (MNRE) has put the Approved List of Models and Manufacturers (ALMM) for solar PV modules in abeyance.

Scale-up in domestic module manufacturing capacity over the past 12 months is expected to improve availability of modules. However, the sector would remain dependent on imports for sourcing solar PV cells and wafers, given the limited cell manufacturing capacity and lack of wafer capacity in India, Ratings agency ICRA said in February 2024.

From the IPP's perspective, ICRA said the earlier order exempted projects commissioning till March 31, 2024, from the ALMM requirement. The government has now relaxed this provision to a certain extent and has allowed exemption from ALMM for projects, which are in advanced stages of construction and wherein the order for modules (including the opening of letter of credit) is placed before March 31, 2024.

"This provides relief for IPPs with advanced progress in development and with expected commissioning post March 31, 2024. The order allows exemption from ALMM for open access-based and captive solar projects, enabling these projects to source modules from the most cost-competitive sources. Based on the prevailing cost of imported solar PV cells and modules, the sourcing of imported modules is relatively cheaper than the cost of sourcing modules from domestic OEMs after accounting for the import duties," it added.

Business Standard. Dt: 07/08/24

Despite PLI push, electronics imports top $20 bn for 5th qtr

SAMREEN WANI
New Delhi, 6 August

April-June 2024-25 (Q1FY25) was the fifth straight quarter when India's import of electronic goods topped $20 billion.

Electronic components and computer hardware accounted for more than half the electronic goods import in the June quarter as against 46 per cent before the pandemic.

Most of the components are used by the mobile phone industry and despite increase in their domestic manufacturing the country is still dependent on high-value imports. This calls for a production-linked incentive (PLI) scheme for components too, according to experts.

Electronic goods worth $22.8 billion were imported in the first quarter this financial year as against $23.4 billion in the previous quarter.

The import bill for such goods has consistently accounted for over a fifth of the import.

Electronic goods include computer hardware, consumer electronics, electronic components, electronic instruments, and telecommunications instruments.

Electronic components are used mostly in the assembly of mobile phones in India.

Tarun Pathak, research director, Counterpoint Research, said while 15 per cent of the components by value of an assembled mobile phone were manufactured in India now, the ratio was 3-4 per cent a decade ago.

"We are still dependent on the import of high-value components like chips, display, and camera module because manufacturing these requires investment on a large scale. So we need a similar PLI scheme at the component level so that we can localise that production as well," he said. India started the PLI scheme in April 2020 to encourage local manufacturing and investment in the mobile phone segment. The increase in India's mobile phone export is driven by the rise in domestic assembly. A similar scheme for manufacturing IT hardware came into effect last year.

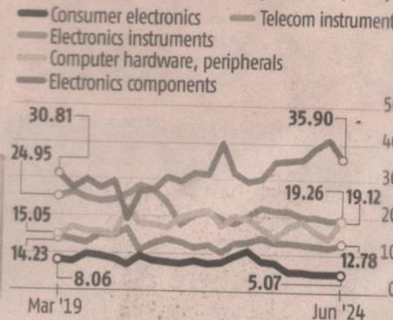
Pathak added a larger chunk of the sub-components procured locally were from global companies operating in India.

Among the other electronic goods, India imported over $4 billion of telecom equipment and $1.1 billion of consumer electronics in the June quarter of FY25. However, the share of consumer electronics and telecom instruments in the total has declined in the latest quarter to 24 per cent from about 33 per cent in FY19.

E-DOMINANCE

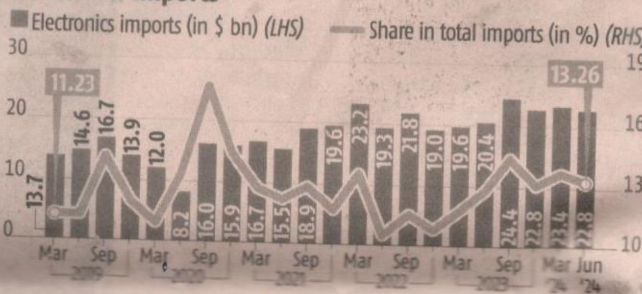
More than 1/3rd of imports are electronic components

Share in total electronics imports (in %)



Note: Electronic instruments include electrical apparatus, while components are used in mobile phones assemblies

Over $20 billion in electronics imports



Sources: CMIE, Business Standard calculations

The Economic Times Dt:- 07/08/24

Exports of 2-wheelers, Trucks, Buses to Take a Big Hit

Shally Seth Mohile
& Ashutosh R Shyam

Mumbai: Indian exports of two-wheelers, trucks, and buses to Bangladesh are likely to be severely hit this month with the South Asian nation grappling with a deadly civil unrest.

Bajaj Auto, India's largest exporter of two- and three-wheelers, ships around 3.6% of its monthly exports to Bangladesh. At Hero MotoCorp, Bangladesh contributes 20-30% of its sales outside India.

Two-wheeler makers from India also have manufacturing facilities in Bangladesh to meet local regulations and save on high customs duties. Hero MotoCorp has a joint venture manufacturing plant at Jessore in Bangladesh while TVS Motor has a joint venture company with T V Sundram Iyenger & Sons.

India's Exports to Bangladesh

Category	2021-22	2022-23	2023-24
Buses	2.52	0.02	**0.82**
PVs	5.24	5.05	**2.94**
CV- Goods	193.42	108.76	**71.53**
Two-Wheelers	110.93	102.93	**99.78**
Three-Wheelers	21.84	6.92	**0.04**

(Figures in million USD)

"Bangladesh is an important market for both two-wheelers and three-wheelers. We do almost 5,000 to 6,000 exports per month there. Hopefully, the situation will come under control soon," said Rakesh Sharma, executive director, Bajaj Auto.

Indian two-wheeler exports to Bangladesh stood at 3.6% by value in FY24, declining from 3.69% in FY23 and 3.72% in the year before, as per data from the Ministry of Commerce and Industry.

Bajaj Auto leads Bangladesh's market of 450,000-500,000 two-wheelers per year with a 20-23% market share. Hero MotoCorp, with a 15-16% market share and an annual volume of 60,000 units, is the second largest by volume. Both Hero and Bajaj have been present in the country for more than a decade.

Bangladesh is also an important export destination for bus and truck makers such as Tata Motors, Ashok Leyland and Eicher Motors.

Industry executives said factories in Bangladesh have been closed for the past three days amid the deteriorating scenario.

FINANCIAL EXPRESS Dt: 07/08/24

US trade deficit narrows to $73.1 bn as exports pick up

MARK NIQUETTE
August 6

US TRADE DECIFIT NARROWED IN JUNE
Increase in total exports exceeded smaller gain in imports

Source: US Commerce Department, Bloomberg

THE US TRADE deficit narrowed in June for the first time in three months as the value of exports of goods and services increased by the most since earlier this year. The gap in goods and services trade shrank 2.5% from the prior month to $73.1 billion, Commerce Department data showed Tuesday. The median estimate in a Bloomberg survey of economists called for a $72.5 billion shortfall. The value of exports increased 1.5%, while imports rose 0.6%. The figures aren't adjusted for inflation.

The June figures cap a quarter in which goods and services trade subtracted the most from gross domestic product (GDP) since early 2022, based on the government's first estimate. The US trade deficit has widened in all but two months since August of last year. Survey results from the Institute for Supply Management paint a mixed picture of July trade. The group's index of manufacturer exports contracted for a second month, while service providers business overseas grew solidly.

On an inflation-adjusted basis, the merchandise trade deficit narrowed to $91.4 billion in June, the smallest in three months. The increase in merchandise exports was broad and included increases in outbound shipments of commercial aircraft, natural gas and other petroleum products, and motor vehicles. Imports were fuelled by gains in pharmaceuticals and capital goods.

—BLOOMBERG

The Economic Times. Dt:- 08/08/24

Duty Hike Effect: Onion Exports Down 50%

Jayashree Bhosale

Pune: India's onion exports have declined by more than 50% in June as the minimum export price of $550 per tonne and an export duty of 40% has made Indian onions more expensive than most of the competitors, said industry leaders.

Exporters and growers have asked the central government to remove the duties, assuring that the increased sowing driven by good monsoon rainfall and a strong buffer stock of onions with the central government can keep the domestic prices under control even if exports increase.

The Centre informed in Lok Sabha on Wednesday that the government has lifted the onion export prohibition from 4th May, 2024 and allowed the export with minimum export price of (MEP) of $550 per MT and export duty of 40%. Till 31st July, 2024, a total quantity of 2.60 lakh tons of onion had been exported in current financial year 2024-25. India had exported 17.17 lakh tonnes of onions in the 2023-24 fiscal year.

During a recent visit of the central government officials to the big wholesale markets of onions in Nashik, Pune and Karnataka, the traders and farmers requested the need for removing the export duty.

The representatives s of the Maharashtra Onion Growers' Association recently met Ajit Pawar, minister in Maharashtra government, demanding that the onion exports should be opened.

Till July 31, 2024, a total quantity of 2.60 lakh tons of onion have been exported in FY25. PTI

The Horticulture Produce Exporters Association (HEPA) too has written a letter to the central government requesting to remove the MEP and imposed a fixed duty of USD 100 per tonne instead of the 40% duty charged at present.

"Indian onion is expensive than our competitors by about $200/tonnes due to the MEP and the export duties," said Ajit Shah, former president, HEPA.

HEPA has claimed that the kharif output of onion is expected to increase due to good monsoon rainfall. Sufficient stock of onion with the government and facing competition from other countries will keep the exports restricted, thinks association, which primarily represents the onion exporters.

"Our exports have been closed or restricted since more than 5 months. This has led to increase in competition from Pakistan, which as motivated their farmers to increase the onion production," said Shah.

According to sources, the government is waiting for the arrival of the kharif crop of south India before making any changes to the export policy. The current price levels of ₹27-31/kg in wholesale markets is still uncomfortable for the government, they said.

Onion prices have being ruling firm at these levels from more than a month as farmers and traders and stockists are holding the stock, keeping arrivals in the markets low.

The Economic Times. Dt: 08/08/24

FOLLOWING POLITICAL TURMOIL IN BANGLADESH...

India's Garment Export Orders may Rise 10-20%

Cotton yarn & fabric exports could benefit more than synthetic and manmade fibres, say experts

Kirtika Suneja

New Delhi: India's garment industry could reap a 10-20% boost in export orders over the next 18 months following the political turmoil in Bangladesh, said executives and industry bodies.

In value terms, India's apparel exports could surge by $2-3 billion annually. Exports stood at $14.5 billion last fiscal.

The domestic textile industry is in a wait-and-watch mode, but exporters say New Delhi needs to be ready for a potential trade diversion triggered by the political unrest in the eastern neighbour, one of the world's top garment exporters.

"India can benefit from garment exports. We expect a 10-15% gain in the short to medium term on garment exports," said Sanjay Jain, chairman, Indian Chamber of Commerce, National Expert Committee on Textiles.

Many global brands are already mulling shifting their sourcing once Bangladesh graduates from its least developed country status by 2027 as it would garment exports from Bangladesh costlier.

Export Boost

Apparel exports could grow $2-3 bln over next 2 yrs

China, Bangladesh largest importer of cotton yarn from India

DHAKA TO LOSE DUTY-FREE BENEFITS AFTER LDC GRADUATION IN 2027

Start PM Mitra parks, expand PLI scheme, remove duty on cotton staple, says Industry

"Some diversion will happen and if factories in Bangladesh don't open in the next 5-6 days, then Diwali and Christmas supplies will have to be met from here"
REPRESENTATIVE, Cotton Textile Industry

India's biggest garment export cluster at Tiruppur in Tamil Nadu is expecting about a 10% rise in orders compared to last year.

Cotton yarn and fabric exports could benefit more than synthetic and manmade fibres, experts said. "We expect 10-20% orders to come to India in the next two years, especially as Bangladesh loses its LDC status in 2027. We need to set up factories and expand production," said a representative of the cotton textile industry, adding that it is an opportune time to operationalise the PM Mega Integrated Textile Region and Apparel (PM MITRA) scheme aimed at setting up seven mega textile parks in the country.

Mithileshwar Thakur, secretary general of the Apparel Export Promotion Council (AEPC) said, "India has no intention or inclination to exploit this unfortunate situation in our friendly neighbouring country." "The Indian garment industry is making serious efforts to grow RMG exports on its own, based on its merit," he said.

He, however, added that it is quite likely that in the short-term, garment orders may shift to India and the Indian apparel industry may be asked to meet the gap caused by this severe disruption.

"Some diversion will happen and if factories in Bangladesh don't open in the next 5-6 days, then Diwali and Christmas supplies will have to be met from here," said the cotton textile industry representative cited above. The official added that India has to be ready for this Bangladesh plus one strategy as it will be factored in by buyers around the world.

India's biggest garment export cluster at Tiruppur in Tamil Nadu is expecting about 10% rise in orders compared to last year

Sharad Kumar Saraf, founder chairman of Technocraft Industries India, a textile exporter, said garment exports from Bangladesh enjoy duty free access in the European Union, leaving India to compete solely on price.

Business Line. Dt:- 09/08/24

Export of Stellantis Group's parts to grow 3-fold to ₹10,000 cr in two years; unveils SUV Coupé Basalt

G Balachandar
Chennai

As the Stellantis Group focuses on growth in India by launching new products and expanding the network for the Citroën brand, the country is now a critical sourcing hub for the European automotive giant. Over the next two years, the group's parts exports from India are expected to more than triple, reaching about ₹10,000 crore.

The Dutch-headquartered Stellantis Group, which sells vehicles under the Jeep and Citroën brands in India, is preparing to launch its all-new SUV Coupé Basalt, Citroën's fifth product, in the country.

Although Citroën has recently seen a decline in sales in India, the company is working on strategies to revive its numbers. "We are taking two key steps to boost volumes. First, we are expanding our product line-up with an SUV that we believe will be disruptive and create a new segment of buyers. The Basalt is expected to drive significant volumes for us," Shailesh Hazela, MD & CEO of Stellantis India, told *businessline* during the unveiling of the Basalt in Goa on Monday.

"We're also enhancing our product features to make them more competitive. These efforts should help us increase our volumes, going forward," he added.

BRAND'S REACH

The Basalt will complement Citroën's existing models, the C3 and C3 Aircross, in India. The C3 caters to the sub-compact segment, while the C3 Aircross serves the compact segment. The new SUV coupé aims to carve out its own niche within the compact SUV market and expand the brand's reach to a broader customer base, according to Shishir Mishra, Brand Director - Citroën India. The number of sales and service touchpoints is set to increase to 200 by 2024-end from about 85 during the launch of Basalt.

Citroën would stick to the strategy of introducing one new product every year in India.

Hazela also stated that Stellantis' operations in India go beyond serving the domestic market and contribute to the group's global needs. "Indian suppliers for Jeep and Citroën vehicles also contribute significantly to Stellantis Group's other vehicle programmes, including Maserati. In two years, we expect parts exports from India to exceed ₹10,000 crore, up from the current level of around ₹3,000 crore. This figure excludes cars, engines and transmissions," he added.

This significant growth in sourcing is driven by new businesses awarded to Indian suppliers, with about 60-70 of the group's 250 suppliers qualified to supply for global vehicle programmes. The company manufactures about two lakh engines at its Hosur facility, exporting these to Europe. In addition, it produces around 3.5 lakh transmissions, including 5-speed and 6-speed manual versions, with the majority being shipped to Europe.

This correspondent was in Goa at the invitation of the company

(flrom eft) Shishir Mishra, Brand Director - Citroën India, and Shailesh Hazela, MD & CEO, Stellantis India, at the unveiling of the all-new Citroën SUV Coupé Basalt in Goa earlier this week.

Business Line · Dt:- 12/08/24

Indian refiners secure over one-third of Russia's crude oil exports in first half

Shift in global crude trade flows *mb/d*

Notes: Seaborne only Source: Kpler, OIES

Rishi Ranjan Kala
New Delhi

India, the world's third largest crude oil consumer, accounted for more than one-third of Russia's cumulative crude oil exports in the first half of the current calendar year.

Besides, India coupled with China and Turkey bought more than 90 per cent of the crude oil shipped out of the erstwhile Soviet Union during January-June 2024. According to the Energy Comment series by the Oxford Institute for Energy Studies (OIES), Russian crude exports to China, India and Turkey accounted for 93 per cent of the total in H1 2024 calendar year (CY).

India and China accounted for the lion's share at 48 per cent and 34 per cent, respectively, the commentary, by Bassam Fattouh and Andreas Economou, added.

As per the data from energy intelligence firm Vortexa, India's crude oil imports from Russia during H1 2024 averaged at around 1.6 million barrels per day (mb/d) compared to roughly 1.7 mb/d imported in the year-ago period.

TRADE DYNAMICS

Particularly for India, the Energy Comment pointed out that the transformation has been "phenomenal". Prior to the 2022 sanctions on Russian oil, India's largest annual intake of Russian crude was 52,000 barrels per day (b/d) in 2017.

In 2023, India's imports of Russian crude averaged nearly 1.8 mb/d accounting for nearly 40 per cent of the country's total imports, while on a monthly basis, they reached as high as 2.2 mb/d," it added.

LONG-TERM PACTS

There are reports that India's state-owned refineries are considering entering into long-term oil supply agreements with Russia. But this has not been without its challenges, the Energy Comment said. For instance, it said that "payment issues" have caused the diversion of some Russian cargoes away from India.

"Russia has recently announced that it has accumulated billions of rupees that it hasn't yet found a use for. Also, the US and its allies have stepped up the enforcement of sanctions creating difficulties for buyers of Russian oil and idling many tankers used in the transport of Russian oil," it added.

PRICE TRENDS

After the price spike above $100 per barrel sparked by the Russia-Ukraine war, Brent has mostly traded in a relatively narrow range between $75 and $85 a barrel in last two years, defying uncertainty and shocks, the commentary pointed out.

It also highlighted some key trends currently shaping the oil market and their implications in terms of oil price behaviour, oil pricing, trade flows, and players' responses.

"Despite the rise in uncertainty, geopolitical tensions and the various geopolitical shocks hitting the oil market, volatility in oil prices has been low and oil prices remain range bound, with the oil market exhibiting strong resiliency," it said.

Though sanctions and geopolitical shocks did not result in large oil supply losses, they have transformed oil and products trade flows, reduced transparency, created more segmented markets, lengthened trade routes and supply chains, increased costs and logistical complexity and resulted in more constrained optimisation for the various players.

The crude oil pricing system has already seen key structural transformations especially with the inclusion of WTI Midland into the Brent basket. As WTI increasingly sets the price of Brent, larger volumes of oil traded globally priced off Brent are now linked to trading activities and the various physical and financial layers around WTI. This shift will only accelerate as US crude exports continue to break record levels.

'BEML Planning to Export Vande Bharat, Metro Trains'

On the Right Track

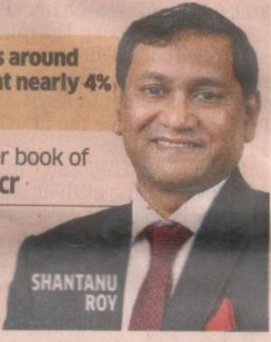
The ultimate aim is to have exports around 10% of our top line from the present nearly 4%
SHANTANU ROY, Chairman, BEML

BEML aims to increase export orders in rail

Company targets **20%** steady growth going forward

BEML expects order book of **₹20,000-30,000 cr**

Defense and rail segments may reach **65%** contribution



Kalpana Pathak & George Smith Alexander

Mumbai: Heavy equipment manufacturer BEML (formerly Bharat Earth Movers) which reorganised operations this fiscal expects that its rail and metro segment along with defence will be the biggest contributor to revenue in the near future. The company wants to accelerate make in India initiative and with that it looks to bag export orders for Vande Bharat and metro trains in a few years.

"Priority is to roll out the indigenous Vande Bharat trains first. But next year we will try and should expect something on the export front," chairman Shantanu Roy told **ET**, adding that the company is working on a few opportunities in the Middle East, South America, and the ASEAN region for rail and metro exports. "The ultimate aim is to have exports around 10% of our top line from the present nearly 4%."

BEML operates in three key segments and has carved out 11 strategic business units (SBUs) to streamline growth. These segments include--mining and construction (spares and services and hydraulic and power), defense (armoured, high mobility vehicles, aerospace, and engines), and rail and metro (commuter rail and metro rail).

Each SBU head will be headed by a CEO who will be empowered for faster decision-making and better control over operations.

The company which saw its consolidated net loss narrowing to ₹70 crore for the quarter ended on June 30, 2024, posted a 10% growth in topline.

"As far as profitability is concerned, last year's was a much better performance than other years. This year we have given a guidance of 100 basis points for Ebitda growth at 13%. We aim to reach 16-17% in the near future," said Roy, adding that the company is aiming at a 20% steady growth going forward with the aim to reach five-digit revenue numbers.

To improve performance, BEML is banking on large tenders pipeline for defence and rail and metro projects coming up across the country.

"We haven't done any major orders this year. However, a substantial chunk should happen in the third and fourth quarters with a large tenders pipeline for rail and metro projects and the defense sector. I see ourselves ending the year with around ₹20,000 crore to Rs 30,000 crore of order book," he added.

Mining and construction which has traditionally been the highest revenue generator for the company will also see growth, albeit, less than the rail and metro segment.

The growth from rail and metro and defence segments may go up to 60-65% in the next few years while mining and construction which is at 43% currently will be fall to 30-35%.

"We see that the mining and construction vertical, contribution will come down is not because of a deceleration in the coal production or the mining activities, but because of the acceleration in rail metro and in defense," said Roy, adding that the company is preparing to enter the continuous mining operation segment.

It is looking to indigenise technology across different business segments including mining and construction and defense and aerospace.

The company will also increase its focus on research and development (R&D) to stay ahead of the competition. At present, it spends 2% of its turnover on R&D which it plans to ramp up to 7% in the coming years.

"We are focusing only on organic diversification but after we consolidate the core we can think of inorganic too. We may also create another segment that will work on new technologies," said Roy.