Business Line. Dt: 25/02/25

India eyes doubling spices exports to $10 billion by 2030

Our Bureau
Bengaluru

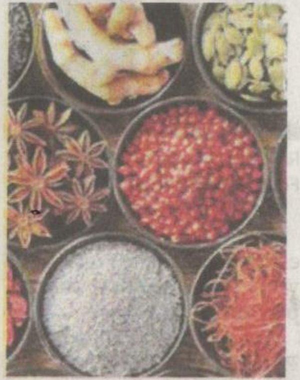
India is eyeing more than doubling the spices export over the next five years, targeting shipments of $10 billion by 2030 and $25 billion by 2047, said Spices Board Secretary P Hemalatha on Monday. In 2023-24, India's spices exports were $4.4 billion.

Delivering the special address at the inauguration of the International Spice Conference (ISC) 2025, organised by the All India Spices Exporters Forum (AISEF), Hemalatha said the Spices Board had implemented stringent quality control measures, including mandatory ethylene oxide (ETO) testing for exports destined to European Union and also to countries, such as Hong Kong and Singapore, to enhance food safety and compliance.

Addressing evolving regulatory challenges, Hemalatha underscored the Board's commitment to harmonising global spice standards through active participation in the Codex Committee on Spices, facilitating smoother trade and reducing technical barriers.

CLIMATE CHALLENGE

Emphasising the need for sustainable approaches and conservation driven strategies to drive industry growth, Hemalatha said India, historically a dominant player in the global spice



trade, maintains 25 per cent of the global market today.

Recognising climate change as a significant challenge, the industry is adopting climate-smart agricultural practices and developing resilient crop varieties. The Indian spice sector is actively embracing IoT, blockchain and robotics to enhance transparency, traceability and operational efficiency. These technological advancements ensure faster adaptation to global consumer demands while strengthening trust in Indian spices, Hemalatha said.

The four-day event gathers global industry leaders, policymakers, researchers and stakeholders to discuss challenges and opportunities in the spice trade.

Inaugurating the conference, Krishna M Ella, Executive Chairman, Bharat Biotech International Ltd, stressed the need for a strong regulatory system. He urged researchers, industry leaders and regulatory bodies to unite in creating a sustainable, high-quality spice industry.

MEDICINAL VALUE

Highlighting the medicinal value of different spices, Ella further urged the industry to treat them like drugs, with rigorous standards akin to pharmaceuticals. He also called for more focus on seed development, nanotechnology for pesticide reduction and bio-stimulants to boost plant resilience.

Emmanuel Nambusseril, Chairman of AISEF, said India remains at the heart of the global spice trade. Valued at $24 billion in 2024, the Indian spice market is projected to reach $61 billion by 2033, growing at a CAGR of 10.56 per cent.

Business Line. Dt: 26/02/25

February gold imports may halve to 15 tonnes on high prices, weak demand

EXPENSIVE GLITTER. Spot gold prices hit a record high of $2,956; imports drop to six month low in January

Suresh P Iyengar
Mumbai

Hit by a sharp rise in prices and weak demand, gold imports may halve this month to 15 tonnes against 30-35 tonnes logged in January.

Spot gold prices hit a record high of $2,956 an ounce on Monday and are hovering in the same range due to global economic uncertainty kicked off by new trade tariffs imposed by the US.

Besides weak demand, the industry has been facing a funding crunch to place long term bets on gold and this will lead to imports falling to about 10-15 tonnes this month, the lowest in recent times, said industry sources. Gold imports dropped to a six month low of 30-35 tonnes in January, owing to high prices leading the pullback in demand, he added.

Prithviraj Kothari, Managing Director of RiddiSiddhi Bullions, said gold imports were anticipated to decline 50 per cent this month due to low demand and record-high domestic prices. The demand remains lacklustre despite the ongoing wedding season, which is usually considered the peak for gold jewellery demand, he said.

Moreover, he added that a few banks have started sending gold that was initially imported into India to the United States, where returns are better on the back of higher premium.

The wholesale bullion market for jewellery manufacturers in India has been offering discount of $23 an ounce (equals to about 28 grams) against $3 an ounce in December as it could not find takers.

GOLDEN MARKET. Domestic prices jumped 14 per cent to ₹86,831 per 10 grams PTI

After a volatile price movement last year, consumers lapped up gold jewellery last November when prices dropped suddenly.

Gold imports last year were down 4 per cent to 712 tonnes against 744 tonnes in 2023, according to the World Gold Council data.

FIRM PRICES

The London Bullion Market Association gold price has surged by $286 an ounce or 10 per cent to $2,938 an ounce so far this year.

Domestic prices have been rising in line with international prices and jumped 14 per cent to a record ₹86,831 per 10 grams. The depreciation of rupee against the dollar has pushed up the value of gold in the domestic market.

Manav Modi, Senior Analyst-Commodity Research, Motilal Oswal Financial Services, said gold in the domestic front will continue to trade with a positive bias and may touch ₹87,300 to ₹89,000 per 10 grams next month.

Gem and jewellery exports dipped 10 per cent last month to $1.97 billion against $2.19 billion logged in the same period the previous year on the back of geopolitical tensions and the global economic slowdown. Gold jewellery shipments declined 4 per cent to $868 million ($900 million) as the buying for wedding and holiday season slowed down.

Business Line. Dt: 27/02/25

EU ready to address 'specific concerns' of India on carbon tax levy on imports

Amiti Sen
New Delhi

TARIFF SHOCK. India's metal sector will be affected by the tax in the first phase of CBAM application and exports of over $8 billion are at stake REUTERS

The European Union has acknowledged India's "specific concerns" about implementing the Carbon Border Adjustment Mechanism (CBAM) — the bloc's tool to levy taxes on imports of certain carbon-intensive goods from early next year — and is ready to address them.

While some of the concerns may be "illegitimate", as the CBAM is a WTO-compatible measure, the EU is committed to addressing all worries and sharing its experience to help in the implementation, an EU official said. "I think we know that the Indian side has had specific concerns on GBAM and on the effect that it may have. We are, of course, committed to addressing those concerns with parties around the world that may be affected by CBAM," the official said.

The EU is unlikely to include CBAM on the agenda for the talks between Prime Minister Narendra Modi and EU President Ursula von der Leyen on Friday in New Delhi, though India wants to bring it up, another source said.

The CBAM is a regulation introduced by the EU to put a "fair price" on carbon-intensive goods imported from non-EU countries. It is meant to create a level-playing field with EU companies that account for their carbon emission through the Emission Trading System (ETS).

EXPORT IMPACT

The carbon tax, to be imposed in the first phase on six items including steel, aluminium, cement, fertilizer, hydrogen and electricity from January 1, 2026, could deal a blow to India's exports to the bloc.

"The CBAM tax is estimated at 20-35 per cent tariff equivalent. This is far higher than the EU's average import tariff of 2.2 per cent for manufactured products," per a report by research body GTRI. It added that India's metal sector would be particularly affected by the tax in the first phase of CBAM application and that exports of over $8 billion would be at stake. India has been asking the EU for some flexibility on CBAM and the EU Deforestation Regulation, which is the second environment related regulation putting onerous obligations on some of India's exports to the bloc, in the bilateral Free Trade Agreement (FTA) being negotiated.

The EU official noted that the CBAM was a fair measure and there may be some illegitimate concerns around it too, which the bloc will address. "The CBAM is a WTO compatible measure that we have introduced to ensure that there's no carbon leakage. We are keen to share our experience and our operation of CBAM with the Indian side."

Business Line. Dt: 27/02/25

India imported a record 27 mt LNG in 2024: Shell

Rishi Ranjan Kala
New Delhi

A searing summer that fired up electricity demand, coupled with expanding industrial and commercial operations, pushed India to import record volumes of liquefied natural gas (LNG) in the last calendar year, accounting for 7 per cent of imports worldwide.

Shell, in its LNG outlook, said India increased annual imports to a record high of 27 million tonnes (mt) in the 2024 calendar year (CY), a 20 per cent y-o-y growth.

"India bought record volumes to help meet stronger power demand due to hotter weather in early summer. India imports LNG to increase its natural gas supply, which is used for power-generation, cooking and heating purposes, and to meet industrial demand around the country," the report said.

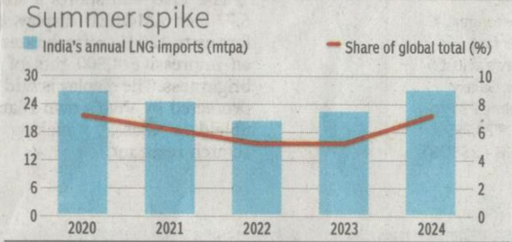
The International Energy Agency (IEA) in its gas market report for Q1 2025 CY pointed out that LNG cargoes by the world's fourth largest importer grew by a record of over 6 billion cubic metres (BCM), or 21 per cent Y-o-Y, in 2024.

The agency attributed the development to robust demand for RLNG (regasified LNG) in the city gas distribution (CGD) and oil refining sectors, as well as softer domestic gas production dynamics.

HIGHER IMPORTS

Going ahead, Shell projected that the demand for gas continues to gather pace across Asia, with China and India significantly increasing their regasification and downstream infrastructure.

India is also moving ahead with building natural gas infrastructure and adding gas connections to 30 million people over the next five years, it added. India remains an attractive market for long-term suppliers, said IEA adding, just over 15 BCM per year of new sales and purchase agreements were signed in 2024, including the renewal for 20 years of Qatar's 10 BCM per year contract starting from 2028.



Source: Shell

According to a recent report by Wood Mackenzie, falling production amidst rising demand for LNG — considered the best transition fuel — is expected to push up imports, with India likely to become the world's third largest importer, after China and Japan by 2032, with in-bound cargoes accounting for 75 per cent of its gas consumption.

"We expect LNG demand to continue to grow in the coming years, exceeding 37 mtpa by 2030 and 88 mtpa by 2050, as India's demand for gas rises, while its domestic production shrinks. By 2032 already, LNG should account for around two-thirds of India's gas consumption and will become the third largest importer of LNG after China and Japan," Wood Mac said.

INCREASING SUPPLIES

Besides, more LNG supply is expected to come online globally in the next 4-5 years, which will soften prices favouring more Indian purchases. "More than 170 million tonnes of new LNG supply is set to come on to the market by 2030, helping to meet growing long-term global demand for gas. But project start-up timings remain uncertain," Shell said in its report.

Significant growth in LNG supply will come from Qatar and the US. The US is set to extend its lead as the world's largest LNG exporter, potentially reaching 180 mt a year by 2030 and accounting for a third of global supply, it added.

FINANCIAL EXPRESS Dt: 28/02/25

Govt likely to impose curbs on imports of yellow peas

SANDIP DAS
New Delhi, February 27

THE GOVERNMENT IS likely to impose restrictions on duty-free imports of yellow peas, largely used as substitute for chana, as surplus imports have hit the mandi prices of newly harvested chana, which has 50% share in the country's pulses output.

In December 2023, the government had allowed duty-free import of the cheaper variety of pulses due to prospects of lower chana output and the relaxation has been extended till Friday.

Trade sources said the government may impose a 15-20% import duty on yellow peas. A formal government's notification is expected.

In 2017, an import duty of 50% was imposed on pulses variety to encourage domestic production.

Earlier, India Pulses and Grains Association had urged against continuing with zero import duty, especially when over 3 million tonne (MT) of the cheap variant of chana had been imported.

"There has been lots of dumping of yellow peas which is expected to hit domestic producers and farmers as the landed cost of pulse variants should not fall below the average minimum support price (MSP) of pulses in India," Bimal Kothari, chairman, IPGA had recently stated.

Kothari said the MSP of pulses in the country ranges between ₹56-85 per kg.

While the the landed cost of yellow peas, mostly imported from Canada and Russia, is currently at ₹32-35/kg and the dal made out of it is sold at around ₹40/kg while rest of the pulses are ruling in the range of ₹90-160 per kg in the retail market.

Trade sources told FE that with the arrival of fresh rabi harvest, mandi prices of chana in Maharashtra are ruling in the range of ₹5,200-5,350/quintal against the minimum support price (MSP) of ₹5,650/quintal for the 2024-2025 marketing season.

Arrivals in other states such as Rajasthan, Madhya Pradesh and Karnataka are expected to pick up pace in the next 3 - 4 weeks.