Business Line dt. 6.9.22

As steel exports slump, govt to rethink duty issues

Steel Ministry seeks details from industry on categories hit, demand outlook

ABHISHEK LAW

New Delhi, September 5

The Steel Ministry has sought a detailed presentation and additional information from the industry on various issues relating to exports, that include product categories that have been impacted post imposition of duty and also the future demand outlook of the commodity.

At the meeting held last week, presentations were made on "product wise details that includes HS code 4-digit level or more, analysis of capacity, production, demand and export for consideration of removal of export duty", noted the minutes of the meeting. Some "additional note/presentation" were sought on the "dynamic market conditions where exports could alter industry from being a price taker to a price maker, due to change in demand and supply conditions".

BusinessLine has reviewed the minutes.

Demand, price expectation

Details have also been asked on domestic demand expectations with increased spending in infrastructure and capex; the expected increase in price of raw materials that include iron ore and coking coal and the international steel production outlook – that may be muted.

Steel demand is expected to follow seasonal patterns and post Q2, demand is expected to rise. The period following the monsoons, coupled with festive season are generally seen as a better time. At the meeting, it was also noted that export possibilities appear to be limited due to import barriers in certain countries and lower costs elsewhere. Accordingly, more details on this were sought.

Steel demand is generally expected to follow seasonal patterns and post Q2 (September-end) demand is expected to rise

Business Line dt. 7.9.22

India looking at trade routes to N-E via Bangla ports

Using Bangladesh's ports as hubs will reduce travel time by half, costs by nearly a fifth

ABHISHEK LAW

New Delhi, September 6

India is exploring new routes of cargo shipment to its North-Eastern States using Bangladesh's ports as trans-shipment hubs. Attempts are being made to bring Bangladeshi cargo into Indian ports — particularly Kolkata — and then ship it out to export markets from there.

Two ports in Bangladesh — Mongla and Chattogram (Chittagong) — are being tapped as possible transit hubs. This means that goods will be shipped from the Kolkata port (Syama Prasad Mookerjee port) to these two ports, and from there, they will be shipped via road to the Indian States, Assam (the lower Assam region), Meghalaya, Mizoram, and Tripura.

The move is expected to reduce the travel time by almost half and the cost by nearly one-fifth. Transporters say travel to the North-Eastern States via the 'Chicken's Neck' region—also called the Siliguri Corridor—takes at least 9 to 12 days, and this includes a 10-15 per cent damage of goods because of road conditions.

On the other hand, cargo movement, partly through waterways and partly via roads, is a six-to-eight-day process (three days from Kolkata to a port in Bangladesh and another three-to-four days for movement to the NE).

A trial run for such trans-shipment was done pre-pandemic, and four more — Mongla to Tamabil, Tamabil to Chittagong, Chittagong to Sheola, and Mongla to Bibirbazar (all in Bangladesh)— are being done right now, sources in the Union Ports, Shipping and Waterways Ministry said.

A problem that had then cropped up was getting return cargo from the North-East or from Bangladesh, as vessels were returning empty. According to Vinit Kumar, Chairman, Syama Prasad Mookerjee Port Trust, discussions have also been initiated to bring in Bangladeshi cargo to Kolkata and then export the same from here.

Two ports in Bangladesh — Mongla & Chattogram (Chittagong) — are being considered as transit hubs

Trial runs

"The Syama Prasad Mookerjee port in Kolkata partnered with Maersk Line India for the trial runs from Mongla to Tamabil and Mongla to Bibirbazar. For the trial runs from Chittagong to Sheola and another from Tamabil to Chittagong, we have partnered with CJ Darcl Logistics. The trials are underway," he told *BusinessLine*.

According to Kumar, Tata Steel is sending TMT bars, of 25 MT, from Kolkata to Silchar, Assam, using Chittagong Port and then through the Sheola-Sutarkhandi LCS border points.

The container, Trans Samudera —VSTU2031090 — during the return, move tea from Tamabil to Chittagong. The Dawki (in India) - Tamabil LCS route will be used to bring the shipment to Chittagong port and then from there to Kolkata.

Final report by Sep-end

A final report on the feasibility of the routes, including the tweaking of systems and software at the level of customs, is expected from the Kolkata port authorities to the MEA by september-end. This will then be followed up with the neighbouring country.

"These are duty-free goods that are moving from one place in India to another through Bangladesh. So, there needs to be some changes to the software at customs' end, both in India and Bangladesh. All these will be looked into once the route feasibility report comes," an official said. If given clearance, it would take nearly two more years for the routes to materialise.

Business Line dt. 7.9.22

India will be happy to discuss trade pact with US: Goyal

PRESS TRUST OF INDIA

San Francisco, September 6

India would be "happy and willing" to negotiate a trade pact with the US, provided America decides to look for a new free trade partner, Commerce and Industry Minister Piyush Goyal has said here.

He said the US administration, as a policy, is not looking at a free trade agreement (FTA) with any new partner.

"Should they change their mind, India would be happy and willing to discuss. Without that also, we are engaged in attracting investment, technology, trade between the two countries," Goyal told media here.

Trade deals

Meanwhile, addressing the US India Strategic Partnership Forum (USISPF), Goyal said talks for a trade deal are progressing with Canada.

"Canada (Minister of International Trade Mary Ng) and I are very confident that we would be done with our early progress trade agreement by December," he said. On the proposed India-Israel agreement, the minister said: "I still do not think, we have got a good enough deal or a proposition that is attractive because of small population size and their unwillingness to open up on services...".

Commerce and Industry Minister Piyush Goyal speaks at the USISPF forum in San Francisco on Tuesday PTI

With the European Union also, Goyal said, negotiations are going on.

"There are 27 countries (in the EU bloc), so it will take longer...India is opening up discussions on never-before subjects such as gender, environment, SMEs, labour, and anti-corruption laws.

"I am sharing this with you to just tickle and excite your imagination (so that) the US government (can) have a rethink on their new FTA policy. So that they do not miss the bus," he added.

PE and VC funds

When asked about the minister's deliberations with private equity funds and venture capital funds here, he said there is a lot of interest in India.

"One of the points raised by one of the companies looking to expand investments into India was direct selling rules in the consumer protection Act. So, I have assured him (that), very quickly I will look at that," Goyal, who also holds a consumer affairs portfolio, said.

"We will try to resolve that very soon," he said, adding there was a lot of interest about knowing the potential location for the semiconductor industry in India.

Business Line dt. 7.9.22

Exide to ramp up exports, eyes new markets

Battery maker re-allocates resources, looks at contract manufacturing

SHOBHA ROY
Kolkata, September 6

Automotive and industrial battery maker Exide Industries is looking to ramp up exports in existing geographies and exploring entry into new markets.

To strengthen its presence in international markets, the company is focussing on several key areas, including an increase in manpower in export destinations, expanding the distributor base, exploring private labelling and contract manufacturing opportunities, introducing new products and technologies, and investing in brand-building with an eye on the future.

Turnover from exports

Exports accounted for nearly 9 per cent of the company's total turnover on a standalone basis during the year ended March 31. The company posted revenues of ₹12,382 crore in FY22. According to its annual report for 2021-22, export revenues doubled in the last two years.

"Despite lockdowns in many countries, we reported higher exports to West Asia, Africa, America and other regions. Our exports through our collaborator East Penn have received encouraging responses from customers. This has enabled our expansion in North American markets (the US and Canada) and helped increase our market share," the company said in the report.

Re-allocating resources

Exide continues to foresee a strong growth momentum in export markets and it has, accordingly, re-allocated its resources and capital to serve this demand, the report said.

"We began exports to new markets such as France and South Korea.

"We also witnessed growth in market penetration in countries such as Spain, Germany, West Asia and South-east Asia, Australia, South Africa and other European markets such as the UK. We aspire to outperform underlying markets by leveraging our industry-leading products and robust sales network.

"We are raising the bar on profitability by enhancing our offerings through premiumisation and enriching our product mix to focus on the replacement market for IUPS and traction verticals," the report said.

Despite the challenges posed by Covid-19, the company secured an order for mini-submarine batteries for export during FY22.

It also received an order from the Indian Navy to build submarine batteries along with a full set of accessories and spares for a nuclear submarine.

The company's automotive battery exports continued to grow and gained momentum during FY22.

There was, however, some degrowth in South-East Asia, where the pandemic had slowed down business significantly.

Exide has made significant in-roads into all countries of the Gulf Cooperation Council to become a leading supplier of batteries to the region. The company sees huge opportunity in the 2V-battery range standby business in West Asia, Africa, and the South-East Asian market.


Exide's punched grid battery manufacturing unit in Haldia, Bengal

Business Line dt. 8.9.22

New Foreign Trade Policy to turn spotlight on IT-enablement, e-comm, R&D, export hubs

Whether the policy will be for a full five years or mid-term will be a 'political call'

AMITI SEN

New Delhi, September 7

The new Foreign Trade Policy (FTP), which will come with a vision statement that will set the road-map for future export growth, is set to be announced by the month-end, but a decision on its duration—whether full-term, mid-term or even shorter – is yet to be taken, sources tracking the matter have said.

"This time the FTP will be about trade facilitation, reducing costs, IT-enablement, promotion of e-commerce and pushing district export hubs. For the first time, it will also have a vision statement. But a decision has yet to be taken on its duration and the final call will be political," the source told *BusinessLine*.

The duration of a foreign trade policy is usually for five years. The existing policy, which was implemented in 2015, was extended beyond 2020 as the economy grappled with Covid-19 disruptions. The last extension was till September 30, 2022. The new FTP is to be implemented from October 1.

"The two major possibilities are that either the FTP gets announced for a full five-year period till 2027 or a mid-term FTP is announced till March 31, 2024. The main issue is the general elections scheduled for 2024," the source said.

With a slowdown in export growth registered in the last few months, the government has to be careful about fixing an export target as well. India's exports touched an all-time high of $422 billion in 2021-22, posting a growth of 44 per cent over the previous year. In 2022-23, the Ministry has a target of crossing $450 billion in goods exports, although internally efforts are being made to touch $470 billion, Commerce Secretary BVR Subhrahmanyam recently said.

Govt must be careful about fixing an export target: Experts

New section likely

No big-bang fiscal incentives can be expected in the new FTP, as export sops are not compatible with WTO rules. Incentives related to R&D are plausible, the source said.

"A new section on R&D service exports is likely in the FTP," he added.

A chapter on e-commerce, with focus on helping the MSME sector take advantage of online platforms, is also expected.

The FTP would also work on mapping GI products and promote the use of e-commerce to market them effectively within the country. GI products are items that have a specific geographical origin and possess qualities or a reputation that are due to that origin.

Easier credit for MSMEs by facilitating alternative credit avenues is another area that the FTP could address, the source said.

Digitisation of trade processes country-wide to save on time and cost will also be a focus area for the trade policy.

Business Line dt. 8.9.22

Propelling exports, the DESH way

The Development of Enterprise and Service Hubs can achieve twin objectives of self-reliance and higher exports

RAM SINGH/SURENDAR SINGH

After missing out on global trade opportunities in the past, there is now a renewed focus by the Commerce Ministry to evolve an enabling policy framework which can foster an ecosystem of innovation and research, mobilise foreign investment, synthesise the export and logistics ecosystem and bring synergies among different sectors.

All these efforts are aimed at achieving the much required global competitiveness in India's manufacturing and services.

In the Budget 2022-23, the Finance Minister had proposed the replacement of the SEZ law with a new legislation -- Development of Enterprise and Service Hubs (DESH). The primary objective of DESH is to create an export promotion ecosystem, aligning trade policy framework with the WTO rules, inculcating the spirit and enthusiasm among entrepreneurs, ensuring greater transparency in business ecosystem and mobilising international investments especially under the 'China plus One' strategy and Supply Chain Resilience Initiative (SCRI).

Missed global opportunity

Due to inherent weaknesses in the manufacturing sector, India has not benefited from the contemporary global environment. India's exports have not witnessed a major gain in the midst of the US-China trade war, realigning of global value chains, and even during the supply-chain disruptions in the Covid-19.

Accordingly, to scale-up domestic manufacturing, the Centre brought a series of measures such as PLI scheme, import restrictions, tariff escalation, non-tariff measures and even picking and choosing foreign investments in areas of interests with the sole objective of "Self-Reliant India".

To take this journey forward, the proposed DESH Bill will incorporate the concerns of industry, entrepreneurs, exports units, small enterprises, and service sector firms. The draft provisions of the DESH Bill are indeed futuristic and are expected to give a leg-up to the export sector.

The timing, both external and internal, is opportune, as India can benefit from the shifting of industry from China given the fact the India's domestic economic growth and prevailing business environment are conducive for such an endeavour from the Centre.

The DESH Bill is aimed at addressing many of the shortcomings of the hitherto SEZ Act. A few sectors such as IT & IT enabled services, gem and jewellery, pharma have benefited under the SEZ Act but they failed in facilitating a large scale economic transformation vital for a country like India.

It is widely believed that the SEZs have significantly contributed to the growth story of exports but industries located in SEZs are heavily dependent on imports especially in sectors such as gem and jewellery and pharma. Hence, the true gains of such engines of exports are debatable especially in the context of contribution of economic growth, employment generation and foreign exchange earnings.

Further, the scope of measurement of success of SEZs is defined as net positive foreign exchange which is too narrow a definition to comprehend the actual gains made from the existing SEZs. Moreover, the SEZs used to function in silos for export purposes only and were unable to capture the nuances of manufacturing operations outside.

In this context, the proposed DESH Bill is significant as it allows domestic tariff area (DTA) sales also but subject to duty payments to ensure order and parity with the DTA units.

The DESH draft is historic as it brings in scale, scope, system, and synergy in India's manufacturing operations achieving the twin objectives of import-substitution as well as achieving export excellence.

It also underlines the importance of addressing the existing tug of war on revenue matters (Minimum Alternate Tax, Dividend Distribution Tax among others). The proposed DESH draft Bill presents a forward looking agenda and underpins the importance research and innovation system which is critical in the industrial revolution 4.0.

Most importantly, it is aimed at addressing the skewed profile of India's existing SEZs, offer stable, predictable and transparent fiscal regime, attract large scale foreign investments, generate em-

contd.... P/2

Business Line dt. 8.9.22
Contd- from Page-1

Policy push The new policy will provide an enabling environment for exports /ISTOCKPHOTO

ployment and leverage foreign trade as a catalyst for India's industrial transformation.

The missing dots

Even with these incorporations, the DESH draft Bill is aimed at looking at one side of an export function, that is strengthening India's business and export eco-system. Export is a function of demand. Under India's cluttered manufacturing landscape under Domestic Tariff Area/ Export Oriented Unites/ Manufacture and Other Operations in Customs Warehouse (MOOWR) scheme, the DESH Bill should not become another policy document but a means to make India among the five top exporters of the world.

It is important to remember that in exports, what can be sold is not marketable, what is marketable cannot be sold . Considering this, the DESH Bill must identify the sectors of opportunities for global trade which are engineering, electronic and electrical automobiles pharmaceuticals and plastics.

Moreover, they are already identified sectors under the PLI scheme. Additionally, since DTA sales are allowed, there is no harm encouraging the metal and metallurgy upstream industries which will create a vibrant ecosystem for other downstream industries with export and import-substitution opportunities (defence products, ship building, medical devices etc.).

The DESH Bill should work on twin-objectives of substituting imports and stimulating exports. Further, the draft Bill does not provide transitory provisions, if the existing SEZ and units intend to convert themselves as DESH units.

A predictable and transparent provision especially on taxation and benefits will bring in more clarity to the industry partners. The DESH Bill must be in sync with the existing scheme MOOWR/ EOUs/DTA to reduce policy induced distortions.

It should also offer a better enabling environment (ease in entry and exit, single window, fiscal and non-fiscal incentives). India's policymakers can offer more than the bench-marks of similar incentives in ASEAN countries where many units are relocating under China-plus-One strategy.

Ram Singh is a Professor at IIFT New Delhi and Surendar Singh is Associate Professor at FORE School of Management, New Delhi. Views expressed are personal

Business Line dt. 9.9.22

Software service exports rose 17% to \$156.7 b in FY22

Share of offsite exports up despite stepped up hiring abroad: RBI survey

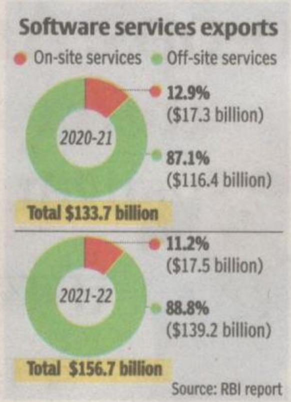
OUR BUREAU

Mumbai, September 8

Notwithstanding the increased hiring in the US and Europe by Indian IT companies, the share of the off-site mode of exports of software services continued to rise and stood at 88.8 per cent in 2021-22 compared with 82.8 per cent five years ago, according to the latest RBI survey on IT exports.

India's exports of software services (excluding exports through commercial presence) are estimated to have increased by 17.2 per cent to \$156.7 billion during 2021-22.

The RBI report comes against the backdrop of American and European enterprises tightening their IT budgets. Indian IT majors are already reporting and responding to these trends, slashing variable pay for employees and moderating hiring.



Top destinations

The report noted that the US and Canada continued to be the top destinations for software exports with 55.5 per cent share, followed by Europe, of which, nearly half was attributed to the UK. In FY22, India exported \$86.9 billion and \$48.6 billion in IT services to the US and Europe, respectively. Exports have only increased to the three geographies in 2021-22.

Computer services continued to account for over two-thirds of total software services exports, and business process outsourcing services accounted for nearly 84 per cent of exports of IT-enabled services.

The US dollar remained the principal invoicing currency for software exports, followed by the euro and the pound sterling.

For the 2021-22 round of the survey, as many as 6,218 software export companies were contacted, of which 2,074, including most of the large firms, responded. The responding companies accounted for 89.4 per cent of the total software services exports during the year.

Business Line dt. 9.9.22

Government slaps 20% export duty on non-basmati rice

Possible decline in rice production in 2022-23, rise in domestic price prompt caution

OUR BUREAUS

New Delhi/Bengaluru, September 8

The Centre has decided to impose an export duty of 20 per cent on non-basmati rice (excluding parboiled) from September 9 amidst concerns over domestic price rise and a possible decline in rice production in 2022-23 due to deficient monsoon rains.

The export levy of 20 per cent has been imposed on rice in husk (paddy or rough), husked (brown) rice, and semi-milled or wholly-milled rice, whether or not polished or glazed (other than parboiled rice and basmati rice), according to a notification issued by the Revenue Department on Thursday. "The notification will come into force from September 9, 2022," it stated.

Last month, the US Department of Agriculture (USDA) projected that rice production in India may decline to 128.5 million tonnes in 2022-23 (marketing year) against a record production of 130.29 million tonnes in 2021-22.

"This decline will mark the first time India's rice production has not had a year-to-year increase since MY 2015-16. The 2022 South-West monsoon rains have not been as abundant in north-east India as they have been in the rest of the country," the USDA report said.

Bangladesh's decision to reduce import duty on rice to 5 per cent from 25 per cent late last month could also be a contributing factor to India's apprehensions on domestic availability as a duty cut may result in increased demand from the neighbouring country.

Shipments affected

"The timing (of the export duty) is perfect. It is being imposed just before the Chinese crop. A market equilibrium will develop," said trade analyst S Chandrasekaran.

The export duty will hurt the white rice shipments, which account for about 60 per cent of the non-basmati rice exports, said BV Krishna Rao, President of The Rice Exporters Association. India had exported about 17 million tonnes of non-basmati rice during the financial year ended March 2022.

The parboiled rice and 100 per cent rice brokens account for 20 per cent each of the overall shipments.

"A 10 per cent duty on white rice exports would have been more reasonable," Rao said. The white rice shipped from India is mainly consumed in the African countries.

The exports of non-basmati rice, the top grossing agri-commodity from the country last year, registered a growth of 10 per cent in volumes to 5.81 million tonnes during April-July of the current financial year over the same period last year's 5.28 million tonnes. In value terms, the non basmati rice shipments were up 9.24 per cent at $2.08 billion during April-July as compared to $1.91 billion in the same period last year.

India banned the export of wheat in May 2022 and subsequently banned export of wheat flour, maida and semolina as well, to ensure adequate availability in the domestic market and keep prices in check.

An unprecedented heat wave in India in March this year had damaged wheat crop.

Business Line dt. 9.9.22

Bonanza for basmati farmers amid lower acreage, strong export demand

PRABHUDATTA MISHRA

New Delhi, September 8

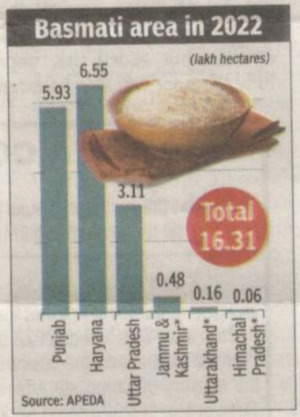
The first round of basmati crop survey is out and the crop is likely to be lower than what it was three years back, when the acreage hit 20 lakh hectares (lh).

This year, the basmati acreage is seen at 16.31 lh, according to satellite survey commissioned by government's agri export body APEDA.

With the Fijivirus affecting the crop in northern areas where the aromatic rice is grown and the imposition of 20 per cent export duty on non-basmati rice, the overseas demand for basmati will further grow, experts said adding this may move up paddy rates of this aromatic rice which will start arriving from next month.

Exports of basmati rice in April-July period of this fiscal was 15.05 lakh tonnes (up 5.3 per cent) at \$ 1,567 million with an average price realisation of \$ 1,041/tonne against 14.30 lakh tonnes at \$1,214 million with an average \$848/tonne a year-ago. The basmati paddy is now selling at ₹3,550 per quintal in Haryana mandis against ₹2,800 in the year ago period.

According to the report, prepared by Lead Connect Services, the area under basmati in No 1 producer Haryana is seen at 6.55 lh. The acreage of basmati in Punjab is estimated at 5.93 lh.



Uttar Pradesh, the third largest producer, has around 3.11 lh until August 14. The study area covered total 85 districts — 23 districts of Punjab, 30 districts of Uttar Pradesh, 22 districts of Haryana, three districts of Jammu & Kashmir, four districts of Uttarakhand, two districts of Himachal Pradesh and one of Delhi.

Key varieties

The major sown variety in the study area is PB-1509 followed by PB-1121, PB-1718 and PB1401 (PB1, PB4, PB5 and PB6). It is observed that all the districts in the study area showed good crop conditions. Although in some districts, specifically in Uttar Pradesh, less rainfall is being observed, it did not have any impact on the crop.

Total basmati paddy acreage during kharif 2019, when the last survey was undertaken, were estimated at 19.39 lh.

Business Line dt. 12.9.22

Duty on export of non-basmati rice to hit Sona Masoori exports: Millers

'It will stymie growing demand across markets'

KV KURMANATH

Hyderabad, September 11

The Union Government's decision to levy duty on the export of non-basmati rice could severely impact the export opportunity for farmers, mills and traders in South India, according to South India Rice Millers Association.

The association has felt that Sona Masoori, predominantly grown in the South, is a top favourite of the diaspora in the Gulf, Europe, Eastern countries and in North America.

"Levying a hefty duty of 20 per cent on export of non-basmati rice could seriously harm the interests of the farmers, millers and traders in the southern States," South India Rice Millers Association Tudi Devender Reddy told *BusinessLine*. He said the

move could cause a loss of ₹600 on a quintal of rice that was priced at ₹3,000.

Price plummets

"As a result of the move, the price has plummeted by 10 per cent. It is unfortunate that the decision came at a time when the commodity was ripe for sales and promised good returns for farmers and traders," he said.

The association demanded exemption for Sona Masoori on par with basmati rice to help farmers tap the opportunity in the international markets.

Rice consumers like the variety for its fineness and flavour and the rice has been a favourite staple variety for crores of people in India and abroad.

That two-thirds of the 62 lakh acres of paddy grown in Telangana is Sona Masoori shows how important the crop is for farmers. "Actually, the State and Central Governments should take measures to get a Geographical Indicator (GI) tag for this rice variety to tap the huge opportunity in the premium markets of the world," he said.

The Centre, which had discouraged the paddy cultivation, is now trying to stymie the export opportunity citing the dwindling rice reserves.

Apart from the traditional Diaspora markets, the market for Sona Masoori is growing significantly in countries like Bangladesh as the appetite for branded rice has seen an uptick there, he said.

"A hefty of levy on exports at this juncture could seriously harm our interests," he said.

Business Line dt. 12.9.22

F is logical'

the expert added. Trade and supply chain are related pillars as trade is an integral part of establishing global supply chains, pointed out Arpita Mukherjee, Professor, ICRIER.

"As we are negotiating trade agreements with key export markets, trade is going to be an important topic to reach exports of $ 1 trillion each for goods and services by 2030. However, with high autonomous tariffs, we may not be ready for discussing the issue with trade partners like the USA," she said.

The Commerce Department must now also re-evaluate the desirability of taking commitments on digital trade, environment issues and labour in its FTAs with the UK, the EU and Canada, pointed out a Delhi-based economist. "There are concerns that these provisions could put fetters on the government to nurture a vibrant digital economy. India would also not be able to implement policies for boosting domestic producers of climate-friendly products. Further, provisions on sustainability could provide a legal justification to these FTA partners to erect non-tariff barriers on India's exports," he said.

Steel exports down 66% YoY in Aug

Global recessionary pressures take a toll

ABHISHEK LAW

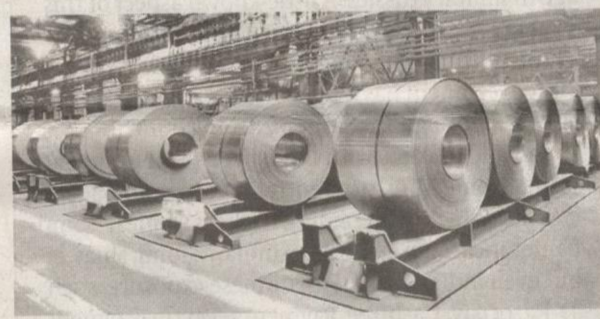
New Delhi, September 11

Indian steel exports dropped 66 per cent year-on-year (YoY) in August to 0.45 million tonnes (mt) with weaker orders across key markets in prime categories and pricier offerings continuing to be a worry for mills.

Exports in the year-ago period were 1.33 mt. However, in a respite for exporters, finished steel exports rose 20 per cent over July.

Finished steel includes non-alloyed offerings — the key export categories — and alloyed and stainless steel products.

According to provisional data available with the Steel Ministry, and accessed by *BusinessLine*, the first five months of the fiscal (April to August) saw exports decline by nearly 53 per cent to 3.02 mt from 6.4 mt in the year-ago-period.



July was one of the worst months for steel mills as imports were higher than exports

Non-alloyed steel

India's steel exports have been declining since the beginning of this fiscal as global recessionary pressures started impacting the commodity market. On top of that, the Centre imposed an export duty May 22 onwards in order to cool off steel prices in the domestic market. It made non-alloyed steel products from the country costlier in the global market.

July was one of the worst months for steel mills as imports were higher than exports. In August, imports were almost the same as the previous month, at 0.4 mt.

"Exports are up month-on-month in August. But, if you see minutely, orders for non-alloyed steel export numbers are still down. So, the concern continues. Key markets in Europe continue to go slow on orders in view of lower demand there and an energy crisis," an exporter said.

Export decline

The Ministry's numbers also show that non-alloyed steel exports were down 91 per cent YoY in August, to 0.11 mt. Numbers fell from 1.3 mt that was recorded in the year-ago-period. On the other hand, alloyed steel and stainless steel numbers — a part of which is outside the duty purview — jumped 328 per cent YoY in August to 0.34 mt. In August last year, exports under category were just 0.08 mt.

So far in the fiscal (April to August), exports across the non-alloyed steel categories were down 64 per cent, YoY, to 2.2. mt; from 6.0 mt.

Business Line dt. 12.9.22

Rice export curbs

The Prime Minister's Office was fully involved in the decision to impose curbs on rice exports, which was announced last week. Home Minister Amit Shah was also involved in the decision-making. A little bird says what topped the government's concerns were inflation and the need to issue foodgrains free to those below the poverty line under the PMGKAY scheme. That also explains why the Inter-ministerial Committee has been asked to go slow on *atta* (wheat flour) exports, despite more applications for export permissions piling up. And no prizes for guessing why Shah took the call on allowing sugar exports over and above the 10 million tonnes export cap fixed until October 30.