Business Line Dt:- 03/09/24

Turmeric industry explores strategies to boost output, exports

Our Bureau
Mumbai

The second edition of the Annual Global Turmeric Conference, held in Mumbai on Friday, explored strategies to unlock the next phase of growth in the turmeric ecosystem and boost exports.

Hosted by NCDEX Institute of Commodity Markets and Research (NICR), a subsidiary of NCDEX, it saw the participation of over 200 members, including farmer producer organisations, traders, processors, exporters, researchers and scientists.

Eknath Shinde, Chief Minister of Maharashtra, said that the country is the world's largest producer, consumer and exporter of spices, and Maharashtra plays a significant role in producing one-third of turmeric, the "golden spice".

Turmeric production had hit a record high with the aid of the Balasaheb Thackeray Haridra Research and Training Center, headed by Hemant Patil, he said.

TURMERIC BOARD

"Aligning with the Centre's directive, we are committed to providing guidance and support to entrepreneurs and farmers in their endeavours," he said.

Hemant Shriram Patil, former Member of Parliament, said that for the last 10 years, turmeric prices had remained between ₹5,000 and ₹5,500 but due to the efforts of the Centre and the State governments, the prices now range from ₹13,000 to as high as ₹35,000.

The dedicated efforts of stakeholders had resulted in establishing a Turmeric Board to facilitate better market access, upliftment of the primary producer and product innovation and development of the overall ecosystem revolving around the spice, he said.

Acharya Balkrishna of Patanjali Foods said the benefit of turmeric, which is well known to Indians, needs to be promoted globally.

Arun Raste, MD & CEO, NCDEX, said the conference had laid a strong foundation for collaborative efforts that would enhance India's position in the global turmeric market.

Business Line. Dt: 03/09/24

Steel mills hold export prices amid weak global market sentiment, competition from China

Abhishek Law
New Delhi

Indian steel mills have continued to hold hot-rolled coil export offers to Southeast Asia and the Middle East (ME) for two months in Q2 – July and August. The September outlook looks weak, too, amid depressed global market sentiments and continued pricing competition from China.

Export offers to Europe have been slow to recover on expected lines, as no major deals were concluded in August. Demand in the region is expected to see some pick-up in September.

Steel mills in India offer around \$540/tonne (average price), as against \$500–512/tonne by China and \$545/tonne by Russia.

"Chinese price quotations are in some cases even lower than their cost of production

and this makes export offers in select market, by Indian mills, unviable. And it is indeed a matter of concern," market participants told *businessline*.

Imports have also gone up from FTA countries like Korea, up over 100 per cent y-o-y for April–July period, as per last available reports of the Steel Ministry.

India has also been losing market share in the export segment. Sales to all major markets, across EU like Belgium, Spain and Italy, the UK, and ME, are down.

Consultancy firm BigMint (formerly SteelMint), in a report, said export offers, for the hot-rolled coil segment to West Asia (Middle East) declined w-o-w by \$10–15/tonne w-o-w to \$500/tonne. The previous price was around \$510–515/tonne range. In some cases, Chinese offers were around \$485/tonne, too, which made Indian offers at around \$550/tonne "unviable".

Export offers to Vietnam (by China) were around \$485/tonne, down \$10/tonne versus \$495-500/tonne in the week-ago period. There have been no buying offers from India in August, said a market source.

However, Indian HRC export offers to Europe remained stable at around \$620/tonne . Moreover, price fluctuations could occur due to shifts in demand.

"Domestically, the EU steel market remains sluggish," the BigMint report said.

Rebar prices, used in construction activities, in the domestic market are expected to see upward movement in September of around ₹1,000 per tonne. Prices have varied between ₹45,200/tonne (for induction furnace route) and around ₹50,000/tonne (made via blast furnaces).

Business Line Dt:- 04/09/24

MoD made licencing authority for ammunition export under SCOMET

Our Bureau
New Delhi

The Directorate General of Foreign Trade (DGFT) has authorised the Defence Ministry's Department of Defence Production (DDP) to be the licencing authority for export of all ammunition items falling under Category 6 of Special Chemicals, Organisms, Materials, Equipment and Technologies (SCOMET) meant for military use.

The DGFT, which comes under Ministry of Commerce and Industry, has notified and updated SCOMET list for 2024.

The SCOMET list has been notified under Appendix 3 to Schedule 2 of ITC (HS) Classification of Export and Import Items, said the Ministry of Commerce and Industry in a statement on Tuesday.

The policy and procedures under SCOMET are outlined in Chapter 10 of FTP and HBP 2023, and the list is regulated under Chapter IV A of Foreign Trade (Development and Regulation) Act, 1992, as amended in 2010, it pointed out.

The updated export control list incorporates the recent changes in the multilateral export control regimes, and certain policy amendments in the national system, on the basis of inputs from relevant government organisations and stakeholders, the Ministry stated.

The emergence of Strategic Trade Controls as an important area has been acknowledged in the Foreign Trade Policy 2023, where SCOMET processes and procedures have been consolidated in one place for better understanding of the Industry, for effective compliance.

ROBUST FRAMEWORK

By making the DDP licencing authority, the Ministry said it has streamlined exclusions that existed earlier. India regulates the exports of dual use items, nuclear related items, and military items, including software and technology under the SCOMET. This is part of a robust legal and regulatory framework the country has on strategic trade and related non-proliferation matters, which includes the inter-ministerial SCOMET licencing process, effective enforcement and risk assessment mechanisms, regular outreach to industry and other stakeholders, said the Ministry.

India is a member of the major multilateral export control regimes, like the Missile Technology Control Regime, Wassenaar Arrangement, and Australia Group.

Business Lines. Dt: 05/09/24

Chinese steel imports hinder sector growth: AM/NS chief

Abhishek Law
New Delhi

Dilip Oommen, CEO, ArcelorMittal Nippon Steel India

The continued influx of Chinese steel imports into India will impact the sector's growth and could also affect investment levels, said Dilip Oommen, CEO, ArcelorMittal Nippon Steel India (AM/NS India).

According to him, companies cannot continue to make investments, including those towards decarbonisation, if they are operating at a loss.

He told *businessline* on the sidelines of the annual conclave of the Indian Steel Association, "If imports continue as they are now, the steel industry will not be able to expand. It needs to grow, but how can you grow if you're in the red? If you're not making profits, how will you reinvest? You also need to reinvest in addressing climate change and decarbonisation."

Imports from China have risen by 42 per cent year-on-year for the April–July period of this fiscal year, reaching 0.81 million tonnes (mt).

According to him, representations have been made to the Centre regarding the need to "combat" steel imports.

"We need to look at what other countries have done — what the US and Canada have done, what the European Union is doing, or even what other South-East Asian nations are doing. This includes considering measures such as anti-dumping duties or increasing the Basic Customs Duty," Oommen said.

India's steel industry, in the face of rising influx of imports of the metal, is calling for an imposition of import duty, especially for shipments from China and some other South East Asian nations. The industry has also been seeking a review of the FTAs with some of these countries.

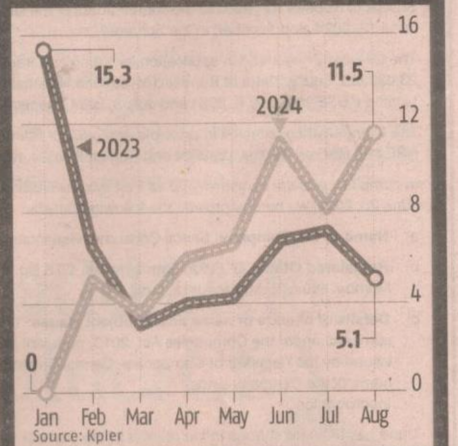
Business Standard. Dt: 05/03/24

Crude imports from US rebound as Russia sanctions get tighter

S DINAKAR
New Delhi, 4 September

RISING NUMBERS

Shipments of US crude to India (in million barrels)



Source: Kpler

Even as Russia and West Asia have been slugging it out for market share in India to sell their crude oil, the US is quietly making its moves on the sidelines. The US has doubled its share of the Indian crude market in the past few months, according to industry sources and ship-tracking data.

Some of the increase in America's market share may have come at the expense of Russia, India's biggest crude oil supplier, said industry sources.

India may have bought over $1 billion of US oil in August, according to calculations by Business Standard based on ship-tracking data and June-delivered prices from Indian Customs. The US this year targeted Russian light, low-sulphur grades, also called sweet crudes, which are priced at a premium compared to dirtier grades, with sanctions, prompting Indian refiners to seek similar grades elsewhere, mainly from America, refining officials said. For instance, supplies of US WTI Midland, a light, low-sulphur grade, increased by 24 per cent this year to 128,000 barrels per day (bpd) from a year earlier.

India's shipments of crude oil from the US, bought on spot terms, surged in August to a 19-month high at around 371,000 bpd, according to data from Paris-based market intelligence agency Kpler. Volumes were higher on the month by 106,000 bpd, or by 40 per cent, and more than doubled from 164,000 bpd a year earlier. The share of US crude in India's crude cocktail basket jumped to 8.3 per cent last month from 3.7 per cent a year earlier.

Higher imports of US oil also helps mollify Washington, which has been critical of India sourcing Russian crude, officials said, though they clarified that purchase decisions are based on economics.

"The increase has come from loadings of higher Canadian heavy crude from the US, which is driven likely by margins," said Serena Huang, head of Asia-Pacific analysis for market intelligence provider Vortexa. Prices of Canadian heavy, acidic grades trade at hefty discounts of $10 per barrel (bbl) to European benchmark Brent crude but Reliance is the only refiner which can process these crudes on a sustained basis, said industry officials.

While dirty Canadian crudes shipped from the US to India accounted for 35 per cent of overall US export volumes in August, the rest came from sweet grades.

"Indian refiners lift US sweet crudes based on situational demand, and when they need to replace Mumbai High or Russian sweet crudes like Sokol," said R Ramachandran, Mumbai-based energy expert and former refining head of Bharat Petroleum.

The US turned the heat on premium Russian grades like Sokol, a light, sweet oil, from December by sanctioning ships, leading to disruption of supplies to Indian Oil, according to shipping data. That forced Indian refiners to seek oil from the US and Nigeria.

Ramachandran said that another reason for the surge in US sweet grades in August could be maintenance of some units like hydrocrackers in refineries, which resulted in a higher draw on sweet crudes.

The trend in imports of US WTI light, sweet grades, which is the biggest US grade imported by India, has also tracked prices of the underlying US crude benchmark. WTI rates slumped to around $73/bbl in early June from as much as $87/bbl in early April. Prices subsequently rose to $83/bbl in early July before declining by $11/bbl in late August, official data shows.

India imported 324,000 bpd of US crudes in June compared to just 144,000 bpd a year earlier, according to official data from the US Energy Information Administration.

An increase in US shipments helps trim India's trade surplus with the US, an expansion of which led New Delhi in the first place to pursue oil imports from America during former president Donald Trump's administration, Indian officials said.

US sales also bucked India's overall crude oil import trend in August, which declined by around 6.6 per cent from July to 4.5 million bpd.

Business Line. Dt:- 06/09/24.

By 2024 end, export of products via Amazon global selling programme to top $13 billion

Our Bureau
New Delhi

Amazon has said that e-commerce exports from India through Amazon global selling programme are expected to cumulatively cross the $13 billion-mark by the end of the year.

Categories such as beauty, apparel and health and personal care lead this growth in 2023. States such as Maharashtra, Delhi, Gujarat, Rajasthan and Karnataka emerged as top States in terms of number of exporters on this programme.

The e-commerce major said that in the last nine years, 1.5 lakh sellers have exported over 40 crore 'Made-in-India' products to various markets.

Bhupen Wakankar, Director of Global Trade, Amazon India

Bhupen Wakankar, Director Global Trade, Amazon India said, "We are on track to enabling $20 billion in cumulative e-commerce exports from India by 2025. We have about 1.5 lakh sellers participating in the global selling programme and 25,000 sellers came onboard just in the past year. A large number of exporters come from the top economic centres. At the same time, the programme now has exporters from 28 States and over 200 cities across the country."

TOP MARKETS

The top international markets for Indian sellers that export through the programme include US, UK, Canada, Germany, France, Italy, Spain and Mexico. Sellers are also seeing growth in orders from markets such as Australia and UAE among others. "The top growing categories have been beauty, apparel, health and personal care, toys and home products. But we are also seeing categories such as tea in the grocery space, spices, luggage, furniture and office products emerging as fast-growing categories for exporters from India," Wakankar added.

While beauty exports grew by 40 per cent, exports in categories of apparel and health and personal care were up 35 per cent and 30 per cent respectively in 2023.

"We are committed to making it easier for start-ups and MSMEs to export through Amazon's global marketplaces," he stated.

FINANCIAL EXPRESS. Dt: 06/09/24

Goyal for border adjustment tax to blunt import edge

MUKESH JAGOTA
New Delhi, September 5

COMMERCE AND INDUSTRY minister Piyush Goyal on Thursday floated the idea of a border adjustment tax (BAT) to address the price disadvantages being faced by local companies against imported products due to multiple local taxes.

BAT is a tax that is imposed on imports in addition to basic custom duties. It seeks to offset the extent of taxes that local producers pay, so that the import tariffs are real.

"Border adjustment tax is a World Trade Organization-compliant mechanism. If all industry associations like CII, Ficci and Assocham can take up this idea, we may be in a position to gain traction and get BAT into the country. BAT can even be imposed on imports from countries with which the country has free trade agreements," he said at Indian Steel Alliance's (ISA) 'Steel Conclave' here.

The minister also assured domestic steelmakers, which are facing a margin squeeze due to influx of cheap imports of steel, that their concerns would be addressed. "We are with you and (will do) whatever it takes to get the steel industry rocking, help India grow, add new jobs...," he said.

On Wednesday, Union steel minister H D Kumaraswamy had said that he would try to convince the finance ministry to raise duties on steel imports to 10-12% from 7.5% at present. He also expressed concerns on the manner in which China was "dumping steel into India."

PIYUSH GOYAL, COMMERCE AND INDUSTRY MINISTER

WE ARE WITH DOMESTIC STEELMAKERS AND (WILL DO) WHATEVER IT TAKES TO GET THE STEEL INDUSTRY ROCKING, HELP INDIA GROW, ADD NEW JOBS

Elaborating on BAT, Goyal said, "Imports, even from FTA countries, may have to be (subjected to local levies such as) electricity duty, coal cess, or any additional state levies or taxes that (domestic industry) is not getting relief from."

The WTO allows BAT if it is applied equally to imports and similar domestic products, while sticking to stance while exports are zero-rated, they should not be subsidised.

Goyal noted that the earlier move on BAT did not succeed, but said it could be explored again. The steel industry is facing a lot of duties and cesses including royalties and other taxes on iron ore duties and coal cess while dealing with surging imports.

Goyal said Japanese and Korean companies prefer domestically produced steel even if it costs them more, "whereas sadly many friends in our industry don't have a similar approach".

Continued on Page 7

INDIA'S GAIN IS CHINA'S LOSS

FINANCIAL EXPRESS. Dt:- 06/09/24.

In Amazon cart: $5 billion of small-ticket exports in 2024

MANOJ KUMAR
New Delhi, September 5

AMAZON PLANS TO export about $5 billion of small-ticket items from India this year, up from nearly $3 billion in 2023, supplying markets such as the United States and Britain, a company official said, marking a shift away from China.

The move by one of the world's largest e-commerce companies underscores India's growing role in the global supply chain and reflects a broader trend among multinational corporations to diversify sourcing away from China.

Walmart plans to hike its supplies from India to $10 billion a year by 2027, up from about $3 billion in 2020. "India is naturally one of the largest sources of selection for Amazon," Bhupen Wakankar, director of global trade at Amazon, told *Reuters* in an interview on Thursday.

He said Amazon had partnered with India's commerce ministry and trade associations to connect with thousands of small manufacturers across the country, offering products from textiles and jewellery to household items and ayurveda products.

Such items are usually easy to post directly to customers abroad and less affected by import taxes than costlier products. "We are investing significantly in tools and technologies to help sellers optimise their reach, enhance product discovery, and increase sales," he said, ahead of an exporters' meeting. Amazon and Walmart's Flipkart have reshaped India's retail landscape in recent years, investing billions of dollars to source supplies from small businesses and attracting consumers through hefty discounts.

But they face criticism from trading and political groups. India's commerce minister has accused Amazon and other e-commerce companies of predatory pricing practices and said the sector's rapid rise should not disrupt millions of brick-and-mortar stores operating in the country.

Last June, Amazon announced plans to increase its investments in India to $26 billion by 2030, including funds for its cloud business. Through the Global Selling Programme, initiated in 2015, Amazon has enabled about 150,000 small Indian exporters to sell roughly $8 billion worth of products directly to overseas consumers by the end of 2023, Wakankar said. The company aims to facilitate $20 billion in cumulative e-commerce exports from India by 2025, he added. — **REUTERS**

GREAT INDIAN DEALS

- Amazon's move reflects a broader trend among MNCs to diversify sourcing away from China
- Export items from India include textiles, jewellery and ayurveda products
- Amazon plans to increase its investments in India to **$26** billion by 2030
- Walmart also plans to hike its supplies from India to **$10** billion a year by 2027, up from about $3 billion in 2020

Business Line. Dt: 09/09/24.

Centre to permit sugar exports only after Dec

CAUTIOUS APPROACH. Move owing to possibilities of crop damage due to rain, floods

Prabhudatta Mishra
New Delhi

Sugar mills, which are expecting a positive decision on their demand to permit export of some quantity next season (October-September) may be disappointed. There is no such plan by the government until at least December 2024, official sources said. The government in October 2023 had issued a notification, restricting sugar exports for an indefinite period but the policy allowed shipments with prior permission from the Food Ministry.

The ministry expects that the opening stock in 2024-25 season may be 90 lakh tonnes (lt), which is 25 lt more than the domestic sugar requirement for two and a half months.

"Even if the overall production falls by 10 lt (to 310 lt), the next season's exportable surplus (over and above buffer requirement) will still be higher than 15 lt," an official source said.

However, the government is also aware of possibilities of damage to the sugarcane crop due to heavy rain and floods, which was the case two years ago in Bihar and eastern Uttar Pradesh, an official said, adding, "Unless such a probability is completely ruled out, which can happen only after December, it is difficult to take a chance." The policy cannot be like allowing sugar export now and import after five months, officials said, justifying the cautious approach.

Indian Sugar and Bio-Energy Manufacturers Association (ISMA) in July had urged the Centre to permit export of sugar as opening stock is estimated at 91 lt for the 2024-25 season, after due consideration of domestic demand and supply as such a step would enhance the liquidity of sugar mills and enable timely payments to cane farmers.

SURPLUS YIELD. The government expects the opening stock in 2024-25 (October-September) season to be 90 lt, which is 25 lt more than domestic sugar requirement for 2.5 months

OUTPUT ASSESSMENT

Food Minister Pralhad Joshi had earlier said that any decision on sugar export would be taken based on the assessment of next season's production. Sugarcane sowing has already been completed and the first estimate of production is likely to be released in the last week of September.

The government, in the last week of August, allowed sugar mills with distilleries to manufacture ethanol directly from sugarcane as well as B Heavy molasses, lifting the previous ban imposed in December 2023.

FINANCIAL EXPRESS. Dt: 09/09/24

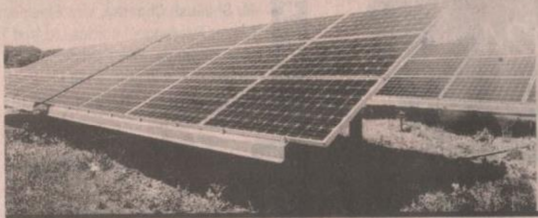
Solar panel exports stagnate in Q1

US dumping probes into imports from other nations impact India too

MUKESH JAGOTA
New Delhi, September 8

ON THE DECLINE

- Exports of solar panels fell **0.8%** y-o-y to **$450 mn** during April-June
- In FY24, solar panel exports grew by **90%** to **$1.96 bn**
- Out of this, **$1.93 bn** were exported to the US
- Solar panels are the fifth-largest export item to the US



INDIA'S SOLAR PANEL exports, which had seen a surge since 2022-23, plateaued in the first quarter of the current financial year as the US, its sole buyer, adopted a more protectionist stance.

Exports of solar panels—technically referred to as 'photovoltaic cells made up/assembled in modules or made up into panels'—fell 0.8% year-on-year to $450 million during April-June this fiscal.

The slowdown in exports, which had grown by more than 90% year-on-year in FY24, appears to be largely a result of US measures to curb solar panel imports, though none of these actions were specifically directed at India.

In May, the US initiated an anti-dumping investigation into imports of photovoltaic cells, whether assembled into modules or not, from Cambodia, Malaysia, Thailand, and Vietnam. As part of a broader package imposing higher duties on select Chinese imports, including electric vehicles and batteries, the US also raised tariffs on solar cells and modules from 25% to 50%.

These measures have had a significant impact on India's emerging solar panel export sector, as nearly all of its exports are destined for the US.

In 2022-23, when solar panel exports were first recorded as a separate category, India's shipments amounted to $1.03 billion, with $1.0 billion going to the US. In 2023-24, solar panel exports grew by 90% to $1.96 billion, with $1.93 billion directed to the US, making it the fifth-largest export item to the US after diamonds, smartphones, and pharmaceutical products.

Interestingly, both smartphones and solar panels appeared in export data for the first time in 2022-23. While solar panel exports have plateaued, smartphone exports continue to grow robustly, driven by major multinational companies. In April-June, smartphone exports rose 31.6% to $4.9 billion, with a little over 40% of these shipments going to the US. In FY24, total smartphone exports reached $15.5 billion.