

Business Line. Dt: 14/05/24

Soyameal exports up 8.8% at 15.23 lt during October-April

Our Bureau
Bengaluru

Exports of soyabean meal have picked up on higher demand from countries such as Bangladesh and Iran among others.

Shipments were up by around 8.8 per cent during the October-April period of the 2023-24 oil year at around 15.23 lakh tonnes (lt) over 14 lt in the same period a year ago, as per the latest estimates by the Soyabean Processors Association of India (SOPA).

Production of soyabean meal registered a marginal growth during the period, while domestic off-take was muted from both food and animal feed sectors.

LOWER ARRIVALS

Soyameal production during October to April was



Iran with imports of 3.79 lt has been the biggest buyer of Indian soyameal this oil year, followed by UAE with 2.93 lt

marginally higher at 60.76 lt over 60.26 lt in the same period a year ago.

Off-take from the domestic feed sector stood lower at 40 lt as compared to 41.05 lt, while the consumption by the food sector was lower at 4.95 lt (5.75 lt in same period last year).

Soyabean arrivals during October-April were lower at 82 lt (84 lt). Crushing till April were higher at 77 lt (75.50 lt) while the direct consumption also registered an increase at 3.10 lt (2.85 lt).

Soyabean stocks with plants, traders and farmers stood at 55.41 lt, lower than 61.04 lt a year ago.

SOPA Executive Director D N Pathak said in a statement that in view of the higher than projected imports of soyabean, the import projections for the year have been revised to 6 lt, higher than 5.5 lt estimated last month.

Iran with imports of 3.79 lt has been the biggest buyer of Indian soyameal this oil year, followed by UAE with 2.93 lt. Bangladesh 2.77 lt and Nepal with 1.40 lt were the other large buyers.

Consumer demand leading import surge in textiles, gems & jewellery

MUKESH JAGOTA
New Delhi, May 13

INCREASING DEMAND AT the top-end for luxury and investment goods has upended the trade dynamics in the gems and jewellery, textiles and clothing sectors, according to a five-year analysis of India's merchandise trade. These sectors are in focus because of their high employment generation potential.

Between FY19 and FY24 exports of textiles and clothing fell 7.10% to \$34.84 billion, while imports increased by 20.33% to \$8.90 billion suggesting challenges in the global market competition and a steady local market growth for imported goods, according to an analysis by the founder of Global Trade Research Initiative (GTRI) Ajay Srivastava.

Similarly, exports of diamonds, gold and products decreased 18.78% during that period to \$32.85 billion while imports rose 21.25% to \$78.47 billion, reflecting shifting dynamics in luxury and investment goods markets.

A big proportion of gold and diamonds and their products which enter India gets consumed locally; only around 35% or less of it is processed for export as jewellery, according to GTRI.

The five years from 2018-19 to 2023-24 saw two years of Covid, conflicts in Ukraine and West Asia and now the Red Sea crisis. In these five years India's total merchandise exports increased by 32.41% to \$437.07 billion while imports rose 31.39% to \$675.44 billion. These years also saw China emerging as India's trading partner in terms of merchandise imports and exports at \$118.4 billion. China is closely followed by the US with trade

INDIA'S MERCHANDISE TRADE

(\$ bn) ■ FY23 ■ FY24 ▼ Growth %



India's exports and imports in major categories during FY2019 and FY2024

Sector	Exports (\$ billion)			Imports (\$ billion)		
	FY19	FY24	% chg	FY19	FY24	% chg
Agriculture, meat & processed food	36.59	48.3	31.98	19.5	31.97	63.93
Ores, Minerals and petroleum	51.99	94.04	80.88	174.98	230.18	31.55
Chemicals and Pharmaceuticals	46.16	60.94	32.04	49.75	62.89	26.39
Plastics, Articles	8.01	7.38	-7.91	15.25	21.83	43.2
Textile and clothing	37.5	34.84	-7.1	7.39	8.9	20.33
Diamonds, gold and products	40.45	32.85	-18.78	64.72	78.47	21.25
Products of iron, steel and base metals	26.41	35.49	34.41	33.63	46.65	38.7
Machinery	20.97	30.06	43.37	43.84	57.42	30.97
Telecom, Computer & electronics Products	12.73	34.41	170.32	52.05	79.31	52.37
Automobiles	18.1	20.9	15.47	6.16	7.61	23.56

at \$11.3 billion.

The better performing sectors during the period under review are electronics and telecom products, agriculture products, metals and ores and chemicals. The sectors that are inputs for manufacturing did well both on the export and import front, according to the GTRI analysis.

Exports of electronics, computer and telecom products surged by an impressive 170.32% to \$34.41 billion, and imports grew by 52.37% to \$79.31 billion.

Agriculture, meat and processed food products

exports grew 32% to \$48.30 billion in FY 2024 while Imports in this sector rose 63.93% to \$31.97 billion.

Exports of ores, minerals and petroleum increased 80% to \$94.04 billion while imports went up to \$230.18 billion, a 31.55% rise, indicating strong domestic demand for these resources.

Machinery exports were up 43.37% to \$30.06 billion and imports were up 30.97% to \$57.42 billion, reflecting increased investment in manufacturing capabilities. Chemicals and pharma exports increased 32% to \$60.94 billion while imports

rose from 26.2% to \$62.89 billion, underscoring a steady growth in both domestic production and consumption.

Auto sector exports saw a moderate increase of 15.47% to \$20.90 billion and imports grew by 23.56% to \$7.61 billion, showing growth in both production and market expansion. The auto sector is the only major sector that is exporting much more than it is importing.

Following China and the US, other trading partners in the top five are UAE, Russia and Saudi Arabia. Russia has entered in the top five due to oil trade.

Import of coal for blending down 32%

ARUNIMA BHARADWAJ
New Delhi, May 13



SHARP FALL

Coal imports by the domestic power plants for blending (in million tonnes)



COAL IMPORTS BY the domestic power plants for the blending purposes witnessed a decline of 32% in FY24 at 23.92 million tonnes (MT) compared to 35.10 MT in FY23, an official data showed. The decline can be attributed to the increase in the production of domestic coal which touched 997.4 MT last fiscal, up 11.67% from the previous year.

Central sector power plants accounted for 48% of the total coal imports for blending, followed by independent power plants at 33%, and state sector plants at 18.8%. The installed capacity of domestic coal-based plants stands at approximately 193 gigawatts (GW).

According to the data by the Central Electricity Authority, the total receipt of domestic coal in FY24 stood at 864.3 MT against the country's total consumption of 849.7 MT of coal.

Domestic power plants blend imported coal with coal from domestic mines to increase its calorific value.

Amid projections of high

power demand in summer with the peak demand touching 260 GW, the power ministry has directed all coal-based power generating companies to maintain a 6% imported coal blending at their power plants till June.

The ministry, in October last year, had extended the norm till March 2024.

According to the CEA data, the total coal stock in the country's thermal power plants stands at 47.2 MT as on May 10, 67% of the normative stock requirement of 70.56 MT.

As many as 28 plants have critical stocks, including 20 domestic coal based plants and five imported coal based plants.

While coal imports for blending purposes fell owing to the government's measures to increase domestic supply, imports by plants designed to run on foreign coal increased sharply by 104% to 41.81 MT in the FY23 compared to FY23.

Business Line Dt: 15/05/24

Edible oil imports down 11.65% in first half of 2023-24 oil year, but up in April

Our Bureau
Mangaluru

India imported 70.69 lakh tonnes (lt) of edible oils during the first six months of the oil year 2023-24 (November-October) against 80.02 lt in the corresponding period a year ago, registering a decline of 11.65 per cent.

However, there was a significant increase in the import of edible oils during April. Data available with the Solvent Extractors' As-

sociation of India (SEA) shows that India imported 13.04 lt of edible oils during April 2024 against 10.21 lt in April 2023, registering a growth of 27.67 per cent. India's edible oil imports stood at 11.49 lt in March 2024.

BV Mehta, Executive Director of SEA, said the downward price trend in April encouraged higher import of edible oils. International price of RBD palmolein and crude palm oil (CPO) declined by nearly \$100 a tonne. Soyabean oil was also

down by \$40 a tonne and sunflower oil by just \$15 a tonne in the last one month, he said.

CBOT SOYA OIL

Referring to the observations made by the expert Dorab Mistry at Globoil International in Dubai recently, Mehta said Mistry highlighted the ongoing challenges for CBOT soya oil futures due to competition from cheaper biodiesel alternatives.

Mistry said sunflower oil prices seem to have stabil-

ised after reaching a low point. Looking ahead, key influences will stem from North American weather patterns, palm production levels and biofuel mandates. While futures may fluctuate, a bearish stance on agricultural prices seems unwarranted given the unpredictable nature of climate conditions.

PALM OIL SLIPS

Mistry predicted palm oil futures on BMD to trade between Malaysian ringgit (MYR) 3,700-4,300 per

tonne during May-June. India imported 42.13 lt of of palm oil (including RBD palmolein and CPO) during the first six months of the oil year 2023-24 against 49.09 lt in the corresponding period of the previous oil year. Of this, the share of RBD palmolein was at 10.10 lt (11.01 lt in the oil year 2022-23) and CPO was at 31.32 lt (37.61 lt).

However, RBD palmolein went up to 1.24 lt in April 2024 against 93,799 tonnes in March. Similarly, CPO import also increased to

5.36 lt in April 2024 against 3.81 lt in March 2024. During November-April of the oil year 2023-24, Indonesia supplied 15.28 lt of CPO and 8.80 lt of RBD palmolein to India, followed by Malaysia at 13.20 lt of CPO and 1.30 lt of RBD palmolein. Thailand exported 2.16 lt of CPO during the period.

SOYABEAN OIL DOWN

India imported 12.68 lt of crude soyabean oil (degummed) during November-April of oil year 2023-24 against 17.25 lt in the cor-

responding period of 2022-23. India imported 3.85 lt of crude soyabean oil (degummed) in April 2024 against 2.18 lt in March 2024.

SUNFLOWER IMPORTS

India's crude sunflower oil imports increased to 15.87 lt during November-April 2023-24 against 13.67 lt in the corresponding period of 2022-23.

Import of crude sunflower oil declined to 2.34 lt in April 2024 against 4.45 lt in March 2024.

PV, 2W exports rose over 20% in April: Siam

DEEPAK PATEL
New Delhi, 14 May

Exports of passenger vehicles and two-wheelers (24) have increased by more than 20 per cent in April year-on-year (Y-o-Y), according to data released by the Society of Indian Automobile Manufacturers on Tuesday.

In financial year 2023-24 (FY24), two-wheeler exports declined by 5.3 per cent Y-o-Y to 3.458 million units. Passenger vehicle exports saw a modest increase of 1.5 per cent Y-o-Y, reaching 672,000 units. However, recent months have shown a rebound in export markets.

In April, two-wheeler exports surged by 24.3 per cent Y-o-Y to 320,877 units. Passenger vehicle exports increased by 21.1 per cent Y-o-Y, totalling 49,563 units. In an investor conference call on May 8, Hero MotoCorp chief executive officer Niranjan Gupta said exports in the fourth quarter of FY24 have made a "comeback."

"We have changed distributors in a couple of markets, like you saw in Nepal. We expect Mexico to move up, recently there was a change in the distributor in Nigeria as well. So, all of this augurs well for 2024-25. However, I refrain from giving any guidance on next year's volume... Moving forward, the quarters and the years, our international business will be building up," said Gupta.

Rahul Bharti, head of corporate affairs at Maruti Suzuki, said on April 26 the company exported about 283,000 units in FY24, a substantial rise compared to 100,000 units annually about four years ago.

"We wish to take it further in the

TOP GEAR

EXPORTS IN APRIL (in units)

	2023	2024	% chg Y-o-Y
PV	40,940	49,563	21.1
Two-wheeler	258,187	320,877	24.3

ANNUAL EXPORTS (in mn units)

	FY23	FY24	% chg Y-o-Y
PV	3.652	3.458	-5.3
Two-wheeler	0.662	0.672	1.5

Source: SIAM



future years. And next year, we should be exporting about 300,000 units, fairly diversified across markets, across products. And in terms of profitability, it changes with many parameters, mostly forex rates, etcetera. So, it's never stable. At the moment, it is perfectly fine," he said during an investor conference call.

The Economic Times Dt: 15/05/24

Export Orders Rise 10% in 6 Mths on Demand from US, EU

Kirtika.Suneja
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New Delhi: Improved demand in the European Union, West Asia and the US has boosted export order books by at least 10% from six months before, companies said, signalling a possible recovery from last year. Leather goods, footwear, and apparel are driving demand but engineering goods shipments for new projects are facing a challenge due to geopolitical tensions, exporters said.

"Overall, compared to the last six months, the order position has improved 15-20% for leather footwear especially from the US and partially Europe," said Rafeeq Ahmed, chairman, Farida Group, one of India's largest shoe manufacturers and exporters. "The demand for non-leather footwear is also coming up."

India's total goods exports in FY24 fell 3.1% to \$437 billion from \$451 billion in the previous fiscal. Apparel exporters cited an increase of over 10% in orders starting February, mostly from the UK, US and the EU. "The decline in demand has slowed and there are obvious signs of improvement. Industry has an ambitious target of \$20 billion apparel exports in FY25," said Mithileshwar Thakur, secretary general, Apparel Export Promotion Council.

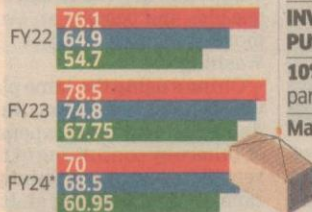
He said India's free trade pacts with Australia and Mauritius have also had a positive impact.

India exported apparel worth \$14.5 billion in FY24.

Export Orders

India's exports (\$ bln)

■ US ■ EU ■ West Asia



*Apr-Feb

Ahmed said the inventory decline in India's key markets is driving demand. A Gujarat-based apparel exporter who did not want to be identified said there has been a 20% increase in new inquiries, clientele and conversion of inquiries to orders since February.

"While logistics issues are still causing a problem, there is a recalibration of the market after six quarters of issues such as inventory pile up in the US, besides the Ukraine and Israel wars and demand slowdown," he said.

"Buyers have a better liquidity position for the upcoming sales season compared to last year and they are using that to fill their shelves." Rupee-based trade will also help increase volumes to Russia, he said.

Ludhiana-based engineering exporter SC Ralhan has seen a 10% growth in the order book since December, especially for hand tools, fasteners, agricultural parts and forging. "There is good growth mostly in the US and Europe... Inquiries have ris-

Apparel, footwear, handtool export orders up 10-20% since Dec

Leather footwear orders from US, Europe rise 15-20%

INVENTORY DEPLETION PUSHES FRESH ORDERS

10% rise in fasteners, agri parts, forging exports orders



Market reboots

after Ukraine, Israel wars, inventory pileup,

Exporters expect FY25 \$500 bln goods exports vs \$437.06 bln in FY24

en 5%," he said.

Many exporters have managed to pass on higher freight charges due to the Red Sea crisis to their clients.

"We're seeing a 10% improvement in engineering goods exports like scaffolding but among the markets; there is no improvement in Europe," said Sharad Kumar Saraf, founder chairman of Technocraft Industries India, a manufacturer and exporter of engineering goods and textiles.

A Kolkata-based engineering goods exporter said, "Exports to the European market are affected. While 40% engineering exports are for maintenance, 60% exports are for new projects that will get impacted. We expect a 30-35% reduction on new project exports."

Federation of Indian Export Organisations (FIEO) director general Ajay Sahai said that the demand scenario is better than six months back and there is a 15% improvement, especially in apparel and footwear.

In tepid start to FY25, export of goods rises 1% in April

WIDENING GAP. Trade deficit at five-month high of \$19.1 billion as imports increase 10%

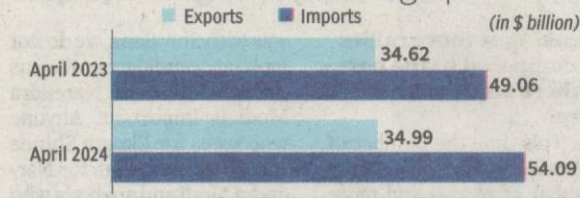
Amiti Sen
New Delhi

India's goods exports posted a marginal 1.08 per cent increase in April 2024 (year-on-year) to \$34.99 billion, marking a tepid beginning to the new fiscal year. While items such as electronics, chemicals, pharmaceutical and petroleum posted significant growth, some others like engineering goods, gems and jewellery and leather declined, per government data.

Imports during April 2024 registered a higher growth of 10.27 per cent to \$54.09 billion, as items such as gold and petroleum surged, pushing trade deficit to a five-month high of \$19.1 billion, according to quick estimates released by the Commerce Department on Wednesday.

"Start for the new fiscal is good. Hope the good omen continues for the entire fiscal," Commerce Secretary Sunil Barthwal said,

Merchandise trade during April 2024



adding that the industry seemed to be upbeat because of positive projections in their order books.

In financial year 2023-24, goods exports declined 3.11 per cent (year-on-year) to \$437.06 billion as exporters battled an adverse geopolitical situation marked by disruption in transportation and slowdown in demand from advanced countries.

'PROMISING START'

The export figures for April 2024 offered a promising start for the fiscal which hopefully would continue the rest of the year, Commerce Secretary Sunil Barthwal said. WTO projec-

tion for the current year is also better.

"We hope that exports will start showing better growth numbers with improved demand in the European Union, UK, West Asia and the US. This has given a boost to the order bookings by over 10 per cent and has come as sign of recovery for labour-intensive sectors of exports including leather and leather products, footwear and apparels," said Ashwani Kumar, President, FIEO.

Referring to the US government's recent decision to impose penal tariffs on Chinese products including batteries, EVs, steel, solar cells, and aluminium, Ku-

mar said the tariff war between US and China may come as an opportunity for Indian exporters.

Thirteen of the 30 key export sectors posted growth in April 2024 including electronic goods (25.8 per cent), tea (25.74 per cent), organic & inorganic chemicals (16.75 per cent), coffee (15.87 per cent), tobacco (13.22 per cent), spices (12.27 per cent), drugs & pharmaceuticals (7.36 per cent), cotton yarn/fabs/made-ups (6.65 per cent), carpet (5.64 per cent), cereal preparations & miscellaneous processed items (5.33 per cent), petroleum products (3.1 per cent), plastic and linoleum (2.99 per cent) and handicrafts (2.36 per cent).

Items that witnessed a sharp rise in imports include gold (209 per cent), petroleum (20.22 per cent), vegetable oil (24.03 per cent), pulses (172 per cent), electronic goods (10 per cent) and pharmaceutical products (18.4 per cent).

Business Line Dt: 16/05/24

Rice exports dip 27% to 16.35 mt in FY24 on shipment curbs

Vishwanath Kulkarni
Bengaluru

India's rice exports during the financial 2023-24 saw a 27 per cent decline in volume and 6.5 per cent dip in dollar value, largely on fall in shipments of non-basmati rice. The Government curbed exports of non-basmati rice during the year to ensure higher domestic supplies and contain rising food-grains price.

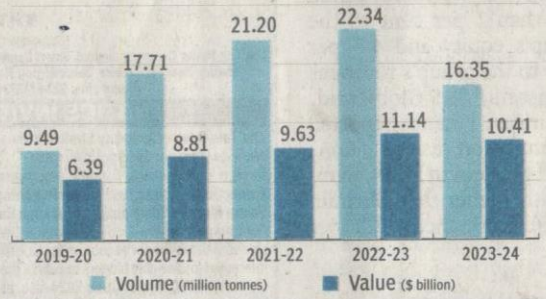
The impact of the curbs on exports of non-basmati rice on the overall cereal shipments was minimised by a record exports of basmati rice during the

year. Basmati exports clocked a 15 per cent growth in volume and 22 per cent growth in value over the previous year on demand from traditional buyers in the West Asian region.

In volume terms, basmati shipments rose to a record high of 5.24 million tonnes (mt) over 4.56 mt the previous fiscal, while in value exports of the aromatic rice were up at a new high of \$5.83 billion over \$4.78 billion a year ago. In rupee terms, exports were up at ₹48,389 crore (₹38,525 crore).

SAUDI, LARGEST BUYER
Saudi Arabia continued to be the largest buyer of Indian bas-

India's rice exports in last five years



Source: APEDA

mati with volumes of 1.09 mt — an increase of around 15 per cent over the previous year. In value terms, the shipments to

Saudi rose by a fifth at \$1.25 billion (\$1.03 billion).
Iraq emerged as the second largest buyer of Indian basmati

displacing Iran, which slowed down the purchases in 2023-24. Basmati exports to Iraq grew by 126 per cent to 0.82 mt over 0.36 mt a year ago. In value terms, exports to Iraq were up 137 per cent at \$0.88 billion over \$0.37 billion the previous year.

Exports to Iran dropped by 32 per cent at 0.67 mt over previous year's 0.99 mt. In value terms, basmati exports to Iran were down to \$0.67 billion from previous year's \$0.98 billion.

BENIN MARKET
Non-basmati rice shipments declined by 37 per cent from a

record 17.78 mt during 2022-23 to 11.11 mt during 2023-24. However, shipments of non-basmati rice to select countries continued during the year. In value terms, the non-basmati shipments declined by 28 per cent to \$4.57 billion.

Benin continued to be the largest buyer of Indian non-basmati rice during the year at 1.28 mt, lower than 1.55 mt a year ago. Guinea was the second largest buyer of Indian non-basmati rice at 0.91 mt, followed by Togo at 0.70 mt. Vietnam with 0.69 mt and Cote D'Ivoire with 0.61 mt were among the top five buyers of Indian non-basmati rice.

Exports slip to 5-month low on global woes

April trade gap widens as gold imports treble

SHREYA NANDI
New Delhi, 15 May

Disruptions caused by geopolitical tensions, such as the Red Sea crisis, and softer commodity prices dragged down the value of India's goods exports to a five-month low in April.

Data released by the commerce department showed that the country's merchandise exports grew merely 1.07 per cent year-on-year (Y-o-Y) to \$34.99 billion during the first month of the current financial year (FY25), while merchandise imports rose sharply by 10.25 per cent to \$54.09 billion in this period, leading to the widening of the trade deficit to a five-month high of \$19.1 billion.

The surge in inbound shipments was mainly driven by petroleum products, which grew by a fifth to \$16.64 billion. The category constitutes more than 30 per cent of the total imports.

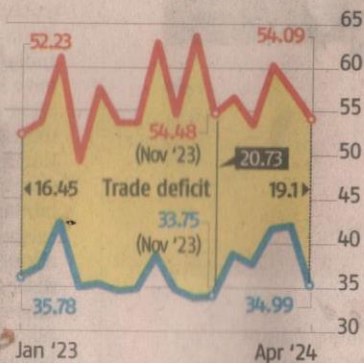
This was followed by the trebling of gold imports to \$3.1 billion. Electronic imports grew by 10 per cent to \$7.05 billion. Non-petroleum, non-gems and jewellery imports grew by nearly 2 per cent Y-o-Y to \$32.72 billion.

TRACKING SHIPMENT

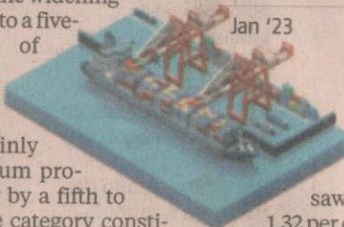
Merchandise trade (\$ bn)

— Imports

— Exports



Source: Department of Commerce



Non-petroleum and non-gems and jewellery exports, an indication of exports' health, saw a moderate growth of 1.32 per cent at \$26.77 billion. The main drivers of the growth were electronic goods (25.8 per cent), organic and inorganic chemicals (16.75 per cent), and drugs and pharmaceuticals (7.36 per cent).

Merchandise exports shrank in 17 out of the 30 key sectors in April.

Business Line. Dt: 17/05/24

Guar gum exports down 12% to \$541 million in FY24 on lower US, Germany offtake

Vishwanath Kulkarni
Bengaluru



However, in volume terms, guar gum exports were up 2.7% at 4.17 lakh tonnes against 4.06 lt the previous fiscal

cheese and as a meat binder. Guar gum is also used as an emulsifier in the hydraulic fracturing technique in the shale gas and oil exploration and in other industrial applications such as ore floata-

tion among others.

Guar gum exports, which touched a recent low of \$262.99 million in 2020-21, rebounded in the subsequent years to touch a four-year high of \$617 million in 2022-23.

However, reduced offtake from large buyers such as the US, Germany and Russia impacted the shipments during 2023-24. In value terms, the exports to the US, the largest buyer were down 29 per cent at \$106 million during 2023-24 from \$149 million in 2022-23.

Shipment volumes to US were down 27 per cent at 53,495 tonnes (73,286 tonnes). Similarly, shipments to Germany were down in value at \$72.60 million (73.83 million), while the volumes dropped to 47,370 tonnes (51,974 tonnes). Exports to Russia were down at \$67.92 million (\$72.26 million), while the

volumes were also lower at 37,302 tonnes (38,884) tonnes. Exports to Norway were down at \$62.76 million (\$67.74 million). However, shipment volumes to Norway were up at 96,639 tonnes from 81,527 tonnes a year ago.

FUTURES CONTRACT

Guar gum futures May contract was trading marginally up around ₹10,560 a quintal, while the June contract was hovering around ₹10,710. Similarly, the guarseed contract were trading up marginally on NCDEX.

The guarseed May contract for was hovering around ₹5,455, while the June contract was trading around ₹5,468 on NCDEX on Thursday.

Spot prices of guar gum in Jodhpur were marginally up at ₹10,802 per quintal, while the guarseed prices stood at ₹5,505 on Thursday.

The country's guar gum exports for 2023-24 dropped 12 per cent in value on lower prices and reduced offtake from key buyers such as the United States, Germany and Russia. Guar gum exports were \$541.65 million during 2023-24 over \$617.14 million the previous fiscal.

However, in volume terms, guar gum exports were up 2.70 per cent at 4.17 lakh tonnes (lt) against 4.06 lt the previous fiscal, per the latest official data.

VARIOUS USES

Guar gum, extracted from guarseed, is used as a thickening and binding agent in the food, textiles, paper, pharmaceutical and oil industry.

Highly refined guar gum is used in the food industry as a stabiliser in ice creams and

Business Line 1st. 2015/24

Thermal coal imports inch up to a five-month high in April

Rishi Ranjan Kala
New Delhi

Thermal coal imports continued to rise for the fourth straight month in April 2024 with cargoes hitting a five-month high as thermal power plants (TPPs) stocked up on the critical commodity in anticipation of a rise in summer temperatures and projections of extended heat waves during the current month.

According to data from energy intelligence firm Kpler, India's imports of thermal coal, largely consumed by the power sector, rose almost 11 per cent m-o-m and 10 per cent y-o-y to 16.23 million tonnes (MT) last month. Thermal coal shipments during Q1 2024 were already the highest in the last two years.

Kpler data shows that imports rose 23 per cent y-o-y to 42.95 MT during January-March 2024 from 34.85 MT a year ago. Compared to Q1 2022, the inbound shipments rose even higher by 36 per cent from 31.51 MT.

SCORCHING SUMMERS

Kpler's Lead Major Dry Bulks Analyst, Alexis Ellender pointed out that the outlook for Indian coal demand remains firm as hot weather drives up thermal coal consumption.

Thermal coal imports climbed to a five-month high of 16.23 MT in April, up by 1.50 MT y-o-y, Kpler data shows. April also included the two highest weeks for inbound shipments since November 2023; both above 4 MT, he told *businessline*.

Thermal coal imports

	(million tonnes)				
	January	February	March	April	Total
2022	7.38	7.74	16.39	12.56	44.07
2023	10.55	10.78	13.52	14.73	49.58
2024	13.68	14.15	15.12	16.23	59.18

Source: Kpler

"Import demand has remained firm even as domestic coal production continues to rise strongly. Despite this increase in availability, consumption is such that coal stockpiles retreated from their late April peak to the lowest level since March in the first week of May. Nevertheless, stocks remain well above the year-ago level," Ellender pointed out.

As per government data, coal stocks at domestic coal-based (DCB) power plants stood at 36.05 MT on Febru-

ary 1 rising to 41.77 MT a month later and then to 47.34 MT and 45.40 MT during April 1 and May 1, respectively.

At the end of March, coal stocks at DCB plants stood at 47.30 MT after which they declined to 45.48 MT on April 30 and 44.45 MT on May 17.

Thermal power generation in April was up by 10.69 per cent y-o-y, while hydro power generation was down by 8.43 per cent y-o-y, he said.

Cumulative thermal power generation in April stood at

123,504 gigawatt hours (GWH) in April 2024, while hydro power generation totalled 7,993 GWH.

MORE IMPORTS

"Hot weather conditions are likely to persist into at least mid-May. We expect this month to represent the annual peak for Indian thermal coal imports. Hire rates for dry bulk carriers sailing from Indonesia to India rose to the highest level since October 2022 in the final week of April, supporting the case for further strong arrivals this month," Ellender said.

Senior government officials said that power demand will rise as mercury soars further north. The week beginning May 19 is expected to witness severe heat waves,

leading to a higher demand for cooling. This will also push up imports during May.

The India Meteorological Department (IMD) has predicted that heat wave to severe heat wave conditions are very likely in many pockets over Rajasthan, Punjab, Haryana- Chandigarh-Delhi during May 18-22 and in some parts of West Uttar Pradesh on May 18 and May 19. Heat wave conditions are very likely in some parts of East Uttar Pradesh during May 18-22; West Uttar Pradesh during May 20-22; in isolated pockets over Uttarakhand, Gujarat State, Madhya Pradesh during May 18-22; Bihar, Gangetic West Bengal during May 18-20; Jharkhand on May 19-20; Odisha during May 20-22.