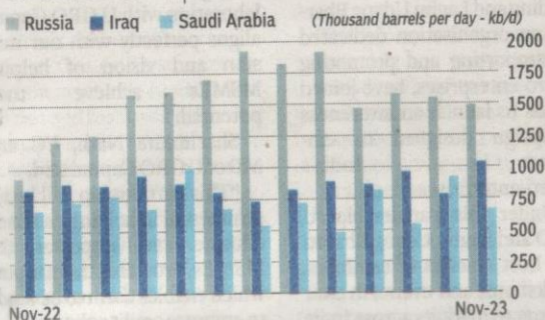


Business Line, dt. 6/12/23

Nov crude imports from Iraq rise to over 12-month high

Crude oil imports



Source: Vortexa

Rishi Ranjan Kala
New Delhi

India's crude oil imports from Iraq rose to the highest levels in more than a year at over 1 million barrels per day (mb/d) in November 2023 propelled by high prices of Saudi Arabia's Arab Light grade and softening prices of Basrah, the flagship Iraqi grade.

Data from the energy intelligence firm Vortexa show that crude oil imports from Iraq rose 32 per cent m-o-m and 24 per cent y-o-y during the month.

On the other hand, imports from Saudi Arabia fell 28 per cent m-o-m to 667,000 barrels per day (b/d) last month. Outbound shipments from the Arab country to the world's third largest crude oil consumer were almost flat in November on an annual basis.

Trade sources said Indian refiners lapped up the Iraqi grade in higher numbers as prices of Arab Light rose to the highest level so far in the current calendar year, while that of Basrah, a similar grade, fell to its lowest in last month, since August 2023.

Saudi Arabia raised the price of Arab light — a medium sour grade — in November, the fifth consecutive month of uptick in prices. The official

selling price (OSP) was raised by \$4 per barrel against the Oman/Dubai average, which is the highest so far in the current calendar year. December prices have been kept unchanged from November. Data from Iraq's State Oil Marketing Organisation show that Basrah prices in November averaged at \$82.82 per barrel on a provisional basis compared to \$87.58 in October, \$91.35 a barrel in September and \$84.79 in August.

RUSSIAN IMPORTS

India's crude oil imports from Russia were marginally lower at around 1.49 mb/d in November compared to 1.55 mb/d in October 2023, as per Vortexa. Cargoes of the flagship Ural grade were also lower at 1.23 mb/d in November compared to 1.4 mb/d a month before.

Trade sources said there is some hardening in freight prices which may be reflected in lower volumes, but added that the relationship is too beneficial for both countries to ignore. "It's a mutually beneficial relationship. Both will work out solutions if freight rates rise due to the US investigation on shadow fleets," said one of the traders.

Overall, India's crude oil imports fell marginally to 4.51 mb/d last month from 4.56 mb/d in October 2023.

'MEP imposed on Basmati to curb illegal export of white rice'

Our Bureau
Mangaluru

The Centre has imposed minimum export price (MEP) for Basmati rice not with an intention to restrict exports but in view of "credible field reports" that non-Basmati white rice was being exported under the HS code of Basmati rice, Union Minister of State for Commerce and Industry Anupriya Patel told the Lok Sabha on Wednesday.

"In order to control illegal exports of non-Basmati rice, the Government, on August 26, issued directions to the Agriculture and Processed Food Products Export Development Authority (APEDA) to register contracts for Basmati exports only with the value of \$1,200 a tonne and above. After extensive stakeholders' consultations, the Government has decided to reduce the base price for registration of contracts by



APEDA to \$950 a tonne, with effect from October 26," she said in a written reply.

The Centre banned exports of non-basmati white rice from July 20. Despite the cap through MEP, the fragrant rice's exports has not been affected. During the first seven months of the current fiscal, the quantity of Basmati rice exported increased by 8.21 per cent.

Giving details of the export, the Minister said India exported 26.08 lakh tonnes (lt) of Basmati rice valued \$2,958.52 million during April-October

Despite MEP, the fragrant rice consignments from the country increased 8%, says Minister Anupriya Patel

of 2023-24 against 24.10 lt valued \$2,544.53 million in the corresponding period of the previous fiscal.

Month-wise comparison of exports showed that India exported 4.01 lt of Basmati rice valued \$451.09 million, 2.98 lt valued \$365.29 million and 3.01 lt valued \$368.54 million during August, September and October of 2023-24, respectively.

India exported 3.70 lt of Basmati rice valued \$408.15 million, 2.80 lt valued \$303.21 million and 2.54 lt valued \$266.18 million, during August, September and October of 2022-23, respectively.

Citing export target, Apple seeks 12-18 months' exemption

Business Standard, pt. 7/12/23

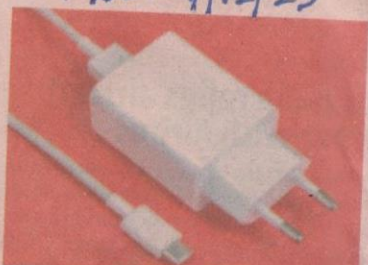
SURAJEET DAS GUPTA
New Delhi, 6 December

Apple has requested the ministry of electronics and information technology (Meity) to give it 12 to 18 months' exemption to comply with the European Union (EU) regulation of putting a USB charging port in all its older smartphones, mainly iPhone 13 and iPhone 14, which are assembled, exported and sold in domestic market.

Apple's stance is different from that of Samsung, which has been pushing for an immediate implementation of the EU regulation. All smartphones by the South Korean giant already comply with the EU rules. While Samsung did not comment on the issue, an Apple spokesperson said it will not immediately reply to a request for comment.

Most mobile device makers under the aegis of Indian Cellular and Electronics Association (ICEA) are willing to implement the EU rules from June 1, 2025. They have asked for a six months' extension after it is implemented in the EU. Apple, though, is pushing for a further extension till June 2026 or December 2026 for the older iPhone models. It has already implemented the regulation on iPhone 15 this year.

With the extended time, Apple expects that the demand for these phones globally and in India will become very small or non-existent. Responding to the varying views, Rajeev Chandrasekhar, minister of state for electronics and information technology, said, "The matter is under deliberation. All views are under consideration. Meity is yet to take a decision." The government has been pushing smartphone players to implement the universal port, which is expected to reduce the e-waste generated in the country. It is also expected to save \$271



WHAT'S BITING?

- More than **50%** of its production is of the older phones, iPhone 13 and iPhone 14,
- Both exported and sold in India
- The regulation will halt production of the older models, impacting its PLI targets and export numbers
- It will lead it to import older models from China at high duties for the domestic market
- Non-EU markets account for **80%** of iPhone sales
- So, they are a large export market where there are no such rules

million for consumers as they can charge various devices of different companies with the same charger.

Apple has stopped including the charger with its phones since iPhone 12. According to sources who have attended meetings between the industry and Meity on this issue, Apple has said that more than 50 per cent of its production in India is accounted for by these two older models.

More on [business-standard.com](https://www.business-standard.com)

Business Line. At 8-12-23

TaMo lobbies against lowering EV import taxes

Reuters

New Delhi

Tata Motors is pressing Indian officials not to lower import taxes of 100 percent on electric vehicles and to protect domestic industry and its investors, as the government reviews Tesla's plans to enter the market, people with direct knowledge said.

As India tries to boost domestic manufacturing and EV adoption, Tesla is proposing to set up an Indian factory, but is demanding

lower import taxes for EVs. India is working on a new policy to cut import taxes on EVs to as low as 15 percent for companies committing to some local manufacturing. The policy could allow Tesla to set up its India factory to make its proposed \$24,000 car, while importing its more expensive models with lower tax.

Tesla's strategy is a departure from its failed plan last year when it just pushed India to lower duties.

In meetings with Prime Minister Narendra Modi's office and other depart-

ments, Tata has opposed the plan, arguing that its investors made decisions assuming the tax regime favouring locals will remain unchanged, two sources with knowledge of talks said.

Tata and Prime Minister's office did not respond to requests for comment.

GOVERNMENT SUPPORT

Tata is also arguing that India's EV players need more government support in the early growth stage of the industry, pointing to imported gasoline or diesel cars which are still taxed at up to 100

per cent despite the industry being well developed, said the first source.

"Lower duties will hit the entire industry," the person said, adding "the investment climate will get vitiated."

Tata, one of India's biggest carmakers, started its EV business in 2019. Private equity firm TPG and Abu Dhabi state holding company ADQ invested \$1 billion in 2021, valuing the EV business at around \$9 billion, and the second source said lower duties for foreign players could risk future fundraising.

Business Line, dt. 8.12.23

China's exports in Nov edges higher for first time in 7 months

Press Trust of India

Hong Kong

China's exports rose in November, the first increase since April, while imports fell, according to customs data released Thursday.

Exports rose 0.5 per cent from a year earlier to \$291.9 billion, a sign that demand may be picking up after months, but imports fell 0.6 per cent, to \$223.5 billion, after they climbed 3 per cent in October.

SLUGGISH TRADE

China has been grappling with sluggish foreign trade this year amid slack global demand and a stalled recovery, despite the country's reopening after its strict Covid-19 controls were lifted late last year.

The trade surplus of



\$68.4 billion was up 21 per cent compared to October's \$56.5 billion.

Demand for Chinese exports has been weak since the Federal Reserve and central banks in Europe and Asia began raising interest rates last year to cool inflation that was at multi-decade highs.

India emerging as manufacturing major, on export-driven course: Vaishnaw

MISLEADING. Minister debunks claims by Raghuram Rajan, others about the country specialising only in assembly

Our Bureau
New Delhi

India has emerged as a manufacturing major and is shaping itself towards export-driven growth with the country on-course to being the “third largest economy” over the next few years, Railways and IT Minister Ashwini Vaishnaw said on Thursday.

The thrust on manufacturing has seen nearly 1.70 – 1.80 crore new jobs being created in the formal sector with asimilar number being generated in the informal one.

Vaishnaw debunked statements by Raghuram Rajan about the country specialising in assembly and said, from an importer of mobile phones, India is now the third largest exporter there with 99 per cent of devices used in India, being made locally.

Against \$11-billion worth

of mobile phone exports in FY23, an over 36 per cent jump is expected for FY24, with outbound shipments likely to be around \$15 billion. Similarly, the country has moved beyond assembling and is into precision manufacturing in categories like mobile camera lenses-case making, pre-fab units, among others.

Former RBI Governor Rajan was among the first to say India’s mobile phone exports were driven by assembling.

“There are some big leaders in the Opposition who still believe that mobile phones are imported. They forget that today 99.2 per cent of mobile phones used in India are made in India,” Vaishnaw said.

GOODS EXPORTS UP

India’s economy grew at a much faster pace than analysts predicted, as manufacturing surged and the government boosted spending



Opposition leaders forget that today 99.2 per cent of mobile phones used in India are made in India

ASHWINI VAISHNAW
Railways and IT Minister



before elections. The GDP rose 7.6 per cent in the three months to September from a year-ago.

Calling it a success of the Made-in-India campaign and policy push by the Centre, Vaishnaw said, compared with a decade back when the service sector drove exports, more than half of India’s FY23 exports were merchandise and manufacturing.

The FY23 exports were around \$762 billion, of which \$453 billion was merchandise and \$309 billion was services. For instance, petro-

leum exports were \$97 billion, followed by pharmaceuticals at \$19 billion, iron and steel at \$13 billion and so on.

Export of toys, from being an importer, is seen as a major success of the Modi-led government at the Centre.

“So we are witnessing exports in categories like pharma, mobile phones, electrical machinery and equipment and so on. From being importers in categories, we are not competing with global players at international platforms, particip-

ating in global supply chains,” he said during a press conference.

“We are now into precision manufacturing, planning for semi-conductor units which is like a foundation industry like iron and steel. This entire argument that we are just assembling and not making specialised products ourselves is completely misdirected and misleading,” Vaishnaw added pointing out that despite global headwinds, Indian exports are holding on.

KAVACH EXPORTS SOON

Similarly, Kavach – the indigenously developed train collision protection system – will be ready for exports over the next four to five years, and will compete with the best of the European systems.

In forged wheel making, the country is looking at exports too with the planned unit having an annual capacity of 2,30,000.

China's exports grow for first time in 6 mths

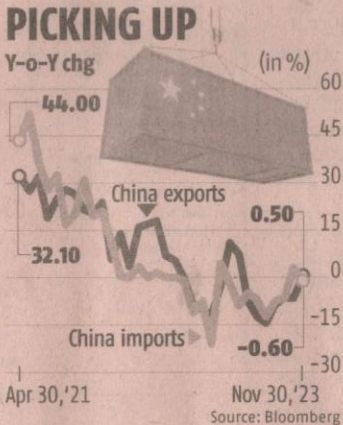
Uptick seen as boost to policymakers eager to stimulate recovery

AGENCIES
7 December

China's exports grew for the first time in six months in November, giving a boost to policymakers eager to stimulate a recovery in the world's second-largest economy.

Mixed manufacturing data for November has kept alive calls for further policy support to shore up growth but also raised questions about whether predominantly negative sentiment-based surveys have masked improvements in conditions.

Exports grew 0.5 per cent from a year earlier in November, customs data showed on Thursday, compared with a 6.4 per cent fall in October and beating the 1.1 per cent



drop expected in a Reuters poll. Imports fell 0.6 per cent, dashing forecasts for a 3.3 per cent increase and swinging from a 3.0 per cent

jump last month. "The improvement in exports is broadly in line with market expectations... sequential growth in China's exports in the past few months has strengthened," said Zhiwei Zhang, chief economist at Pinpoint Asset Management. "There are green shoots in other Asian countries' export data as well in recent months." The Baltic Dry Index, a bellwether gauge of global trade, climbed to a three year high in November, supported by improved demand for industrial commodities, particularly from China.

South Korean exports, another gauge of the health of global trade, rose for a second month in November, buoyed by chip exports, which snapped 15 months of declines. Trade with China's major peers also painted a rosy picture, with exports to United States, Japan, South Korea and Taiwan all up on October.

In the short run, however, the pressure on Chinese manufacturers show little sign of easing off completely.

China's official purchasing managers' index (PMI) last week showed new export orders shrank for a ninth consecutive month, while a private sector survey highlighted the struggles of factory owners to attract overseas buyers for a fifth month.

Moody's told China staff to stay at home ahead of rating cut: FT

Moody's Investors Service advised its staff in China to work from home ahead of its announcement this week cutting the outlook for sovereign bonds to negative in the world's second-largest economy, the Financial Times reported. Department heads advised non-

administrative staff in Beijing and Shanghai not go into the office, the paper reported, citing two Moody's staff. One of employees said the move was likely motivated by fear of government inspections after the rating company's outlook cut, according to the FT.

BLOOMBERG

Tata Motors urges govt not to lower EV import duties

ADITI SHAH & ADITYA KALRA
New Delhi, December 7

TATA MOTORS IS pressing the government not to lower import taxes of 100% on electric vehicles and to protect domestic industry and its investors, as the government reviews Tesla's plans to enter the market, people with direct knowledge said.

As India tries to boost domestic manufacturing and EV adoption, Tesla is proposing to set up an Indian factory, but is demanding lower import taxes for EVs.

India is working on a new policy to cut import taxes on EVs to as low as 15% for companies committing to some local manufacturing. This could allow Tesla to set up its India factory to make its proposed \$24,000 car, while importing more expensive models with lower tax. Tesla's strategy is a departure from its failed plan last year when it pushed India to lower duties.

In meetings with the Prime Minister Narendra Modi's office and other departments, Tata has opposed the plan, arguing that its investors made decisions assuming the tax regime favouring locals will remain unchanged, two sources with knowledge of talks said.

Tata and Modi's office did not respond to

SPEED BUMP?

■ India working on policy to cut EV import duties to as low as

15%

■ Tata has argued Indian EV players need more government support in early growth stage

74% of **72,000** electric cars sold so far this year in India made by Tata



■ Firm says lower duties for foreign players could risk future fundraising

■ Automaker says its investors made decisions assuming tax regime will remain unchanged

requests for comment.

Tata is also arguing that India's EV players need more government support in the early growth stage of the industry, pointing to imported gasoline or diesel cars which are still taxed at up to 100% despite the industry being well developed, said the first source.

"Lower duties will hit the entire (domestic) industry," the person said, adding "the investment climate will get vitiated".

Tata started its EV business in 2019. Private equity firm TPG and Abu Dhabi state holding company ADQ invested \$1 billion in

2021, valuing the EV business at around \$9 billion, and the second source said lower duties for foreign players could risk future fundraising.

India's EV market is small, but 74% of the 72,000 electric cars sold so far this year are made by Tata. Tesla, which is losing share in an increasingly crowded US market, has its sights set on the potential of India market, one of the world's biggest where more than three million cars are sold each year.

Continued on Page 7

Mobile phone exports to touch \$15 bn in FY24: Vaishnaw

at. 8.12.23

AYANTI BERA

Bengaluru, December 7

MOBILE PHONE EXPORTS from India are on track to reach \$15 billion this financial year, compared with exports worth \$11 billion in the previous year, communications and IT minister Ashwini Vaishnaw said on Thursday.

The minister further said, in FY24, India is set to manufacture mobile phones worth nearly \$50 billion. He had earlier said over 99% of mobile phones used in the country today are manufactured locally.

“Mobile phone is now among the top four exported items. In the next 1-2 years, you can expect mobile phones, electronics and telecom equipment to be among the top two or three,” he told reporters.

On the growth in merchandise exports, the minister said India’s economy is at a major inflection point where goods exports are surpassing services exports. Overall, exports stood at \$762 billion, of which \$453 billion was from goods and \$309 billion from services.

“India has reached a point where we will soon be ready for \$1 trillion in exports every year,” he said, adding that the basket of commodities in the export sector is also diversifying in the recent years.

ATF exports fall in October on lower cracks, domestic demand

Rishi Ranjan Kala

New Delhi

Lower international prices of aviation turbine fuel (ATF) cracks and a fast paced recovery in domestic air passenger traffic — leading to higher fuel consumption — pulled down India's jet fuel exports by 17 per cent on an annual basis in October 2023.

According to the Petroleum Planning and Analysis Cell, ATF exports stood at 529,000 tonnes in October 2023. However, on a m-o-m basis, the outbound shipments were 8 per cent higher from September.

ATF exports reached 900,000 tonnes in August 2023, which was the highest in the last 17 months. The outbound shipments rose consistently from April to August 2023.

Commenting on the ex-

port dynamics, ICRA's Senior VP & Co-Group Head Corporate Ratings Prashant Vasisht said,

“The international product price of ATF was on a rising trend in the last few months resulting in healthy product cracks. ATF crack spreads saw an uptick with improved demand owing to an increase in overall air travel activity. However, special additional excise duty on ATF impacted exports from the second half of August 2023.”

businessline.

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Exporters to make fresh plea to Centre to hike interest subsidy

Amiti Sen
New Delhi

Exporters are planning to make fresh representations to the Commerce and Finance Ministries seeking higher subsidy rates under the interest equalisation scheme (IES) for identified sectors to keep pace with the increase in interest rates on credit over the last year.

While the government's recent decision to extend the IES for identified sectors till June 2024 and earmark more funds for it has come as a relief to most as it could lead to more stability in the present "uncertain" times, there is disappointment that the subsidy rates have not been raised. "The extension of the IES has provided a stable ecosystem



BIG RELIEF. The recent Cabinet decision on extending period of IES will bring in stability, increase competitiveness

for exports to help exporters to take a long-term position and provide the most competitive prices for exports factoring the benefits under IES. However, looking into the hike in interest rates in the last one year or so, crossing the pre-Covid level, we urge the government to hike the subventions to take it to 5 per cent for

manufacturer MSMEs and 3 per cent for others," said Ajay Sahai, Director General, Federation of Indian Export Organisations (FIEO).

FIEO plans to soon approach the Finance Ministry and the Commerce & Industry Ministry to make a fresh case for an increase in subvention rates, Sahai said.

Under the IES, first implemented in April 2015, exporters are extended credit by banks at a reduced rate (the rate of interest subsidy is determined by the government). The banks are later reimbursed by the government for their lower interest earnings.

ADDITIONAL ALLOCATION Last week, the Union Cabinet approved an additional allocation of ₹2,500 crore for continuation of IES till June 30, 2024. The scheme would continue for all the targetted beneficiaries, which include merchant exporters of the identified 410 tariff lines and all manufacturer exporters from MSME sectors. The rates of subsidy were, however, unchanged at 3 per cent for MSME sectors and 2 per cent for the rest. Given the global

headwinds faced by the export sector, exporters from various sectors have been demanding a higher subsidy rate.

"Considering the tough time the exporting community faces, it has to be ensured that trade finance is available at a competitive rate. We have been urging the government to restore the interest equalisation rate back to 5 per cent from the current 3 per cent (for MSMEs)," pointed out EEPC India head Arun Garodia in a recent statement.

The RBI has raised the repo rate by 250 basis points since May 2022 mainly to keep inflation in check. Earlier this month, the RBI Monetary Policy Committee decided to keep the repo rate unchanged at 6.5 per cent the fifth time in a row.

India offers to cut ICT import duties to fast-track EU FTA

MUKESH JAGOTA

New Delhi, December 10

INDIA HAS SOUGHT to settle a long-standing dispute with the European Union (EU) by offering exclusive import duty concessions for certain information technology products, under the proposed bilateral free trade agreement (FTA) with the 27-country customs-cum-monetary bloc.

To address concerns on the information and communication technology (ICT) tariffs, the government is looking at limiting the benefit of the lowering of duties to the EU members. Cutting tariffs for those outside the FTA would oblige India to impose similar duties on imports of these products from all countries on a Most Favoured Nation (MFN) basis.

India imposes 20% import duty on mobile phones and 15% on telecom equipment. While MFN by nomenclature may mean preferential treatment, it just means treating everyone equally in the global trade parlance. It is the basis of all world trade agreements.

"They (EU) are seeking duty concessions, which according to India can be discussed only under the free trade agreement (FTA). India can consider something under the FTA, but not on an MFN basis,"

TRADE WINDS

■ New Delhi is looking at limiting the benefit of the lowering of duties to EU members

India imposes

20% import duty on mobile phones and

15% on telecom equipment

■ India and the EU formally relaunched negotiations on FTA in June 2022



the official added.

India and the EU formally re-launched negotiations on FTA in June 2022. Since then, they have held six rounds of talks, which cover 23 policy areas or chapters.

The EU had challenged the Indian import duties on information technology products like mobile phones and components, base stations, integrated circuits and optical instruments in April 2019.

The EU had claimed that the measures appear to be inconsistent with certain provisions of the Information Technology

■ There have been **six rounds of negotiations** covering **23 policy areas or chapters**

■ EU had challenged import duties on IT products like mobile phones and components in April 2019

Agreement (ITA) of the WTO.

Later, Chinese Taipei and Japan joined the dispute. On April 17, the Dispute Settlement Body (DSB) at the WTO had ruled against India saying that tariffs are against its ITA that seeks to remove all duties on IT products.

Japan has filed its motion for the adoption of the Panel report at the DSB meeting at WTO, in response, India filed its notice of appeal.

Continued on Page 5