

Business Line Dt: 19/12/23

Tea export may drop 10% this year

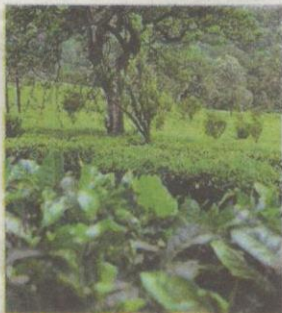
Mithun Dasgupta

Kolkata

India's tea export is likely to be down by around 10 per cent this year compared to last year, mainly due to a significant decline in export to Iran. The country's tea exports stood at 231.08 million kg (mkg) in 2022 calendar year.

"This year tea exports will be down compared to last year. We expect about a 10 per cent decline. This is mainly due to the Iran market. Our export to Iran has dropped significantly due to a blocking of allocations of foreign exchanges there for the import of tea," Indian Tea Exporters Association (ITEA) chairman Anshuman Kanoria told *businessline*.

"Iran is now gradually opening the blockings of foreign exchange allocation, but not much foreign exchange allocations are happening. Luckily, our exporters have taken a big risk and penetrated markets like Iraq, Jordan and Syria by



COLD BREW. Exports to key markets such as Iran, Russia, CIS countries and the UAE fell

exporting larger quantities. Otherwise the fall would have been even more," Kanoria said.

OTHER NATIONS HIT

According to Tea Board data, India's shipment of tea to the international markets was 157.92 mkg during January to September compared with 166 mkg in the same period last year.

Notably, this year exports are also down from all other major tea exporting countries

such as Kenya, Sri Lanka and China due to geopolitical disturbances and subdued economic conditions.

"From January to September this year, India's export is down by around 8 mkg. Almost all countries have contributed to this lower exports. Exports to Iran, Russia, CIS countries and the UAE fell," said industry expert and former Indian Tea Association (ITA) secretary Sujit Patra.

Despite overall decline, the country's exports to Iraq, Turkey and China have increased. "After 2-3 years, export to China has grown slightly this year. Amid a gloomy export picture, growing exports to Iraq and Turkey is a silver lining for our exporters," Patra told *businessline*.

ICRA Vice-President and Co-Group Head Kaushik Das said export will definitely be lower for India. Tea exports to Iran witnessed around 90 per cent decline by September this year as the country is purchasing a lesser amount of the brew.

Exports to 5 of top 10 nations rose in Apr-Nov

This was despite the overall exports recording a 2.8% contraction

SHREYA NANDI

New Delhi, 18 December

During the first eight months of the financial year, five out of India's top 10 export destinations — Saudi Arabia, China, the United Kingdom (UK), Australia and the Netherlands — witnessed growth, even as India's overall exports saw 2.8 per cent contraction, data compiled by the commerce department showed.

These 10 countries account for over 49 per cent of India's merchandise exports.

Exports to the Netherlands, which is India's third largest market, saw 9.6 per cent year-on-year (Y-o-Y) growth at \$13.5 billion during April-November.

While disaggregated country-wise trade data was not available till November, the trend in the first seven months showed that the growth has been driven by exports of petroleum products as well as machinery.

India's fourth largest export partner, China, saw nearly 4 per cent Y-o-Y growth at \$10.3 billion, after demand from the neighbouring country contracted during

April-July. The trend reversed August onwards.

In the case of the UK and Australia, the positive growth continued at 14.6 per cent, and 13.9 per cent, respectively. It was driven by demand for items such as petroleum products, apparel and food items machinery, among others.

Outbound shipments to Saudi Arabia grew 2.2 per cent at \$7.1 billion during April-November.

On the other hand, exports fell to the remaining five countries. These are United States (-5.2 per cent), UAE (-0.1 per cent), Singapore (-1.87 per cent), Bangladesh (-14.1 per cent) and Germany (-6.3 per cent). It led to contraction in overall exports.

India's merchandise exports growth reverted to negative territory in November after expanding at the fastest pace in 11 months in October. This indicates volatile global demand and uneven economic recovery.

Import story

Out of India's top 10 import partners, inbound shipments from only Russia, Switzerland, China and South Korea witnessed growth dur-

ing the first eight months of this financial year.

This comes at a time when the country's overall inbound shipments fell by 4.3 per cent Y-o-Y during April-November.

Imports from Russia grew by nearly 55 per cent to \$40.5 billion, mainly due to India's dependency on crude oil. The country continued to remain India's second largest import partner, after China. In the case of China, the rise was 0.2 per cent at \$68 billion. Imports from Switzerland, mainly driven by gold imports, jumped 28.8 per cent to \$15.5 billion. In the case of South Korea, it grew 1.2 per cent to \$14.4 billion.

Among India's top 10 import partners, contraction in inbound shipments were seen for the US (-15.8 per cent), UAE (-24.1 per cent), Saudi Arabia (-26.2 per cent), Iraq (-20.9 per cent), Indonesia (-28.3 per cent) and Singapore (-2.8 per cent). These 10 countries account for over 59 per cent of India's merchandise imports. India's overall imports contracted due to tepid local demand and fall in global commodity prices.



TRADE MATRIX

Exports Apr-Nov, 2023 (\$ bn)

	Value (\$ bn)	Growth (%)
US	50.3	-5.2
UAE	20.8	-0.1
Netherlands	13.5	9.6
China	10.3	3.9
UK	8.4	14.2
Singapore	7.9	-1.9
Saudi Arab	7.1	2.2
Bangladesh	7.0	-14.2
Germany	6.3	-6.3
Australia	5.9	14.0
Total	278.8	-6.5

Imports Apr-Nov, 2023 (\$ bn)

	Value (\$ bn)	Growth (%)
China	68.0	0.2
Russia	40.5	54.8
US	28.5	-15.8
UAE	27.8	-24.1
Saudi Arabia	20.5	-26.2
Iraq	19.1	-20.9
Switzerland	15.5	28.8
Indonesia	15.4	-28.3
Singapore	14.5	-2.8
South Korea	14.4	1.2
Total	445.2	-8.7

Source: Department of Commerce

India assuages US' concerns on import monitoring system for PCs

THE RATIONALE. Says move is to address national security concerns, not to curb trade

Amiti Sen
New Delhi

India has informed the US that the import monitoring system put in place for certain IT hardware items, including laptops, tablets and PCs, was aimed at ensuring supply chain resilience and addressing national security concerns.

New Delhi has assured Washington that, as of date, it had no intention of expanding the list of items on which the curbs apply, and there was no proposal for carrying out an initial monitoring phase for the measure, in replies to questions posed by the US at the WTO Committee on Import Licensing last week.

"The present system has been put in place to manage and monitor import of specified IT hardware goods to ensure supply chain resilience and address national security concerns," India said in response to the US question — on what objective India hoped to achieve through the import licens-



DESI PUSH. India shifted to a new 'import management system' for shipments of IT hardware from October 1, 2023 REUTERS

ing requirements.

SHIFT TO NEW SYSTEM

Since October 1, 2023, India shifted to a new 'import management system' for monitoring shipments of electronics such as laptops, tablets and PCs. Under the system, instead of being allowed to freely import the items, importers have to apply for import authorisations but the licencing procedure is automatic and fast. Also there are no curbs on

the quantity of imports. The authorisations are valid up to September 30, 2024.

To a question on whether India intended to expand the use of import licencing beyond the listed products, it replied, "As of date, India has no plans to expand the use of import management system beyond the listed products."

Stating that it understood that India was considering carrying out an initial monitoring phase for this meas-

ure, the US asked India to explain the time-frame for the monitoring phase, and whether India would delay full implementation of the measure during this time. To this, India replied that there was no such proposal as on date.

Earlier, the government had indicated that the import authorisation system would address India's security concerns, especially those related to imports from China, as well as boost local manufacturing, which was already being incentivised by the PLI scheme. A large part of the \$7-8 billion of laptops, tablets, and computers imported annually into the country are sourced from China.

Since a number of US-based companies, including Dell, HP and Apple, have a considerable presence in India, the US government has been in touch with the Indian government soon after the initial notification on imposing import restrictions on IT hardware products was issued in August 2023.

Business Line. Dt: 20/12/23

Thermal coal imports at over two-year high in Nov

Rishi Ranjan Kala
New Delhi

According to the energy intelligence firm Kpler, India imported a total of 17.51 mt of thermal coal, lower than the 15-month high of 18.66 mt recorded in October 2023.

Alexis Ellender, Kpler's Lead Major Dry Bulks Analyst said that India imported 23.27 mt of sea-borne coal last month, down from a five-month high of 24.37 mt in October 2023, but still up by 6.92 mt y-o-y. At 222.43 mt, the combined January-November 2023 shipments were up by 11.39 mt on an annual basis.

"Although easing from the 15-month peak recorded in October, thermal coal imports still reached 17.51 mt last month, a new November high," Ellender told *businessline*.

LONG HAUL CARGOES

"Of particular note was the jump in long haul cargoes

from the US, which hit the highest level in more than two years at 1.40 mt, as the country sought to ship surplus domestic supply," he said.

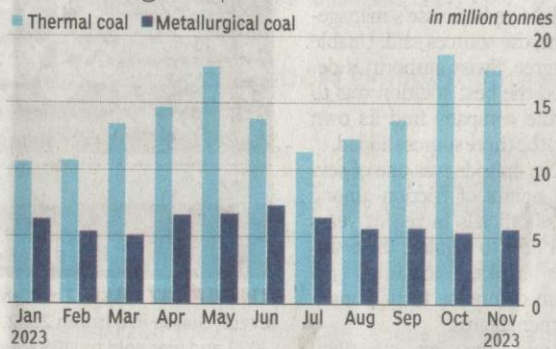
The US had supplied a total of 12.03 mt of coal — thermal and metallurgical — to India in FY18, which rose to 14.18 mt in the next fiscal year. In FY20 and FY21, import of the crucial commodity was lower at 12.16 mt and 12.20 mt, respectively. In FY22, India imported higher volumes at 14.37 mt from the US, which again fell to 13.69 mt in FY23.

In 2022, Indonesia was India's largest overseas supplier of thermal coal, which grew at the expense of Australia and South Africa. On the other hand, Russia overtook the US to become the fourth-largest supplier.

However, the US is India's second biggest supplier of coking coal after Australia as of October 2023. Russia is the third biggest supplier.

During April-October

Straddling the peaks



Source: Kpler

2023, Australia remained the largest supplier of coking coal with 20.17 mt, down 12 per cent y-o-y. Shipments from the US rose 9 per cent y-o-y to 4.97 mt. Russia, the third largest supplier, saw a 210 per cent growth to 3.46 mt.

IMPORTS STABLE

Ellender pointed out that monthly imports from other suppliers remained largely stable or experienced a modest m-o-m fall.

"Indonesia remained by far the largest thermal coal supplier in November at 10.46 mt. This easing in thermal coal imports occurred alongside a seasonal upturn in domestic coal production, which reached the highest monthly level since April at 84.52 mt. Domestic coal dispatches also increased," he added.

The combination of annual growth in imports, a seasonal upturn in domestic supply,

and reduced power demand for cooling as temperatures fall, has supported restocking efforts at some Indian power stations, he explained.

"By the end of November, coal stockpiles at major power plants monitored by the Central Electricity Authority (CEA) had risen to 27.09 mt, up from 21.15 mt a month earlier and marking the highest level since mid-September. However, stockpiles were still down by 3.85 mt on the end November 2022 level and only 47 per cent of normative stocks. Restocking endeavours should support further seaborne imports," Ellender said.

Kpler expects the coal imports to decline in December on a monthly basis.

"With domestic supply expected to climb higher still in December, we expect a further m-o-m fall in seaborne thermal coal imports this month; however, shipments should still exceed the year-ago level in December and into the Q124," he said.

Business Line. Dt: 21/12/23.

Steel Ministry seeks to tighten import control

UPPING THE VIGIL. Mulls setting up lab-testing facility and other safeguard measures

Abhishek Law
New Delhi

The Steel Ministry, in a bid to control imports, especially from China, may consider setting up a quality testing lab at the JNPT port, off Mumbai.

Other safeguard measures mooted include reconsideration of the 'lesser duty rule', and imposition of tariff quotas on the lines of the European Union. The Ministry has also reached out to industry bodies and user industries seeking justification for such safeguard measures.

At a recent meeting between ministry officials and industry top brass, including representatives from industry bodies, it was pointed out that the imports, which largely arrive at JNPT Mumbai, have surged by over 40 per cent during April to October 2023, compared to the corresponding period a year ago.

"For implementation of mandatory quality control order for steel and steel product also, the lab testing facility are required to be developed so



GROWING CONCERN. Government data show that steel imports from China have increased by 47%

that random samples get tested. Arresting misclassification and misdeclaration by exporters/importers should also be a priority. Hence, a port-based scrutiny would be a quick way to check imports," it was reportedly suggested, as per the minutes of the meeting reviewed by *businessline*.

NET IMPORTER

India became a net importer of steel during the April-November period (eight months of the fiscal) due to a continued fall in export orders and stiff competition from imports. Finished steel imports stood at 4.3 million tonnes (mt), exceeding exports (4mt) of the eight-month period. This

marks a drastic change for India, the second largest producer of crude steel globally, from its position as a net exporter. Government data show that steel imports from China increased by 47 per cent, while an internal review by the Ministry raised concerns about imports from Vietnam, Korea and Japan, which are up by 13 per cent.

Industry bodies pointed out at the meeting that import of non-prime material was another matter of concern.

Non-prime steel imports into India during April-October included cold-rolled offering, which constituted 13 per cent of imports, while coated steel was 10 per cent,

indicating a violation of quality control orders (QCOs). These non-prime steels are imported at abnormally low prices.

"Re-routing of imports was taking place. 'Rules of origin' in all trade facilitation agreements must be 'melt and pour' for steel, considering the advantageous position India has in the steel sector," it was mentioned.

MECHANISMS

During the meeting it was suggested that tariff rate quotas (TRQ) should be considered, on the lines of a similar response by the EU and the US.

It was also mentioned that while levying punitive duties, such as countervailing or anti-dumping duties, India follows the 'lesser duty rule', which needed to be reconsidered.

Incidentally, the Steel Ministry also asked industry bodies to decide on the "modalities" required for the removal of the 'lesser duty rule' with adequate justification.

It also sought justification for "designating specific ports of entry for clearly identified products".

'India had to import tur, urad and masur due to climate uncertainties'

Our Bureau

Mangaluru

India has to import tur (pigeon pea), urad (black matpe) and masur (lentils) due to climatic uncertainties resulting in fluctuations in production, according to a reply in the Lok Sabha.

In a written reply in the Lok Sabha on Wednesday, Ashwini Kumar Choubey, Union Minister of State for Consumer Affairs, Food and Public Distribution, said the country has attained self-sufficiency in chana and moong production. Though the production has increased in tur, urad and masur, climatic uncertainties have resulted in production fluctuations, he said. Owing to specific consumption preferences coupled with production fluctuations, India still needs to import tur, urad and masur to meet the objective of ensuring the availability of pulses at affordable prices for domestic consumers, the Minister said.

MOUS WITH 3 NATIONS

India has a Memorandum of Understanding (MoU) with Mozambique, Malawi and



The Centre said the National Food Security Mission aided hike in the pulses production

Myanmar for the import of pulses. The MoU provides for the import of 2 lakh tonnes (1t) of tur from Mozambique through private trade, and import of 0.50 t of tur from Malawi through private trade. MoU with Myanmar provides for an import of 1 t of tur and 2.5 t of urad through private trade.

Asked if the government has taken measures to reduce the import dependence on pulses, the Minister said the National Food Security Mission implemented by the Department of Agriculture and Farmers Welfare aims to increase domestic production of pulses through enhanced productivity, crop area ex-

pansion under pulses and promoting research and development for evolving better varieties. The increase in pulses production from 220.76 t in 2018-19 to 273.02 t in 2021-22 is a testament of the initiatives taken by the government in achieving self-sufficiency, he said.

FARM EXPORTS DIP

To a separate query on the softening of global farm prices, Anupriya Patel, Union Minister of State for Commerce and Industry, said the Food Price Index of the Food and Agriculture Organization had touched a peak of 159.7 in March 2022. It came down to 120.4 in November 2023, indicating a softening in global farm prices.

Agriculture exports from India declined by 11.6 per cent during April-September 2023-24 compared with the corresponding period a year ago. Due to a fall in international prices, per unit value realisations on exports of several farm products from India, including tea, spices, cereals, cashew, guar gum meal, fresh vegetables, dairy products, vegetable oils, castor oil, cotton, etc., have declined, she said.

Farm exports to take \$4-5 b hit on wheat, rice, sugar shipment curbs

Amiti Sen
New Delhi

India's agriculture exports could take a hit of \$4-5 billion this fiscal (FY24) due to the curbs on wheat, non-basmati rice and sugar shipments.

But the government is hopeful of maintaining at least last year's export level on the rise in shipments of items such as basmati, fruits and vegetables, meat and dairy, and cereal preparations, officials familiar with the matter said.

However, basmati rice exports may get affected by the Houthi rebel attacks on the Red Sea.

Costs could go up by 15-20 per cent if alternative routes to markets in the EU and Africa need to be used, a source tracking the matter told *businessline*.

FARM EXPORTS

"We expect that we would reach that (last fiscal's) level of agriculture exports in spite of \$4-5 billion impact due to the (export) restrictions," Rajesh Agarwal, Additional Secretary, Commerce Ministry, said in an interaction with reporters on Thursday.

In 2022-23, India's farm



KEY GRAIN. Basmati rice tops India's farm export basket with shipments touching \$3 billion till October REUTERS

exports were estimated at \$53.15 billion.

IMPENDING RISK

Basmati rice tops India's farm export basket with shipments of the premium variety touching \$3 billion till October, officials said. Export of basmati rice could be higher by 15-20 per cent this fiscal, per government estimates.

But basmati rice exporters could face a hitch in the coming days if the Houthi rebel attacks on the Red Sea force them to change the shipping route for their shipments, another source said.

"Commerce Department officials had a meeting with basmati exporters on the risk their shipments face in the Red Sea.

"While right now there is no impact, if the risk continues then they may have to opt for alternative routes to their destinations in the EU and Africa.

"This could increase their costs by 15-20 per cent which will reflect on prices," the source said.

As basmati is a premium product and the demand is largely inelastic, the hope is that demand would not be affected in case prices go up, the source added.

Business Standard. Dt: 22/12/23

Agri exports to remain flat despite restrictions

SHREYA NANDI

New Delhi, 21 December

India's agricultural exports may remain flat this financial year because export curbs on commodities such as wheat, non-basmati rice, and sugar may result in a decline in outbound shipments worth \$4.5-5 billion.

"We expect we will (maintain) that level in spite of a \$4.5-5 billion impact due to the restrictions."

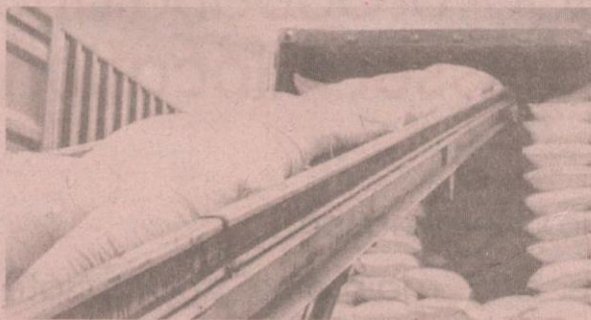
Additional Secretary Rajesh Agrawal told reporters on Thursday. India exported agricultural products worth \$53 billion in the previous financial year.

The decline in exports of these items could be balanced by promoting shipments of new products such as bananas and value-added millet products to new countries.

"In the next three years, we are hoping to increase banana exports to \$1 billion," Agrawal said.

Basmati rice exports

Disruptions on the Red Sea trade route may impact exports of India's premium quality basmati rice to Europe, Egypt, and parts of West Asia, a senior



India exported agriculture products worth \$53 billion in the previous financial year

government official said.

While there's no impact at the moment, if the situation persists, the trade will have to take a longer route for exports, which may result in a 15-20 per cent jump in prices of basmati rice shipments.

"Yesterday (Wednesday) we had a meeting with basmati exporters on the Red Sea issue. Right now, there is no problem but if this continues exports may see some disruption. Basmati is a premium product from India, so there is demand and exports will continue. If we look at alternative (longer) routes, the cost will increase by 15-20 per cent," the official said, adding that the demand may not get altered.

Last year, India exported basmati rice worth \$4.7 billion. During April-October this year, there were shipments worth \$3 billion.

Geopolitical conflicts have prompted an increasing number of shipping lines to avoid the Red Sea. The Iran-aligned Yemeni Houthi militant group said it launched a drone attack on a cargo vessel in the area on Monday, the latest in a series of such strikes that it says are a response to Israel's assault on the Gaza Strip.

About 15 per cent of global shipping traffic transits through the Suez Canal, the shortest shipping route between Europe and Asia, connecting the Red Sea and the Mediterranean.

● SUGAR, RICE SHIPMENTS RESTRICTED

Agri exports to touch \$53 bn despite curbs

MUKESH JAGOTA
New Delhi, December 21

DESPITE THE DENT from curbs on exports of rice and other farm produce, India's agriculture exports this financial year are expected to reach the last year levels of \$53 billion, a senior official said on Thursday.

"We expect that we would reach that level in spite of \$4.5 billion-\$5 billion impact due to the restrictions," additional secretary in the commerce ministry Rajesh Agrawal told reporters on Thursday.

The government this year banned exports of non-basmati rice and put curbs on sugar and onion exports.

Last year India exported \$11.14 billion of rice.

In April-November, rice exports declined 7.65% to \$6.5 billion.

Though only basmati rice exports are now allowed, there has been an increase in export volume and value realisation.

He said the government is promoting exports of products like bananas and value-added millet products to new global destinations. "In the next three years, we are hoping to increase banana exports to \$1 billion from \$173 million at present," Agrawal said.

Agricultural and Processed Food Products Export Development Authority has devel-

TRADE NUMBERS

■ Fruits and vegetables the export growth has been **15%** this year

■ The aim is to take fruits and vegetables export to **\$1 bn**



■ In Apr-Nov, rice exports declined **7.65%** to **\$6.5 bn**

■ Last year, India exported **\$11.14 bn** of rice

■ India's share in global trade in alcoholic drinks is

\$325 mn



■ The target is to raise the exports of spirits to **\$1bn** in the next three years

oped a protocol for exporting bananas by sea. The first shipment has been sent to the Netherlands and newer destinations will be added.

This sea protocol is a big breakthrough as it reduces costs. Earlier, shipments were going via air. Banana is the most traded fruit in the world with total trade at \$16 billion.

In other fruits and vegetables, the export growth has been 15% this year and in the next three years aim is to take it to \$1 billion.

Demand for meat, dairy and poultry products registered a healthy growth rate during April-November and importers from more countries have shown an interest in

produce from India.

Alcoholic beverages are another area on which the government wants to focus. The global trade in alcoholic drinks is more than \$100 billion and India only has a share of \$325 million. The aim is to increase the exports of spirits from India to \$1 billion in the next three years.

The two key free trade agreements (FTAs) that are being negotiated with the UK and the European Union (EU) has a significant chapter on trade in wines and spirits.

While both the UK and EU are seeking access to Indian markets on preferential tariffs, India too is negotiation easier terms for its spirits industry.

FINANCIAL EXPRESS. Dt: 24/12/23.

'Export basket shifted from labour to capital and skill-intensive products'

FE BUREAU
New Delhi, December 21

INDIA'S EXPORT BASKET has undergone a shift from labour-intensive products like textiles to capital- and skill-intensive ones like, engineering goods and jewellery, according to an essay by the economists in the finance ministry.

A comparison of India's current trade basket to the early 1990s reveals that India added 628 new products to its export basket by 2022. Nearly one-third of these new products consist of high-value engineering goods, petroleum products, and chemicals.

In the three decades between 1994 and 2022, India has not just

carved out new markets but has become the market leader in some of the new product categories, according to study.

India is a top exporter of shipping vessels (with nearly 33% market share). Similarly, it is a leading exporter of iron and steel alloys — a market that was unexplored before 1994. The growth of the new product basket outpaces the growth of surviving products. Some of the highest growth rates were registered by products such as helicopters, arms and ammu-

nition and electrical machinery.

As per the study, growing traction in new markets, particularly in developing countries, has also helped India to increase its share in world exports. This change in the destination pattern of India's exports is in line with growing income levels in developing countries.

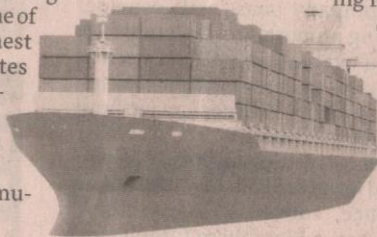
India's exports have been growing faster than the rate of growth of world exports in contrast to the pre-reform period. Further, the export growth during the post-reform period, by

and large, has been broad-based.

India's exports have been growing faster than the rate of growth of world exports in contrast to the pre-reform period. Further, the export growth during the post-reform period, by and large, has been broad-based, the study noted.

India's goods and services exports doubled in the two-year period ended 2022 to \$770 billion amid the rising supply side disruptions across the world, it added.

"There were several tailwinds in favour of this upsurge, such as a diversion of trade from other countries in favour of Indian products, a continued increase in global commodity prices and a strong rebound in global trade," the study said.



Business Line, At. 25/12/23

After Nov high, diesel exports to fall in Dec as local use picks up

FREE FLOW. Construction activity, Rabi sowing, year-end travel to push up auto fuel use

Rishi Ranjan Kala

New Delhi

India's diesel exports rose to a 17-month high of 2.83 million tonnes (mt) in November on account of lower domestic consumption coupled with higher refinery runs, sparing a larger capacity to sell to customers in Europe and the US.

However, this trend is likely to change in December as domestic consumption picks up.

According to the Petroleum Planning and Analysis Cell (PPAC), high-speed diesel (HSD) exports in November rose 34 per cent month-on-month and 43 per cent on an annual basis.

The outbound cargoes of diesel during November were the highest in the last 17 months since June 2022, when India exported 2.46 mt of the critical auto fuel, which is also used for heating (gas oil). In May 2022, diesel exports stood at 3.06

Crude oil/ diesel scenario (million tonnes)

Month/ Year	Crude oil import	Crude oil processed		Diesel production	Consumption	Export
		PSU/ JV	Private			
June 2023	19.56	14.9	6.6	9.76	7.91	1.95
July 2023	19.51	14.7	7.2	9.51	6.89	2.38
Aug 2023	18.71	14.7	7.2	9.48	6.67	2.62
Sept 2023	17.5	13.8	6.5	8.94	6.49	2.32
Oct 2023	18.53	14.3	6.2	9.41	7.64	2.11
Nov 2023	18.53	15.0	6.7	9.96	7.53	2.83

Source: Petroleum Planning and Analysis Cell (PPAC)

mt. The development largely benefits private refiners Reliance Industries (RIL) and Rosneft-backed Nayara Energy, which are the major exporters of diesel to Europe and the US.

SEASONAL VARIATIONS

An official with an oil marketing company (OMC) explained that during the monsoon, mobility, construction, and mining activity declines, which also reflected in lower consumption of diesel. Also, refinery runs during this

period focus on export earnings.

October-December is a key consumption quarter due to rising industrial, mining, and farming activities. Festival and marriage seasons also add to the demand. OMCs then start stocking from September to meet domestic demand.

September and October saw refinery maintenance halts, leading to lower processing of crude oil. This also reflects lower import volumes of crude oil and lower production of diesel.

The balance from previous months and higher diesel production in November, at 9.96 mt, coupled with lower consumption during the month translated into a larger capacity for exports.

The consumption in October was higher also due to the early harvesting of kharif crops. Besides, most of the stocking for FMCG and FMCD happened in October, as Diwali was in November.

Gasoline, petrol, and jet fuel consumption was higher in November as mobility during the month increased due to Diwali and marriage season.

DECLINE IN DECEMBER

"The export could be a one-time phenomenon. Diesel consumption will inch up as farm activity for Rabi crop sowing picks up. Besides, construction and industrial activity also look promising. Also, the marriage season will start again next month," the official projected.