

Business Line. Dt: 21/4/23

BharatRohan to diversify into exports of farm produce

Vishwanath Kulkarni
Bengaluru

Agritech start-up BharatRohan, which provides drone-based precision farming services to farmers is diversifying into exports of cash crops such as cumin, coriander, chilli and ginger.

Amandeep Panwar, Director and co-founder of BharatRohan, said the company would soon start exporting residue-free farm produce such as cumin, coriander, chilli and ginger to the markets in the European Union and China, sourcing directly from farmers who have been growing them using the integrated pest management (IPM) methods. The company has been procuring from farmers directly and supplying to the large institutional buyers. Sensing a market opportunity, the company now wants to

The company, in collaboration with the bio-input makers, has been engaged with farmers on the use of IPM methods

enter the export markets directly and has acquired the necessary certifications, Panwar said.

PRECISION FARMING

The company, in collaboration with the bio-input makers, has been engaged with farmers on the use of IPM methods. BharatRohan is sourcing ginger from farmer groups in Meghalaya, cumin and coriander from Rajasthan and has recently started working with farmers in Guntur region for chillies and turmeric in Telan-

gana. The company has been offering its precision farming services to farmer groups across five states — Uttar Pradesh, Rajasthan, Haryana, Punjab and Meghalaya— on about 50,000 acres. “We are also working with the Haryana and Uttar Pradesh governments for crops such as paddy and wheat,” he said.

“Our target is to expand the services from the current 50,000 acres to 5 lakh acres over the next 18-24 months,” Panwar said. The company is expanding its footprint to States such as Maharashtra, Madhya Pradesh and Telangana. Currently, BharatRohan is working with about 10 farmer producer organisations and is in the process of partnering with some 123 more to scale up its operations.

Drone-based precision farming services will remain the core, Punwar said.

Non-basmati rice export slumps 57% in Sep on duty hike



Basmati rice export in contrast up 5.7% despite MEP

SANJEEB MUKHERJEE
New Delhi, 20 November

India's non-basmati rice exports dropped by about 57 per cent in volume terms and 60 per cent in value in September this year as compared to the same month last year, following a slew of measures taken by the government.

However, the basmati rice exports rose almost 5.7 per cent in volume terms and 20.5 per cent in value in September 2023 as compared to the same month last year, according to the data from various agencies.

India, the world's biggest rice exporter, imposed on August 26 an export duty of 20 per cent on parboiled rice and also imposed the Minimum Export Price (MEP) of

MIXED BAG

Basmati rice export in FY24

	Volume (tonne)	Value (\$ mn)	Avg price (\$/tonne)	Volume chg* (%)	Value chg* (%)
April	424,650	470	1,107	32.8 ↑	45.1 ↑
May	406,208	447	1,100	11.1 ↑	19.5 ↑
June	341,826	382	1,118	-22.3 ↓	-17.0 ↓
July	436,316	475	1,089	14.6 ↑	16.1 ↑
Aug	401,000	451	1,125	8.4 ↑	10.5 ↑
Sep	296,000	365	1,233	5.7 ↑	20.5 ↑

*Y-o-Y change

\$1,200 per tonne on basmati rice. Subsequently, in late October, the MEP on basmati was lowered to \$850 per tonne after the government started accepting consignments for clearance at a lower price.

Overall, data sourced from the Agricultural and Processed Food Products Export Development Authority (APEDA) shows that between April and September

2023, around 2.3 million tonnes of basmati rice was exported from India valued at around \$2590 million.

During the same period last financial year, around 2.1 million tonnes of basmati rice was exported valued at around \$2,278 million.

According to APEDA data, about 6.9 million tonnes of non-basmati rice was exported valued

Non-basmati rice export in FY24

	Volume (tonne)	Value (\$ mn)	Avg price (\$/tonne)	Volume chg* (%)	Value chg* (%)
April	1,420,107	530	373	5.0 ↑	10.0 ↑
May	1,425,783	530	372	7.4 ↑	10.0 ↑
June	1,211,772	463	382	-27.4 ↓	-23.0 ↓
July	1,300,338	501	385	-11.4 ↓	-3.8 ↓
Aug	1,098,000	492	448	-38.3 ↓	-22.3 ↓
Sep	426,000	191	448	-57.4 ↓	-60.2 ↓

Source: Trade, market players

at \$2,707 million in April to September of 2023-24 financial year.

During the same period of 2022-23 financial year, nearly 8.9 million tonnes of non-basmati rice was exported valued at \$3,199 million.

"Other leading global rice exporters have been implementing policy measures to protect their food security and

local inflation," S Chandrasekaran, a leading trade policy analyst, told *Business Standard*.

"The year 2024 is likely to witness tight rice market supply and increasing rice prices," Chandrasekaran said.

"India should exercise utmost precautionary principles if it intends to relax the rice exports," he said.

Business Line. Dt: 22/1/23

Tesla nearing deal with India for car exports, \$2-b plant

Bloomberg

India is closing in on an agreement with Tesla that would allow the US automaker to ship its electric cars to the country from next year and set up a factory within two years, according to people familiar with the Indian government's thinking.

An announcement could come at the Vibrant Gujarat Global Summit in January, one of the people said, declining to be identified because the discussions are private. Gujarat, which is Prime Minister Narendra Modi's home base, Maharashtra and Tamil Nadu are under consideration because they already have well-established ecosystems for electric vehicles and exports, said another person.

Tesla would commit an initial minimum investment in any plant of around \$2 billion, said one person, and



NOT ON SAME TRACK. Elon Musk has criticised India's high import taxes and, India, in turn, has advised Tesla not to sell cars in the country made in China, its political rival

look to increase purchases of auto parts from the nation to as much as \$15 billion. The US automaker would also seek to make some batteries in India to bring down costs, said the person.

FINAL DECISION

No final decision has been made and the plans could change, said the people. Tesla Chief Executive Of-

ficer Elon Musk said in June that Tesla plans to make a "significant investment" in India and he intends to visit in 2024. Representatives from the Ministry of Heavy Industries, which oversees the automobile sector, and the ministries of finance, and commerce and industry, didn't respond to requests for comment.

Tesla also didn't respond to a request for comment.

Breaking into the world's most-populous nation, where demand for electric vehicles is growing among aspirational middle-class consumers, would be a boon for Tesla, which currently has factories in the US, China and Germany.

Indian government has been pushing to increase domestic manufacturing of EVs and encourage a more rapid adoption of cleaner transport.

Despite those efforts, India's EV market hasn't taken off, with battery-powered cars accounting for just 1.3 per cent of the total passenger vehicles sold last year. Buyers are hesitant to make the switch due to electric cars' high upfront cost and a dearth of charging stations.

Tesla doesn't import cars directly into India because of the high tariffs that are levied. When its first locally made cars do go on sale they could retail for as little as \$20,000.

Trade Minister Piyush

Goyal, who visited Tesla's plant in Fremont, California, earlier this month, said in September that the company is planning to almost double purchases of auto parts from India to \$1.9 billion this year.

The electric carmaker sourced parts worth \$1 billion from the nation last year, he said at an event in New Delhi at the time.

Tesla and India, which is the world's third-largest automobile market, reopened dialogue in May following a year-long impasse. Musk has criticised India's high import taxes and its EV policies and, India, in turn, has advised Tesla not to sell cars in the country made in China, its political rival.

IMPORT TAXES

India is now said to be considering lowering import taxes for international EV manufacturers for a period of five years if those firms eventually commit to setting up local factories.

● INTER-MINISTERIAL GROUP TO DECIDE ON DETAILED PLAN

New EV policy may offer firms import tariff relief

MUKESH JAGOTA & ROHIT VAID
New Delhi, November 21

A COMPREHENSIVE POLICY to encourage electric vehicles (EV) manufacturing in the country may give the players the facility to import these vehicles, including as completely built units (CBUs), at concessional tariffs for an initial period, a senior official said.

These incentives, however, would be subject to definitive investment obligations in greenfield EV plants in the country.

The extent of investment obligation as well as the rate of increase in the local content of the sales by EV players would be decided by an inter-ministerial group (IMG), the source said.

According to a proposal under consideration, interested auto players will be allowed to import "a certain number of CBUs" in lieu of their investment commitments. However, this number will be regulated in keeping with the actual investments made by the car

MAKE IN INDIA PUSH

■ Incentives to be subject to definitive investment obligations in greenfield EV plants

■ Firm to qualify for tariff concession only after making initial investment



■ Auto players will be allowed to import a certain number of completely built units in lieu of investment commitments

■ Sharing know-how with local component suppliers, future export plan may be key considerations



maker on a periodic basis.

A firm will qualify for the tariff concession only after making an initial investment in the country the source indicated.

Besides, other conditions such as sharing of technical know-how with local component suppliers and future export plan may be part of the package that combines incen-

tives with investment obligations.

It is widely expected that import duties might be slashed under the new EV manufacturing scheme to attract the likes of Tesla. These duty reductions are expected to be administered at different price points.

As per the sources, rather than a cash incentive to boost either

demand or supply, the proposal's larger aim is to set up cluster-based manufacturing of EVs.

Till now, views from the various ministries such as commerce and heavy industries have already been sought, while the department for promotion of industry and internal trade (DPIIT) has been anchoring the whole process to form the policy initiative.

Nevertheless, sources said that an IMG may be required to be set up to resolve any differences within the government departments, as key deliverables surround sensitive subjects like the magnitude of concessional import duty rates, the extent of investment and pace of scaling up of local manufacturing in a phased manner.

"A lot of work needs to be done to fine tune the proposals into a workable policy initiative."

The government already runs four different schemes to aid local manufacturing of electric vehicles; how these are aligned to the new proposals would be a challenge.

Business Line Dt: 23/11/23

Govt tweaks gold import policy to bolster yellow metal trade with UAE

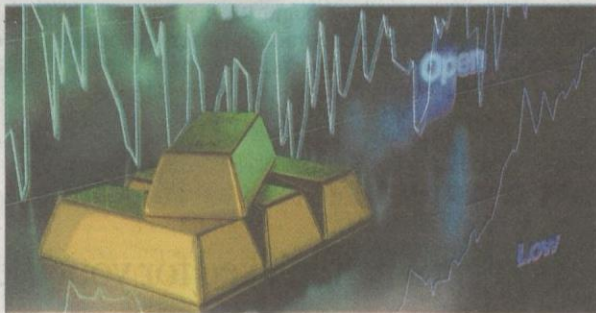
KR Srivats

New Delhi

The Centre has amended the gold import policy condition to give further fillip to the gold trade between India and the UAE.

The Directorate General of Foreign Trade (DGFT) has now allowed gold to be imported through India International Bullion Exchange IFSC Ltd (IIBX) at a concessional import duty rate under the tariff rate quota (TRQ) provisions of India-UAE Comprehensive Economic Partnership Agreement (CEPA), which came into effect from May 2022.

“Valid India-UAE TRQ



NEW AVENUE. Valid quota holders under the India-UAE trade pact can import gold through the Gift City based IIBX

holders, as notified by IFSCA, can import gold through IIBX against the TRQ and can obtain physical delivery of the same through IFSCA registered vaults located in SEZs as per the guidelines pre-

scribed by the IFSCA,” the DGFT said in a notification.

FACILITATING TRADE

Reacting to this development, Vipul Shah, Chairman, The Gem and Jewellery Export

ProMotion Council, told *businessline* this move will facilitate the trade of gold between the two countries and benefit the Indian jewellery industry. It will reduce transaction costs and enhance the ease of doing business, he added.

“This will also help in creating a vibrant gold market in India and boost the exports of value-added jewellery products. We appreciate the efforts of the Government of India and the IFSCA in implementing this progressive policy measure,” Shah added.

The India-UAE CEPA provides one per cent duty concession to domestic importers on a specified quantity of gold under TRQ (tariff rate quota) provisions of the pact.

Business Line. Dt: 23/11/23

Exports of Samsung, Apple boost shipments of electronic goods

Press Trust of India

New Delhi

Increasing exports of mobile phones by companies like Samsung and Apple are helping boost the electronic goods sector, a senior government official said.

Director General of Foreign Trade (DGFT) Santosh Kumar Sarangi said there has been an "exponential" jump in exports of electronics goods from India. From 11th or 12th a few years back, the sector is the fifth highest exporting commodity from India now, he added.

"The jump has been exponential and largely on account of Samsung and Apple phones being exported from our country. So, there are certain sectors which are going to see rapid growth in exports and electronics, especially mobile phones and a lot of IT hardware...will become high ex-



Santosh Kumar Sarangi,
Director General Foreign Trade

port commodities in future," he said here at a function on MSME exports.

Electronic goods exports rose by 27.7 per cent to \$15.5 billion during April-October this fiscal. Sectors like electronics, value-added agri products, renewable energy items like solar panels and modules, and electric vehicles would help in taking the country's goods and services exports to \$2 trillion by 2030, he added.

"I can see that there is an enthusiasm among exporters to send more and more value-added products. So, in the coming years, it will be a major sector for exports," Sarangi said, adding that the EV industry is also shaping up well.

Large companies like Tata and Mahindra are experimenting big on these vehicles, and exports from this segment will also rise in the coming years, he noted.

The DGFT's emphasis on vendor development programmes will help the MSME sector, which is key in pushing exports. "We need to work on this (vendor development programmes)," he said.

The government is working to achieve the export target through different schemes, improving ease of doing business, promoting automation, and steps to boost domestic manufacturing, Sarangi noted.

APEDA gears up to restore India's glory in cashew exports

Prabhudatta Mishra

KV Kurmanath

New Delhi/Hyderabad

After India missed an opportunity that Vietnam took in 2002 by modernising its cashew processing units to the international level, the government's agri-export promotion body APEDA was tasked two months back to bring back the top position for the country in global trade and it has chalked out an action plan to expand the growing areas as well as connect them with the global market.

"Only two months back the Kerala High Court vacated the stay and we have now started working on cashew," Abhishek Dev, Chairman of APEDA told *businessline*. He said there was a stay on the 2020 order of the government transferring the export promotion activities of cashew to APEDA from the Kerala-based Cashew Export Promotion Council (CEPC).

Dev said that APEDA will be facilitating the export of over 30 tonnes of cashew nuts to Qatar and Malaysia from Tamil Nadu and from Kerala to the US on November 23, which is also World Cashew Day. Next month, 2 tonnes from Odisha will be shipped to Bangladesh by road, he said.

MODERNISATION

He also said India has a promising future once modernisation of processing units starts as farmer producer organisations (FPOs) have also come up in the last few years to build up scale. States like Andhra Pradesh, Maharashtra, Odisha and Gujarat have big potential in cashew export, officials of APEDA said adding more companies can be brought in to value addition segment of cashewnuts.

In 2002, Vietnam started the implementation of mechanisation in cashew processing units with the help from the US

government and as a result it was able to reduce production cost as well as produced high quality nuts. "The Vietnamese kernels are preferred because those are cheaper," an official of APEDA said adding India has to be made export competitive.

NEW MARKETS

India, the second largest exporter of cashew products in the world, is looking at new geographies such as Japan, the European Union, South Korea, Taiwan and Australia to develop new export markets. "Due its use in cosmetics and health industry, India can tap new markets like South Korea and Australia with whom we are looking at 'organic equivalence' agreements. We have already signed such an agreement for the promotion of exports," a senior official of APEDA (Agricultural and Processed Food Products Export Development Authority) has said.

The government is looking at an increase of 10 per cent in exports in the current financial year.

Rich in unsaturated fats, copper, magnesium, manganese, zinc, phosphorus, and iron, cashews are a key ingredient of several recipes of both regular and exotic dishes, adding flavour and taste. They are a great source of fiber and antioxidants and contain almost the same amount of protein as an equivalent quantity of cooked meat.

Exports of cashew kernels (whole) from India dropped to \$332.87 million (or ₹2,677.61 crore) in 2022-23 from \$873.16 million (₹5,627.81 crore) in 2017-18, officials data show.

Vietnam's cashew exports were reportedly \$2.95 billion during January-October of 2023, up by 15.9 per cent from year-ago. The government has set a target of \$ 3.1 billion for calendar year 2023, against actual export of \$ 3.07 billion.

Business Standard. Dt: 23/11/23.

\$5 bn and rising: iPhones 62.5% of India's smartphone exports

SURAJEET DAS GUPTA

New Delhi, 22 November

Apple has exported iPhones of over \$5 billion in value in the first seven months of FY24 (April-October) from India, notching up a staggering year-on-year growth of 177 per cent.

In April-October of FY23, the Cupertino-headquartered company through its three vendors in India had exported iPhones worth \$1.8 billion, according to data from industry and government. The export of iPhones from India during the entire 2022-23 was worth \$5 billion. As a result of this upsurge, industry estimates that India's smartphone exports in the same period hit around \$8 billion, with an average run rate of over \$1 billion every month.

Turn to Page 6 ▶

COME A LONG WAY



*FY24 figures for April-October period
Sources: Industry, government

HSBC India and UK Export Finance partner to support Indian MSMEs

KR Srivats

New Delhi

HSBC India and UK Export Finance (UKEF), the United Kingdom's export credit agency, intend to establish a financing programme of up to £100 million to support Indian Micro, Small and Medium enterprises (MSMEs) and corporates for financing their imports from UK.

This partnership is expected to enhance the availability of credit for Indian MSMEs and boost trade ties between the two countries.

HSBC India and UKEF on Thursday signed a Letter of Intent (LoI) to enable them to work together on opportunities relating to UKEF's guarantee-backed structures. HSBC India and

UKEF will work closely to originate, structure and extend financing and credit facilities to Indian MSMEs.

Commenting on this announcement, Hitendra Dave, CEO, HSBC India, said, "The partnership with UKEF will help leverage our inherent synergies and boost trade and economic ties between India and UK".

DRIVING FORCE

MSMEs have emerged as a mainstay of innovation and growth in India and are the driving force behind the nation's growth aspirations, he said.

"Given our large franchise in India and our global strengths, we are ideally placed to support the ambitions of these small businesses through our partnership with

UKEF", Dave added. Tim Reid, CEO, UK Export Finance, said, "UK exports offer a wealth of opportunity for buyers in the Indian market. This partnership sees us explore new ways to help Indian businesses — from SMEs to large corporates — access best-in-class goods and services from the UK."

Harjinder Kang, HM Trade Commissioner for South Asia and Deputy British High Commissioner, Western India, said, "With more than 600 UK companies already finding success in India, the opportunities for UK exporters in India are huge. This partnership between UKEF and HSBC India will further support the ambition of mobilising investment into India of up to £3 bn by 2025."

Business Line, dt. 24.11.23

Coal imports for power plants surge 65% in October on rising demand

Rishi Ranjan Kala

New Delhi

Thermal power plants (TPPs) imported 65 per cent more coal on a monthly basis during October 2023, as India's power consumption surged, aided by rising industrial and domestic use.

The scenario prompted the Power Ministry to mandate more blending with imported coal at 6 per cent from 4 per cent earlier.

TPPs with cumulative capacity exceeding 180 gigawatts (GW) imported 7.5 million tonnes (MT) of

coal for blending last month, against 4.54 MT in the year-ago period, a growth of 65 per cent, government data showed.

However, inbound shipments of the critical commodity fell 9 per cent year-on-year to 35.28 MT during April-October in the current financial year, from 38.84 MT during the same period in FY23.

POWER CONSUMPTION

India's power demand has surged at an unprecedented pace in the last few months, rising by more than 20 per cent y-o-y during August, September, October and

Hotting up

Coal import by thermal power plants for blending (million tonnes)

	Oct-23	Oct-22	April-Oct 2023	April-Oct 2022
Domestic supply	65.5	55.9	446.9	410.7
Imported supply	7.5	4.5	35.28	38.84
Total supply	73	60.5	482.2	449.5
Consumption	75.7	58.3	498	447.6

Source: Central Electricity Authority (CEA)

November so far.

The rising power demand was a key issue of focus during the recently concluded meeting of Centre and State power ministers (October 6-7).

Power Minister RK Singh also directed States and union territories to run power plants at full capacity.

Sources said that during the next demand season,

April to June, peak power demand can scale 250 GW from 241 GW recorded on September 1, 2023.

Despite consistently higher production and despatch by the Coal Ministry, the rising consumption of electricity has stretched coal supplies at power plants.

COAL CONSUMPTION

According to the monthly coal report, TPPs with capacity exceeding 206 GW consumed 75.7 MT of coal in October 2023 against 58.3 MT in October 2022.

During April-October 2023, consumption surged

to 498 MT against 447.6 MT in the year-ago period. Domestic supplies of the dry fuel were higher at 65.5 MT last month, compared to 55.9 MT in October 2022.

During April-October 2023, supplies stood at 446.9 MT, against 410.7 MT in April-October 2022.

During October, Coal India (CIL) supplied 48.73 MT of coal, followed by captive mines at 7.88 MT. Singareni Collieries Company (SCCL) supplied 5.27 MT, while 3.03 MT of coal was procured through e-auctions.

Currently, the gap between consumption and

receipt at domestic power plants is around 2.5 lakh tonnes (LT) per day.

SURGE IN DEMAND

India's energy consumption rose 22 per cent y-o-y to 139 billion units in October 2023 owing to a surge in electricity demand, below-average rainfall and lower base from last year.

TPPs ran at a plant load factor (PLF) of 71.72 per cent in October 2023 against 55.11 per cent last year. For April-October, the PLF was 68.73 per cent, against 62.75 per cent during the same period last year.

Business Line, Sat. 24.11.23

Domestic paper industry frets as H1 imports under FTA zoom 257%

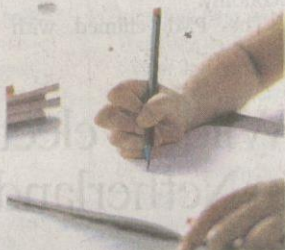
Our Bureau

Kochi

Import of paper and paperboard continues unabated. After a 25 per cent jump in volume during the 2022-23 fiscal, paper imports increased further by 43 per cent in the first half of the current fiscal, according to DGCI&S data.

The surge in imports is mainly due to a 257 per cent growth in import of paper and paperboard from the ASEAN region at zero import duty under a free trade agreement.

In April-October 2023, import of paper and paperboard increased to 9.59 lakh tonnes from 6.72 lakh tonnes in the same period a year ago. Imports from ASEAN grew from 81,000 tonnes to 2.88 lakh tonnes. While imports of all grades of paper have risen sharply, imports of uncoated writing and printing paper have risen 267 per cent in



In April-October, import of paper was up at 9.59 lt from 6.72 lt in the year-ago period

volume terms in the first half compared with the year-ago period.

RISING INPUT COSTS

In value terms, too, import of paper and paperboard increased by 10 per cent and paper worth ₹6,481 crore landed in the country, notwithstanding the adequate domestic capacities to manufacture almost all grades of paper, according to the Indian Paper Manufacturers Association.

Even as the industry is grap-

pling with the issue of producing paper and paperboard at competitive prices in view of the significant increase in raw material and input costs, it is hamstrung by the preferential tariff treatment of paper and paperboard imports under various free trade agreements, said Pawan Agarwal, IPMA president. Besides the zero import duty on paper under the ASEAN and Korean FTAs, India has extended import tariff concessions to China (and other countries) under the Asia Pacific Trade Agreement (APTA), offering 30 per cent margin of preference, thereby reducing the basic customs duty from 10 to 7 per cent on most grades of paper.

IPMA has urged the government to keep paper and paperboard in the negative/ exclusion list, where there is no preferential treatment in terms of import tariff, while urgently reviewing existing FTAs (ASEAN, South Korea and Japan).

The Economic Times, 24-11-23

Onion Exports Logged Before Oct 29 Can be Shipped till Month-end

Our Bureau

New Delhi: The government on Thursday clarified that onion consignments that have been handed over to the customs authorities and are registered in their systems before October 29, when the minimum export price (MEP) was imposed, can be exported till November 30 this year.

On October 28, the government imposed an MEP of \$800 per tonne on onion exports till December 31 this year with an aim to increase availability of the kitchen staple in the domestic market and contain prices.

The directorate general of foreign tra-

de (DGFT) issued the clarification as the MEP was put in place for all varieties of onion except Bangalore Rose and Krishnapuram onions but some exporters of these varieties were also being questioned about their shipments. "Where onion consignment has been handed over to the customs before October 29, 2023... and is registered in their system/ where onions consignment has entered the customs station for exportation before this notification and is registered in the electronic systems of the concerned custodian of the customs station with verifiable evidence of date and time stamping of these commodities having entered the station prior to October 29.

Financial Express, dt. 24.11-23

Crude oil imports flat in April-Oct, production dips

ARUNIMA BHARADWAJ
New Delhi, November 22

INDIA'S OIL-PRODUCING companies — Oil and Natural Gas Corporation (ONGC), Oil India (OIL), and various joint ventures — produced 15.9 million tonne of crude oil in April-October this financial year, down 3% on year, data from the Petroleum Planning and Analysis Cell showed.

This was even as crude oil imports rose 0.6% to 134.4 million tonne in the first seven months of the fiscal. In October alone, imports stood at 18.5 million tonne, up 2.2% on year.

The companies had set a target to produce 17.6 million tonne of crude oil in the first seven months of FY24.

Crude oil prices have remained subdued this fiscal compared with

OCT CRUDE PROCESSING

■ Of total crude oil processed, share of **BPCL and HPCL rose to 3 million tonne each** from 2.6 million tonne and 2.7 million tonne in October 2022 respectively



■ **IOC processed 5.7 million tonne of crude last month** against 6.2 million tonne a year ago

■ **Refineries processed 20.6 MT crude in Oct** against 20.9 MT target

the last, which saw a spurt in prices following Russia's invasion of Ukraine in February 2022. The recent outbreak of conflict in West Asia again raised concerns about a possible spike in global crude oil prices, but these seem to have been allayed lately.

Going ahead, shrinking demand from the world's top oil consumers China and US, and a possible extension of the voluntary output cuts by the Organisation of Petroleum Exporting Countries (OPEC) may result in subdued oil prices for the remainder of FY24, analysts say.

Despite the rise in import volumes, the net import bill for the oil and gas sector in October fell marginally to \$11.8 billion from \$11.9 billion last year. It declined by nearly a fourth to \$68 billion in Apr-October compared with \$90.1 billion in the corresponding period of last fiscal. The decline in the import bill can be attributed to subdued prices of crude and natural gas, according to data.

The average price of the Indian crude oil basket was at \$83.44 per barrel in the April to October period against \$102/bbl in the same period last year, data from Petroleum Planning and Analysis Cell showed.

The price of Brent crude averaged \$91.05 per barrel during October as against \$94.00/bbl during September and \$93.33/bbl during October 2022, the report said.

India's dependency on crude oil imports has grown to 87.6% in the first seven months of FY24 from 86.6% in April-October last fiscal primarily on increased consumption of petroleum products even as production remained stagnant. Consumption of petroleum products in Apr-October rose to 133.6 million tonne from 126 million tonne a year ago.

Of the total oil and gas imports, crude oil imports constituted \$11.7 billion and LNG imports were billed at \$1.2 billion, as per PPAC.

Natural gas imports registered an increase of 18.2% to 2,337 mmscm (million standard cubic metres) last month amid rising consumption. Total natural gas consumption for October was at 5,447 mmscm up by 13.4% than the year-ago period.

PV exports may remain in positive growth lane in 2023, driven by Maruti and Hyundai

G Balachandrar
Chennai

India's top two car makers, Maruti and Hyundai, are expected to keep the growth momentum (albeit low single-digit growth) in passenger vehicle (PV) exports for the calendar year 2023 amid improving macro-situations in some markets and the easing of supply-chain challenges.

For the January-October 2023 period, the total passenger vehicle (including utility vehicles and cars) exports stood at about 5.56 lakh units, of which cars accounted for 3.48 lakh units (about 63%), while SUV exports were at 2.08 lakh units. In 2022, total PV exports stood at 6.45 lakh units.

With the current trend in exports, the PV segment is expected to end this calendar year with total exports of about 6.5-6.6 lakh units, which will be marginally higher than the shipments in 2022.

But total exports of 6.6 lakh units will be much lower than the peak shipments of 7.4 lakh units (cars accounted for 79 per cent then) achieved in 2017.

MAJOR DRIVERS

Currently, Maruti Suzuki India Ltd., the largest PV exporter from India, and Hyundai Motor India Ltd. are the major drivers of India's total PV exports.

Of the total PV exports of 5.56 lakh units during the January-October period, Maruti accounted for about 2.17 lakh units, while Hyundai's share was about 1.34 lakh units. These two account for about 63 per cent of PV exports. Other PV exporters,



IN THE LEAD. Of the total PV exports of 5.56 lakh units during the Jan-Oct period, Maruti accounted for about 2.17 lakh units

such as Kia and Nissan, have seen a decline in exports this year, while Volkswagen and Toyota have seen a rise in shipments this year.

The pandemic and associated impact pulled down India's PV exports from 7 lakh plus in 2019 to 4 lakh plus in 2020. While shipment of India-built cars and SUVs has been gradually increasing year-on-year since 2021 in the post-Covid period, expansion to more markets by PV OEMs and the launch of more SUV models have also boosted the export opportunities.

EXPORTS UP

Maruti has seen a good increase in exports over the past two quarters. Its exports grew by 9.7 per cent in the September 2023 quarter when compared with the year-ago period.

"New SUV models, such as the Grand Vitara and Fronx, are also contributing to growth in export volumes. Recently, the company further expanded its product portfolio for exports with the start of exports of 5-door Jimny. The vehicle will be shipped to destinations in Latin America, the Middle East, and the Africa region," the management of Maruti said during its recent earnings call.

Maruti's top three selling

models in the export markets include the Baleno, Dzire, and S-Presso, and the company is exporting its vehicles to about 100 countries across the world. While the demand situation is very dynamic in some export markets, the company will continue to focus on Africa, Latin America, South-east Asia, and even the Middle East, it said.

Going forward, Maruti plans a 3-fold increase in its export volume as it targets shipments of 750,000-800,000 units per year by 2030-31.

Apart from the global economic situation, the shutdown of the 3-decade-long production of Ford in India also had an impact on PV exports. The US carmaker, which announced its exit from India in September 2021, was one of the leading PV exporters from the country as it made its Indian operations a hub for exports to certain markets. It had built a large production base with a capacity to produce 4.4 lakh units a year.

For a very long period, Ford was selling more India-built cars outside India than in the domestic market. Huge losses, poor growth in India, and tightening of regulations in its key export markets were cited as reasons for winding up operations in India.

Business Line, dt. 27/11/23

Coal prices to weaken on Chinese output, imports

Subramani Ra Mancombu

Chennai

Thermal coal prices are likely to rule weak for the remainder of the year and in 2024 in view of oversupply in the Chinese market owing to increased domestic production and surge in imports.

The World Bank Commodity Outlook said Australian coal prices fell by 8 per cent quarter-on-quarter in the third quarter of 2023, following a 31 per cent drop in the second half, with South African coal prices changing similarly. "The conflict in the Middle East has led to a modest uptick in coal prices," it said.

The Australian Office of Chief Economist said after an extraordinary spike in 2022, thermal coal prices fell back sharply in the first half of 2023, but have since stabilised, with prices for higher grade coal lifting slightly in recent weeks.

PRICE FORECAST

"As global supply recovers, the Newcastle benchmark price (6,000 kcal) is forecast to decline from almost \$180 a tonne over 2023," it said.

Currently, Newcastle are ruling at \$122 a tonne.

"We maintain our Newcastle thermal coal price forecasts for 2023 and 2024 at averages of \$180/tonne and \$170, respectively," said Research



SUBJECT TO SPIKE. An escalation of the Israel-Hamas conflict could push up coal prices if natural gas prices rise

agency BMI, a unit of Fitch Solutions. Global demand for coal remains weak alongside buoyant market supply and US dollar strength, it said.

CHINA ON TRACK

"China has boosted coal production since the 2021 power crisis to prevent a repeat, and

this year's production is on track to set a new record. The situation has been further exacerbated by a 73 per cent increase in coal imports during the first nine months of the year, driven by more affordable global supplies," said the *Trading Economics* website.

The World Bank Commodity

Outlook said several factors have contributed to the drop in prices. "The most important were fuel substitution — related to declining natural gas prices and high EU Emissions Trading System (ETS) allowance prices — and high levels of storage, particularly in Europe," it said.

Increasing supply in all major producers and higher levels of exports from Indonesia also helped reduce market prices, the outlook said.

Trading Economics said, as a result, the coal market has shifted from a situation of scarcity a few years ago, which led to widespread power shortages, to a scenario where ample coal supplies are available.

Business Line, At. 27/11/23

Steel imports from China for April-October at a six-year high

Abhishek Law

New Delhi

Steel shipments coming in from China for the April-October period of this fiscal stood at 1.11 million tonnes, among the highest in six years, data from the Steel Ministry, accessed by *businessline* showed.

The diversion of lower-priced offerings to trade, FMCG, and auto sectors, coupled with poor demand in Europe and better acceptability in the domestic market, saw imports from China zoom nearly 50 per cent on a year-on-year basis, making it the largest seller of steel to India.

CHINA OUTSELLS

China managed to displace traditional sellers like Korea, while in select cat-



RECORD ORDERS. In October 2023, Indian traders placed orders for close to 0.19 mt of steel from China, making it one of the highest purchasing months

egories of specialised steel, it even overtook Japan.

As per Steel Ministry data, Chinese imports were at 0.75 million tonnes (mt) in the April-Oct of FY23, while for earlier years, it stood at 0.49 mt for 7M FY22 and 0.51 mt in 7M FY21.

In the pre-Covid years, shipments coming into India were at 0.88 mt in 7M

FY20 and 0.95 mt in 7M FY19, respectively.

“So the price of Chinese steel (benchmark hot rolled coil offerings) was among the lowest in October, hovering between \$564 per tonne and \$581 per tonne; and started moving up from November. October was the month when a major chunk of these orders were

placed,” a trader said.

Offers from China have now moved up to \$604 per tonne, which is still lower than the domestic HRC offering, which India's primary mills have priced at \$659 per tonne (₹54,900 per tonne).

The price of Chinese offerings has significantly moved up in November — from \$589 per tonne a week ago — fuelling speculations of a production cut there.

IMPORT NUMBERS

Import of total finished steel was valued at ₹31,354 crore (\$3,798 million).

“Volume-wise, HR coil/strip (1.275 mt) was the item most imported (37 per cent share in total finished steel). Also, China was the largest import market for India,” the Ministry report read.