Business Line. Dt:- 28/11/23.

Engineering exports to US, UK, Germany, UAE rise in October

Our Bureau
New Delhi

India's engineering exports to 18 major destinations, including the US, the UK, Germany, and the UAE, posted an increase in October 2023 (year-on-year), while shipments to China, Italy, Singapore and Indonesia declined.

Overall, engineering exports from India in October increased by 7.2 per cent (year-on-year) to $8.09 billion, but it was largely attributable to the low base of the previous fiscal, according to the industry body EEPC India.

CUMULATIVE EXPORTS

Despite engineering exports growing for the third consecutive month in October 2023, cumulative engineering exports for the April-October 2023 period declined by 1.61 per cent to $61.63 billion compared to the same period last fiscal.

The metal sector, specifically iron and steel, aluminium and its products, and zinc, has been pointed out as the biggest contributor to this decline by EEPC India Chairman Arun Kumar Garodia in a statement issued on Monday. "The slump in the demand in developed countries, especially the European Union, has caused issues for Indian metal exporters. The situation has been further worsened by the various market access barriers imposed by countries in the EU and North America on Indian exporters," he added.

PAIN POINT

EEPC has requested the government for additional support to help the industry remain competitive in the global market.

"Raw material prices have been a major pain point for downstream engineering industries. The price analysis indicates that Indian metal prices have gone up compared to international prices," Garodia said.

The value of engineering exports to the US in October 2023 was $1.39 billion, up 2.2 per cent compared to October 2022. Engineering exports to the UAE rose by 2.9 per cent in October 2023 to $348.6 million, while exports to the UK and Germany increased by 60.3 per cent to $302.5 million and by 20 per cent to $342.7 million, respectively.

Business Line. Dt: 28/11/23

India, Indonesia top beneficiaries of EU's exports scheme in 2022

ROAD AHEAD. Preferential tariffs may replace GSP benefits once FTA with EU is in place

Amiti Sen
New Delhi

India and Indonesia were the top two beneficiaries of the European Union's Generalised System of Preferences (GSP) schemes for exports in 2022, with clothing, machinery and footwear accounting for nearly half of all standard GSP imports, per a joint report of the EU to the European Parliament and the Council.

TRANSITION PHASE. The EU has already withdrawn the GSP benefit on about 1,800 items from India

THE GSP SCHEME

- The EU allows identified products originating in certain developing countries preferential access to its markets
- As the items become more competitive and reach a particular threshold, the GSP is withdrawn

In 2023, however, the situation is expected to change significantly as some of the largest recipients of GSP benefits, including several sectors from India, graduated from the scheme. The EU is hopeful that preferential tariffs could be extended through a transition to free trade agreements.

"Some of the largest exporters among GSP beneficiaries have already left or are expected to leave the scheme as they have or will have negotiated preferential trade agreements with the EU (Vietnam) or are in the process of negotiating such agreements (India and Indonesia)," the report noted.

GSP SCHEME

Under the GSP scheme, the EU allows identified products originating in certain developing countries preferential access to its markets in the form of reduced or zero rates of customs duties.

As the items become more competitive and reach a particular threshold, the GSP is withdrawn.

The EU has already withdrawn the GSP benefit for about 1,800 items from India in 2023, and the present policy will now continue for another four years until 2027, according to the latest decision endorsed by the EC.

The items include electrical machinery, plastics, articles of stone and articles of leather and could affect exports worth $7.9 billion, per industry estimates. "The government is assessing the effect of the EU GSP withdrawal on Indian exports.

"When the US withdrew GSP benefits for India, it did not hit exports much. The same may hold for the EU as well," a source tracking the matter told *businessline*.

Moreover, as indicated in the EU report, a successful conclusion of the proposed India-EU FTA may lead to the replacement of GSP benefits with preferential tariffs offered under the FTA, the source added.

Business Line. Dt. 28/11/23.

Urea sales up 15% in October helped by higher imports

SOARING NUMBERS. Overall sales of all key fertilizers surged to 368.57 lt in H1FY24

Prabhudatta Mishra
New Delhi

A plan to import urea in advance by buying more than three times this October from a year ago has helped the government to maintain a steady supply of the key fertilizer as no State has so far complained of any shortage. Urea sales in October increased by 15 per cent from a year ago whereas the overall consumption during the first half of the fiscal surged by 8 per cent.

Both the timing and volume of imported urea is decided by the government and executed by four canalising agencies. Import was recorded at 15.33 lakh tonnes (lt) in October against 4.64 lt a year ago. In October 2020, 18.8 lt of urea was imported as the delivery was delayed from previous contracts due to Covid-19, experts said, adding that there was a record import of urea at 98.28 lt during the 2020-21 fiscal.

Steady growth

Fertilizer data during April-October (lakh tonnes)

	Sales			Import		
	2023-24	2022-23	% change	2023-24	2022-23	% change
Urea	207.63	192.61	7.8	37.92	34.55	9.8
DAP	77.6	64.91	19.6	39.15	47.95	-18.4
MOP	9.31	8.75	6.4	15.58	10.71	45.5
Complex	74.03	61.01	21.3	13.9	16.96	-18.0
Total	**368.57**	**327.28**	**12.6**	**106.55**	**110.17**	**-3.3**

Source: Fertilizer Ministry

H1 IMPORTS DROP

"Last year, there was a shortage of both urea and DAP which the government has corrected with advance planning as this is a pre-election year and farmers cannot be antagonised. But there has to be some study on why sales are rising despite nano-urea marketed separately and also several schemes launched to reduce its usage," said an official source.

Total sales of urea were 207.63 lt until October 31 in the current fiscal up from 192.61 lt in the corresponding period last year. Similarly, sales of Di-ammonium Phosphate (DAP) surged 19.6 per cent to 77.6 lt from 64.91 lt, Muriate of Potash (MOP) by 6.4 per cent to 9.31 lt from 8.75 lt and complex by 21.3 per cent to 74.03 lt from 61.01 lt year-ago. Complex fertilizer is a combination of nitrogen (N), phosphorous (P), potash (K) and sulphur (S) nutrients. According to latest official data, overall sales of all these key fertilizers have surged to 368.57 lt during April-October from 327.28 lt a year ago, up by 12.6 per cent.

Import of overall fertilizers dropped 3.3 per cent to 106.55 lt during April-October from 110.17 lt a year ago in which both DAP and complex registered a fall of 18 per cent, each. Complex import declined to 13.9 lt from 16.96 lt and DAP to 39.15 lt from 47.95 lt. But, MOP import surged 45.5 per cent to 15.58 lt from 10.71 lt. Production of all fertilizers was up by 6.8 per cent to 297.8 lt from 278.94 lt, which included urea at 181.17 lt (163.44 lt a year ago), DAP 27.01 lt (23.61 lt), complex 56.43 lt (53.91 lt), SSP 29.64 lt (33.58 lt) and Ammonium Sulphate 3.55 lt (4.4 lt).

Business Line. Dt: 28/11/23

Tea exports down in Jan-Sept as Iran, UAE buy less

Vishwanath Kulkarni
Bengaluru

India's tea exports for the January-September period of the calendar year 2023 have dropped 1.7 per cent to 170 million kilograms (mkg) against 173 mkg a year ago on a decline in purchases by key buyers such as the UAE, Russia and Iran. However, shipments to several markets such as Iraq, Turkey and China saw an increase during the period.

In value terms, tea exports were up 1.4% at ₹4,648 crore compared with ₹4,584 crore in the year-ago period

In value terms, tea exports were up 1.4 per cent at ₹4,648 crore compared with ₹4,584 crore in the year-ago period, as per the DGCIS data. Shipments to UAE declined by 16 per cent to 26.27 mkg from 31.37 mkg. In value terms, shipments to UAE were down at ₹722 crore (₹866 crore in January-September 2022). Exports to Russia in volumes fell 18 per cent to 24.53 m kgs (29.84 mkg), while in value terms the decline was 11 per cent at ₹416 crore (₹466 crore).

BIG PLUNGE

Shipments to Iran saw a major decline of 67 per cent at 6.25 mkg (18.81 mkg). In value terms, the decline in tea exports to Iran was 63 per cent at ₹183 crore (₹501 crore).

However, tea exports to Iraq more than doubled during the period to 23.82 mkg (9.98 mkg). In value terms, tea exports to Iraq were up 177 per cent at ₹419 crore from ₹ 151 crore in the same period a year ago. Similarly, shipments to Turkey were up 264 per cent to 4.7 mkg (1.29 mkg). In value terms, tea exports to Turkey rose to ₹136 crore (₹31 crore). Shipments to Saudi Arabia were up 34 per cent at 4.9 mkg (3.66 mkg). In value terms, tea exports to Saudi rose to ₹169 crore (₹113 crore).

"While shipments to traditional markets continue to be sluggish, the markets such as Iraq and Turkey have seen growth this calendar year. There's a need to diversify the markets for Indian teas to sustain and grow exports" said C Shreedharan, President, UPASI. Besides Iraq and Turkey, tea exports to countries like China, Egypt, Netherlands and Italy among other countries have witnessed an increase during the period.

FINANCIAL EXPRESS. Dt: 28/11/23

Electronics exports jump 28% during April-October

RISHI RAJ
New Delhi, November 27

NEW LANDMARKS

- Electronics exports grew to **$15.48 bn** between April and October from$12.1 bn in last fiscal
- Of the incremental **$3.4 bn,** $3 bn came on the back of an increase in mobile exports. The largest contributor was iPhones
- Mobile phone exports doubled between FY22 and FY23, after the launch of the PLI scheme
- Electronics have jumped from 11th position a few years ago to sixth place so far this year
- Trends suggest electronics exports will end FY24 at fourth or fifth position

ELECTRONICS EXPORTS DURING the April-October period of the current fiscal grew by 27.7% to $15.48 billion, data sourced from government and industry showed. The figure stood at $12.1 billion in the same period last fiscal.

Of the incremental $3.4 billion y-o-y increase, $3 billion or 88% came on the back of an increase in mobile phone exports. Of this, the largest contributor was shipment of iPhones, which at $5 billion constituted a third of India's electronics exports.

Overall mobile phone exports increased 60% to $8 billion during the seven-month period from $4.97 billion last year, according to industry sources. Meanwhile, iPhone exports of $5 billion during the same period have already matched the export figure of the whole of FY23.

Communications and IT minister Ashwini Vaishnaw recently told *FE* in an interview that the government is working on a strategy for export-led growth for smartphones and electronics, rather than import substitution. For this, the ministry of electronics and IT (MeitY) will work closely with the ministry of finance to make movement of goods across borders very smooth. According to him, issues that need to be looked at for this are import duties, processes, automation, and warehousing.

"Today India has become part of the global value chain of mobile phones and electronics...A great opportunity has come our way and we have reached a level where we can rapidly grow our exports," he added.

During April-October, electronics registered the highest growth among India's top 10 export sectors, followed by drugs and pharmaceuticals which grew at 8.14%, and cotton yarn/ fabs/ made-ups (5.65%).

Mobile exports doubled between FY22 and FY23, with the launch of the production-linked incentive scheme attracting global majors such as Apple, Samsung and Bharat FIH (Foxconn) as well as Indian brands.

The Directorate General of Foreign Trade recently said electronics, renewable energy, IT hardware, and electric vehicles will be key to India's $1-trillion export target by 2030.

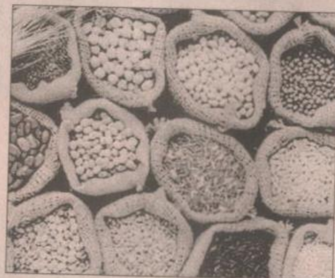
Electronics exports have jumped from 11th position a few years ago to sixth so far this year, and the sector's gap with the fourth and fifth-placed exports has narrowed considerably. The fourth-placed drugs and pharmaceuticals, which was ahead of electronics by $2.4 billion after the first seven months last fiscal, leads by a mere $300 million this year. Similarly, the lead of organic and inorganic chemicals over electronics narrowed from nearly $4 billion in April-October FY23 to $200 million this fiscal.

Trends suggest that electronics exports will end FY24 at either the fourth or fifth position. Last fiscal, electronics exports came in at $23.55 billion, clocking an increase of 62% over $11.6 billion in FY22.

FINANCIAL EXPRESS Dt:- 28/11/23

Import reliance for pulses, oil seeds seen staying till FY31

SANDIP DAS
New Delhi, November 27



Production of pulses is projected to increase to 35 MT by 2030-31. But the country would require 39.2 MT of pulses by FY31, the study said

THE COUNTRY WILL continue importing large quantities of pulses and oilseeds by 2030-31 because of a substantial gap between demand and supply of these commodities, a research paper by Nabard and Icrier has said.

Production of pulses according to the study is projected to increase to 35 MT by 2030-31, from 26 MT in the 2022-23 (July-June) crop year. However, the country would require 39.2 MT of pulses by FY31, thus resulting in huge imports.

Currently, India imports about 15% of its pulses consumption.

The paper, titled 'Prospects of India's demand and supply for agricultural commodities towards 2030', has recommended steps to imrove crop productivity and reduce the high dependence on imports, including via use of seed and farming technologies.

"There is a need to increase the level of production and productivity of oilseeds, and pulses since their demand in future shows higher growth, relative to their supply," the paper has noted.

India's import of edible oils — palm, soybean and sunflower – rose 17% on year to a record 16.47 million tonne (MT) valued at ₹1.38 trillion in the 2022-23 oil year (November-October). India imports about 56% of its total annual edible oil consumption of 24 to 25 MT. Palm oil has a share of about 60% of imports, followed by soybean oil at 22% and sunflower at 17%.

The share of domestic edible oils in total output includes mustard (40%), soybean (24%) and groundnut (7%) among others.

"A technological breakthrough in oilseeds to increase productivity or area expansion are two possible solutions to improve oilseeds' balance -sheet in the long run," the paper has stated.

However, it cautioned that achieving 'self-sufficiency' in traditional oilseeds such as mustard, groundnut and soya would require an additional area of 39 million hectares under oilseeds, which could cut area under cereals thus endangering food security.

It recommended ramping up efforts in increasing productivity of oil palm comparable to Indonesia and Malaysia with a productivity of 4 tonne/hectare to reduce import dependency of edible oil.

Business Line. Dt: 29/11/23

Pulses imports double in H1 as erratic rain affects output

Vishwanath Kulkarni

Bengaluru

Pulses imports into the country more than doubled in the first half of the current financial year as erratic and shortfall in the south-west monsoon rain in the key growing regions impacted their production.

Per the latest official data, pulses imports in volumes saw an increase of close to 113 per cent to over 14.85 lakh tonnes (lt) during the April-September period of financial year 2023-24 compared with 6.98 lt in the same period a year ago. In dollar terms, shipments clocked a similar growth exceeding $1.26 billion during April-September over $595 million a year ago. In rupee terms, the pulses import bill clocked a 122 per cent growth at ₹10,440 crore over ₹4,695 crore in the year-ago period.

The surge in pulses imports is led by higher purchases of lentils (masur), arhar (tur) and urad among other varieties. Imports of lentils during April-September registered 184 per cent growth at 8.02 lt against 2.81 lt a year ago.

In fact, India had imported 8.58 lt of lentils during financial year 2022-23.

US TARIFF REMOVAL

With increased off-take of masur dal, coupled with the recent removal of retaliatory customs tariff on the lentils sourced from the US, it is expected that the imports of this pulses variety would exceed a million tonnes this financial year. The planting of lentils has taken place in about 12.74 lakh hectares in the ongoing rabi season till November 24 compared with 12.03 lakh hectares a year ago. The normal area under lentils is 14.37 lakh hectares.

Surging trend

	April-Sept 2023	April-Sept 2022	% Growth
Quantity (tonnes)	14,85,557	6,98,154	112.78
Value (in $ million)	1,265	595	112.60
Value (in ₹ crore)	10,440	4,695	122.36

Source: DGCIS

Overall, pulses acreage is trailing last year's levels due to sluggish pace of gram sowing.

Imports of tur during April-September this year stood at 2.74 lt — an increase of 75 per cent over 1.56 lt a year ago. Similarly, imports of urad were higher by about 39 per cent at over 2.40 lt over 1.72 lt a year ago. Imports of tur could have been higher, but the pace of shipments have been slow as the trade in Eastern Africa, mainly Mozambique, is taking advantage of the scarcity, sources said. India's imports of tur and urad during 2022-23 stood at 8.94 lt and 5.24 lt, respectively. "Imports have been good, so far. The overall pulses imports for the current fiscal are likely to exceed last year's levels with the new crop in of tur and urad expected from end-January," said Rahul Chauhan of Igrain India. In Myanmar, the urad crop is estimated to be around 6.5 lt and tur at around 5 lt, he said.

India had imported 25.29 lt of pulses during 2022-23. Per the Agriculture Ministry's first advance estimates, production of tur is estimated to be 34.21 lt, almost similar to the output last year.

Business Standard. Dt: 29/11/23.

Pharma exports may return to double digit growth rate

Drug shortages in US and EU, revival in Africa key drivers

SOHINI DAS
Mumbai, 28 November

Owing to drug shortages in the US and Europe and revival in demand in Africa, pharmaceutical exports from India are likely to touch $28 billion in 2023-24, registering 10.2 per cent growth, said a senior official at the Pharmaceutical Export Promotion Council (Pharmexcil).

India's pharma exports grew 3.2 per cent in FY23 to $25.4 billion, led primarily by Europe and the US.

Exports to countries such as Zambia, Nigeria, Zimbabwe, and Burkina Faso dipped, bringing down shipments to the African region by 5.4 per cent.

However, between April and October this year pharma exports grew 8.13 per cent to about $15.8 billion, according to the data from Pharmexcil.

In October, exports grew 29.3 per cent to touch about $2.5 billion, the highest ever growth in October.

In the April-October period of 2022-23, exports had posted 3.8 per cent growth.

Speaking to *Business Standard*, Uday Bhaskar, director general, Pharmexcil, said: "Drug shortages in the US and European countries continue. This has boosted exports from here. Moreover, the African region is witnessing a revival in demand. In April-October, exports to Africa grew 6 per cent year-on-year."

Bhaskar said while exports to North America were up 8.85 per cent during April-October, those to the US increased 9.58 per cent.

Exports to Europe are up by almost 16 per cent so far.

North America, Europe, and Africa are India's three major pharma importers, accounting for almost 69 per cent.

"The only region which registered negative growth during April-October FY24 was the Commonwealth of Independent States (which come under the erstwhile Soviet Russia), which declined 9.66 per cent. There has been a continuous fall in the exports largely due to the ongoing crisis and Russia being the largest market has also been in constant decline," Pharmexcil said.

Insiders in the pharma industry pointed out both the US and Europe had been grappling with acute drug shortages.

"Despite efforts, drug shortages are persisting and affecting a range of medicines, such as those used to manage body weight, cancer drugs, drugs that treat attention deficit/hyperactivity disorder (ADHD), antibiotics and cardiac medications. The latest to join this list is the recently approved therapy for respiratory syncytial virus (RSV) from AstraZeneca and Sanofi — Beyfortus (nirsevimab)," said an industry expert.

Oncologists in the US have deemed the shortage of cancer drugs a national emergency.

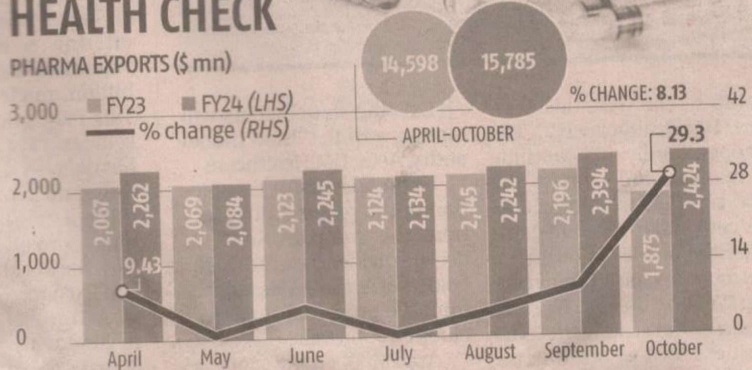
"The US Food and Drug Administration's (USFDA's) drug shortage database indicates that as of November 18, the shortage of cancer drugs persists in the US. The drugs in short supply include cisplatin, carboplatin, methotrexate, capecitabine, clofarabine, leucovorin calcium, and azacitidine," the person quoted above said.

Shortages in Europe are due to fuel scarcity in manufacturing units. Buying from other sources is costly and companies are unable to get a commensurate increase in their prices for generics. A significant number of generics companies have scaled down or even withdrawn their products. This has affected not only Europe but the US too because these companies have USFDA market authorisations.

In the case of vaccines, Europe has shown the highest growth rate. Non-government organisations purchased usual "immunisation schedule" vaccines and these have been shipped to their offices in Europe.

HEALTH CHECK

PHARMA EXPORTS ($ mn)



Source: DGCIS

REGIONWISE EXPORTS (APRIL-OCTOBER 2023-24)

Region	% chg Y-o-Y	% share in overall pharma exports
North America	8.85	33.75
Europe	15.83	20.45
Africa	6	14.64
Latin America	7.47	6.74
Asean	3.72	5.89

Source: Pharmexcil

FY24 Rs 51,000 crore disinvestment

The Economic Times.

Manmade Fibre Exports to Rise 75% by 2030: Industry

Kirtika.Suneja
@timesgroup.com

New Delhi: Buoyed by the Production Linked Incentive (PLI) scheme and free trade agreements with the UAE and Australia, the industry expects India's exports of manmade fibre (MMF) textiles to increase 75% to $11.4 billion in 2030 from around $6.5 billion in 2021-22.

India is the second largest producer of MMF after China.

Curtains, drapes and interior blinds, curtain or bed valances of synthetic fibres, tents of synthetic fibres and tarpaulins are some of the products which can drive this growth

"Technical textiles is a sunrise sector and the future of this industry," said a government official, adding that ambitious targets have been set for it.

Currently, MMF dominates global textile fibre consumption, with a 72% share, while natural fibre accounts for 28%. The share of MMF has been steadily increasing due to the inherent limitations of growth of cotton and other natural fibres.

As per the Confederation of Indian Textile Industry (CITI), globally, MMF products have about 55% share in global textile trade.

The industry's vision includes tapping new markets such as Vietnam, Japan, China and Poland, besides the existing ones, including the US, Turkey, the UK and Brazil, where India has about 5% share in exports of MMF textiles.

The plan is also to improve capacities of filament-based woven and knitted fabrics and processing of man-made filament yarn based fabrics.

FINANCIAL EXPRESS. Dt: 29/11/23.

No cut in duty on imports of wheat, chana

SANDIP DAS
New Delhi, November 28

THE GOVERNMENT HAS ruled out cutting the import duty on chana and wheat for now, as it thinks sufficient buffer is available to carry out market intervention initiatives at the retail as well as wholesale levels to cool prices.

Sources told *FE* the government at present is not considering reducing the 40% import duty on wheat imposed in April 2019, as the Food Corporation of India (FCI) has enough stocks to carry out open market sale scheme (OMSS) for bulk buyers till the end of current fiscal.

Till last week, the FCI had offloaded 3.9 million tonne (MT) of wheat under the bulk buyers this fiscal. Currently, the corporation has 19.78 MT of grain stock against the buffer requirement of 7.4 MT for April 1, when new crops start arriving in the mandi.

Sources said with the farmers' cooperative Nafed's 2.2 MT of buffer, there would be sufficient stock to sell chana under the Bharat Dal initiative and offload the pulses variety in the open market for purchase by bulk buyers till new crops start arriving in the market by April next year.

Currently, there is a 66% import duty on chana sourced from Australia, while the government has abolished import duty on pulses from least developed countries (LDCs) such as Tanzania, Mozambique and Malawi.

Trade sources said to augment domestic supplies, the government should reduce the current import duty of 40% on kabuli chana, which can be sourced from Russia.

Besides there are apprehensions about the next crop whose sowing, currently being undertaken, is likely to be impacted by El Nino conditions persisting till next year.

As per the agriculture ministry's latest data, the sowing of chana this season (2023-24) was less by 12% at 6.61 million hectare (mh) against 7.5 mh reported during the same period previous season.

The average chana sowing area for the last five years is 10.09 mh and the pulses variety, which has a 50% share in the country's record pulses production of 26.05 MT in 2022-23 crop year (July-June), is majorly grown in Rajasthan, Madhya Pradesh and Maharashtra.

Area under wheat so far is 9.47 mh, which is 8.5% less than the previous year.

In July, the government started selling chana dal in retail packs under the brand name Bharat Dal at highly subsidised rates of ₹60/kg pack and ₹55/kg for a 30-kg pack to make pulses available to consumers at affordable prices.

Meanwhile, Nafed last week sold chana in the open market from its stock from various locations in the price band of ₹58-₹63/kg, which is above the 2024-25 minimum support price of ₹54.4/kg

The retail inflation last month of the chana split variety rose to 11.16% from 7.62% in September. Retail inflation in wheat last month declined to 7.61% from 7.93% in September.

STOCK SITUATION

19.78 MT of wheat stock with FCI at present, against buffer requirement of **7.4 MT** for April 1

2.2 MT buffer chana stock with Nafed sufficient for Bharat Dal initiative, open market sale to bulk buyers

9.47 MT Area under wheat so far, **8.5%** less than previous year

12% les sowing of chana at **6.61 mh** this year, against **7.5 mh** in the same period previous season.

Business Line. Dt: 30/11/23.

Coffee exporters see pick-up in demand

STRONG BREW. Buyers in key markets start placing orders for new arabica crop; FY24 shipments likely at last year's levels

Vishwanath Kulkarni
Bengaluru

Indian coffee exporters are beginning to see a pick-up in demand as buyers in key markets of Europe and West Asia among others have started placing orders for the new arabica coffee crop that's currently being harvested.

"Demand is now picking up. People are accepting the war and there's a feeling that arabica prices are lower than earlier and it's better to buy," said Ramesh Rajah, President, Coffee Exporters Association.

"The new coffee (arabicas) has started arriving. Many of the exporters are taking smaller orders but not getting into larger contracts as people are having contradictory reports on the upcoming crop size," Rajah said.

This year, the harvest of arabicas has been advanced by a month due to the erratic rainfall pattern. The harvest of arabicas had began towards the end of October, but there's a break now and suddenly the arrivals have slowed down, Rajah said. "We expect better buying from next month," he said.

PRICE OUTLOOK

The shipments of new arabicas for the crop year 2023-24 are expected to start from January. The exporters see coffee prices recovering from the current level.

"The robusta prices are good. We think it should retain at these levels, while arabica prices should recover from current levels," he said.

MIXED BAG. The robusta prices are doing good, while arabica prices should recover from current levels, say exporters

Rajah expects the Indian green coffee shipments for the current financial year 2023-24 to remain at last year's levels. The fourth quarter or Q1 of calendar 2024 should be on par at last year's levels, he added.

In the current financial year from April 1 till Nov 28, India's total coffee shipments stood 6.5 per cent lower in volumes at over 2.44 lakh tonnes over same period last year's 2.61 lakh tonnes.

However, in value terms, the coffee shipments have been higher by around 6 per cent at $775 million over same period last year's $733 million on higher prices.

India had exported 3.96 lakh tonnes of coffee valued at $1.12 billion during fiscal 2022-23.

EUDR NORMS

Meanwhile, a section of exporters said they have started receiving enquiries from buyers for Indian coffees that are compliant to the proposed European Union regulation on deforestation free products (EUDR).

From January 1, 2025, EUDR requires the EU-based companies to ensure that the products they import are deforestation free.

The state-run Coffee Board held stakeholder consultations on Wednesday to put up a system to comply with the proposed EUDR norms.

Panels comprising faculty at the Indian Institute of Plantation Management and representative of growers and exporters have been formed to evolve a compliance mechanism for the EUDR norms that will come into effect from January 2025.

Business Line. Dt: 30/11/23

Potato prices in Bengal crash due to slack export demand

Mithun Dasgupta
Kolkata

Potato prices in West Bengal have currently dropped by around 30 per cent compared with the November-end last year due to lack of export opportunities and early arrival of fresh produce from Jharkhand.

Facing supply glut and lower prices in markets, potato growers from the state were earlier exporting the tuber to Bangladesh. However, currently there is no demand for potato imports in the neighbouring country as newly harvested potatoes have started to flood the markets.

"The newly-harvested potatoes arrived in the markets of Bangladesh. Now, there is no demand from there. So, potatoes are not being exported at present," Kamal Dey, member of State Agriculture Marketing Task Force, told *businessline*.

"Moreover, potatoes from Ranchi have arrived in West Bengal. This year, it has come a bit early. This has caused the prices to crash," Dey said.

OUT OF OPTIONS

At Sealdah's Koley market in Kolkata, wholesale prices of Jyoti potato variety – the high-yielding and widely used variety – are currently hovering around ₹14 per kg, which are significantly lower compared with the year-ago period. Wholesale prices of Jyoti variety were around ₹20 per kg during November-end last year.

"Farmers now have no option but to sell at a very low price. They are staring at massive losses," Dey added.

Potato prices in West Bengal are expected to fall further due to the arrival of fresh produce from Punjab soon. Bengal's own Pukhraj potato is likely to arrive in the third week of December.

During 2022-23, potatoes were cultivated in around 4.60 lakh hectares in West Bengal, the country's second largest potato-growing State, and total production of the tuber was around 100 lakh tonnes, higher than 2021-22.

Notably, potato prices had crashed in February this year due to a bumper harvest. Prices improved to an extent after the West Bengal government fixed a minimum procurement price (MPP) at ₹650 a quintal in March.

DESPITE BEING MARKET LEADERS LOCALLY... The Economic Times. Dt: 30/11/23

Chinese Handset Cos' Low Share in India's Exports Draws Govt Ire

Kiran.Rathee@timesgroup.com

VIJAY P

New Delhi: As India embarks on an export-led growth strategy for the electronics sector, the government is becoming increasingly concerned about Chinese mobile phone brands' negligible share in exports, despite cornering nearly three-fourths of the domestic market.

As per market trackers, Chinese firms such as Xiaomi, Oppo, Vivo and Realme together have a commanding 74% share of the Indian mobile phone market in volume terms. But their share of exports is just 4%. By value, they have 55% share of the $40 billion India smartphone market as Apple and Samsung have a dominance in the premium segment.

One of the main reasons for low exports is because China has been the traditional production hub for these handset makers and they are making devices in India, primarily to cater to the local market.

"For Chinese players, their strong regions are China, India and Southeast Asia, and in all three, they have local manufacturing capabilities. So, there is less incentive to export from India," Tarun Pathak, research director at Counterpoint Research told **ET**.

However, government officials point out the contrast with companies such as Apple. The Cupertino-based smartphone maker, which also manufactures a majority of its iPhones in China, is gradually increasing exports from India.

In FY23, India exported more than ₹90,000 crore ($11.12 billion) worth of mobile phones, of which Apple accounted for around $5 billion and Korea's Samsung about $4.5 billion with the remainder comprising Indian and Chinese brands, including those for re-exports.

Mobile phone exports accounted for more than 46% of India's overall electronic goods exports of ₹1.85 lakh crore in FY23. But the government is clear — the focus for electronics manufacturing, particularly phones, should be export-oriented going forward as the domestic market has reached saturation. "In 9.5 years, we have reached a level where we can have export-led growth in the electronics sector," telecom and IT minister Ashwini Vaishnaw posted on X recently.

India has been competing with Vietnam among others to get a bigger share of the global smartphone manufacturing pie. But while Vietnam's local market for smartphones and electronics is worth about $2 billion by value, its exports are around $40 billion. In contrast, India's local market is around $40 billion, but exports in the last fiscal, were just over $11 billion.

"The government has been pushing the Chinese brands to push exports, but there has hardly been any movement," said a government official, asking not to be named.

Around a year ago, the Chinese brands were nudged by the government to ramp up exports and focus more on high-end devices. This would have made space for Indian brands, which have been pushed to the fringes by the deep-pocketed Chinese brands, to cater to the entry-level and sub-₹15,000 segment.

The government also wants the Chinese brands to use local supply chains, start exporting made-in-India devices and contribute to the Indian exchequer.

A second official alleged while the Chinese firms' revenues from the Indian operations have been growing, they do not pay taxes as they tend to consistently report losses due to "doubtful practices and remittances to their parent entities."

The Chinese brands have all denied any wrongdoing and say they follow the rule of the land.

FINANCIAL EXPRESS. Dt: 30/11/23

Walmart shifts to India for cheaper imports

WALMART IS IMPORTING more goods to the United States from India and reducing its reliance upon China as it looks to cut costs and diversify its supply chain, data seen by *Reuters* shows. The world's largest retailer shipped one quarter of its US imports from India between January and August this year, according to bill of lading figures shared with *Reuters* by data firm Import Yeti. That compared with just 2% in 2018.

Only 60% of its shipments came from China during the same period, down from 80% in 2018, the same data shows. To be sure, China is still Walmart's biggest country for importing goods. The shift illustrates how the rising cost of importing from China and escalating political tensions between Washington and Beijing are encouraging large US companies to import more from countries including India, Thailand and Vietnam.

"We want the best prices," Andrea Albright, Walmart's executive vice president of sourcing said in an interview. "That means I need resiliency in our supply chains. I can't be reliant on any one supplier or geography for my product because we're constantly managing things from hurricanes and earthquakes to shortages in raw materials."

In a statement, Walmart said the bill of lading data painted a partial picture of what it sourced and that creating redundancy "does not necessarily mean" it was reducing reliance on any of its sourcing markets. "We're a growth business and are working to source more manufacturing capacity," Walmart said.

India has emerged as a key component of Walmart's efforts to build that manufacturing capacity, Albright said.

Walmart has been accelerating growth in India since 2018, when it bought a 77% stake in Indian e-commerce firm Flipkart. Two years later, it committed to import $10 billion of goods from India each year by 2027. That is a target it remains on track to hit, Albright said. **—REUTERS**

Business Line. Dt: 01/12/23.

India allows export of 9 lakh tonnes broken rice to 5 countries

Our Bureau
New Delhi

The Centre has allowed export of nearly 9 lakh tonnes (lt) of broken rice to five counties and more than 34,000 tonnes of wheat and wheat products to neighbouring Bhutan through National Cooperative Exports Limited (NCEL).

The Ministry of Commerce has also withdrawn the guidelines and procedures laid down in June-July for allocation of quota for export of broken rice, wheat and wheat products on humanitarian and food security grounds, based on requests received from other countries on government-to-government basis.

In a notification on Thursday, the Directorate General of Foreign Trade (DGFT) said consequent to this Notification (of November 30), Trade Notice No. 08/2023 dated June 20, 2023 and Trade Notices No. 17/2023 and 18/2023 dated July 28, 2023 were rescinded.

DELHI HC CASE

Some exporters had filed cases in Delhi High Court challenging the procedures of allocation of export quota which were based on previous experience of shipments to the neighbouring countries.

Out of 8,98,804 tonnes of broken rice permitted by the government, Senegal has been allotted 5 lt with the condition that it has to be shipped in next six months. India has also permitted 2 lt for Indonesia and 1 lt for Mali.

Gambia has been allotted 50,000 tonnes of broken rice which also needs to be shipped in six months. Bhutan will be receiving 48,804 tonnes of Indian rice through NCEL, the DGFT said.

Further, permission has been given for export of 14,184 tonnes of wheat, 5,326 tonnes of atta and 15,226 tonnes of maida/sooji to Bhutan.

A ban on export of raw rice, broken rice, wheat and wheat products has been continuing for quite some time and there is no indication of any immediate revocation as India is cautious about the impact of El Nino, which may continue until June next year, on the crop after most of the monsoon season crops production dropped this year.

Business Line. Dt: 01/12/23.

Railways getting queries for export of Vande Bharat locomotives

GLOBAL ATTENTION. Chile expresses interest; LatAm and African nations other focus markets

Abhishek Law
New Delhi

The Railways is receiving queries for export of Vande Bharat locomotives, a senior official said. So far, queries have come from Chile.

According to the official, discussions have not yet converted into orders.

Catering to the domestic market remains a priority, before design modifications are made targeting international markets. Availability of manufacturing facility is also a factor being considered.

"Chile has expressed some interest in the Vande Bharat designs. And these have been very general-level queries. There is still some time to go before they materialise into an actual order," the official told *businessline*.

"It is good to see international interest in indigenous design now," the official added.

TO THE FORE. The manufacturing cost of a 16-coach Vande Bharat train is around ₹130 crore

India has been trying to showcase the flagship Vande Bharat locomotives as a key export offering. LatAm and African nations have been focus markets where electric locomotives are in demand.

While the current Vande Bharat trains are fit for broad-gauge, the Railways may need to customise the trains to run on standard gauges used by many countries across the world.

EXPORTS BY RITES

The Indian Railways' export arm, RITES, had previously secured rolling stock orders (for exports) to the tune of ₹2,100 crore. While orders to Sri Lanka are valued at ₹1,400 crore, another ₹700 crore order book — that includes customised cape-gauge diesel locomotives — to Mozambique is currently underway.

In rail parlance, rolling stock refers to any vehicle that moves along a railway track and includes orders placed in mainline and high-speed passenger trains, plus rail freight locomotives and heavy-haul wagons.

The order to Sri Lanka consists of supply of eight sets of DMUs (diesel multiple units), 10 broad gauge locomotives, and 160 coaches. The order to Mozambique includes six cape-gauge electric locomotives and 100 cape gauge passenger coaches, including 30 DEMUs (diesel-electric multiple units) coaches.

Recently, it was declared L1 (lowest bidder) for coach order from Bangladesh Railways – valued at close to ₹1,000 crore.

According to the official, India is also looking to be an exporter of forged wheels over the next three to five years.

MARKET FOR WHEELS

The consortium of Ramkrishna Forgings and Titagarh Wagons is to set up a manufacturing unit with an annual capacity of 228,000 wheels and reviews by the Ministry show that construction of the plant would begin soon.

"The Ministry has given an assured offtake of 80,000 wheels a year, (the annual requirement of the Railways) whereas the remaining (close to 140,000) would be pushed for exports. The construction plans at the facility are on track with work beginning in the next six months," the official said.

India currently imports various types of forged wheels from the UK, Brazil, China, Japan, Russia, and Ukraine. The import bill is around ₹520 crore.

FINANCIAL EXPRESS Dt: 01/12/23

India to export broken rice to five nations

SANDIP DAS
New Delhi, November 30

THE GOVERNMENT ON Thursday approved the export of approximately 0.9 million tonne (MT) of broken rice to five African and Asian countries through National Cooperative Export (NCEL).

According to a Directorate General of Foreign Trade (DGFT) notification, broken rice exports have been approved for Senegal (0.5 MT), Mali (0.1 MT), Gambia (0.05 MT), Indonesia (0.2 MT) and Bhutan (48,804 tonne).

In September 2022, India had imposed a ban on broken rice exports. However, shipments are allowed on a case-to-case basis for meeting the food security requirement of the countries.

Additionally, DGFT approved the shipment of wheat (14,184 tonne), flour (5326 tonne) and maida (15,226 tonne) to Bhutan.

India had banned wheat exports in May 2022. However, exports of wheat are approved on a case-to-case basis following requests from importing countries.

Last month, the government approved exports of 1.34 MT of non-basmati white rice to Philippines (0.29 MT), Cameroon (0.19 MT), Malaysia (0.17 MT), Ivory Coast (0.14 MT), republic of Guinea (0.14 MT), Nepal (95,000 tonne) and Seychelles (800 tonne) through NCEL.

In September, the Centre approved exports of 75,000 tone of non-basmati rice to the UAE through NCEL.