BUSINESSLINE dt. 16/3/23

Soyameal exports jump 87% in Oct-Feb

Vishwanath Kulkarni
Bengaluru

India's soyameal exports jumped 87 per cent to 7.99 lakh tonnes (lt) during the October-February period of oil year 2022-23 on robust demand from countries such as Vietnam, Bangladesh and Nepal. Exports stood at 4.26 lt in the same period last year.

"Prices are favourable and we should be able to achieve the projected soyameal exports of 14- 15 lakh tonnes" said DN Pathak, Executive Director, The Soyabean Processors Association of India (SOPA). Supply crunch from countries such as Argentina on weather concerns has come in handy for India to boost its shipments.

Vietnam has been the largest buyer of Indian soyameal, so far, accounting for 3.36 lt, followed by Nepal at 64,759 tonnes and the US at 42,796 tonnes.

POULTRY DEMAND

Crushing of soyabeans has also gained momentum with the pick up in buying from the domestic poultry sector. Offtake from the poultry sector was higher by around 12 per cent at 28.50 lt during October-February over same period last year's 25.50 lt. The domestic food demand for soyameal was up 37 per cent at 4.75 lt.

Soyabean crushing during October-February stood at 52.50 lt — an increase of around 48 per cent over same period last year's 35.50 lt. The market arrivals have improved to 71 lt (55 lt).

SOPA estimates that the stocks with trade, crushing units and farmers at the end of February stood at 77.98 lt — higher than the same period last year's 71.77 lt. The prices of soyabean have started easing over the past one month tracking the developments in the global edible oil complex. "Prices have come down substantially by about ₹8,000 per tonne over the past one month," Pathak said adding that the government should increase the duty on imported oils to protect the domestic growers.

BUSINESS LINE dt. 16/3/23

UK Export Finance sets aside ₹40,000 cr for Indian firms

M Ramesh
Chennai

UK Export Finance (UKEF), part of the UK Government, has earmarked £4 billion (₹40,000 crore) for lending to Indian companies that buy goods or services from the UK, Rahul Tabhane, UKEF Regional Head – South Asia, said.

Speaking at the 2nd UK-India Offshore Wind Summit held in Chennai recently, Tabhane said that UKEF could also lend in Indian rupees.

Later, in an emailed response to *businessline*'s queries, Tabhane said that UKEF would focus on "social, sustainable, and clean growth projects."

Rahul Tabhane, UKEF Regional Head – South Asia

UKEF does not provide equity but only debt, he said, adding that the debt is made available in any hard currency and Indian rupees. "Our debt repayment terms can be between 6 months and 18 years; we can work with government, public, or private institutions," he said.

The financier is willing to provide loans for equipment purchase, working capital, and trade — only the "UK content" has to be at least 20 per cent, and the minimum ticket size of ₹10 crore.

He said that in 2021-22, UKEF provided loans of £7.4 billion to projects in over 70 countries. Apart from direct lending, UKEF would also guarantee loans. "100 per cent unconditional guarantee," one of Tabhane's slides in his presentation, says.

BUSINESS LINE dt. 16/3/23

At $33.8 b, goods exports in February fall 8.8%

Our Bureau
New Delhi

India's goods exports declined 8.8 per cent in February to $33.8 billion, compared with $37.15 billion in February 2022, as performance of several key items continued to take a hit due to a slowdown in global trade, per quick estimates issued by the Commerce Department on Wednesday.

But the government is optimistic that exports in the current fiscal will surpass last year's performance.

Imports, too, declined 8 per cent last month to $51.31 billion ($55.90 billion), while the trade deficit narrowed to $17.43 billion ($18.75 billion).

Commerce Secretary Sunil Barthwal, in a media interaction on Wednesday, said services exports have been performing well and there were indications that the government would surpass the overall export target of $750 billion in 2022-23. However, he said, disaggregated estimates for goods and services exports had not been made.

THE PERFORMERS

During the April-February 2022-23, exports increased 7.55 per cent y-o-y to $405.94 billion. Imports during the 11-month period rose 18.82 per cent to $653.47 billion, widening the fiscal deficit to $247.53 billion. In February, 14 of the 30 key sectors showed an export growth. Export of electronic goods increased 29.85 per cent last month to $1.93 billion, led by mobile exports, which grew 50 per cent touching $8.3 billion by end-January.

Sixteen sectors saw a decline in imports last month, including gold and crude and products.

BUSINESS STANDARD dt. 16/3/23

Exports, imports shrink over 8% in February

Imports hit 18-month low as non-essentials curbed

ASIT RANJAN MISHRA
New Delhi, 15 March

India's merchandise imports fell to an 18-month low in February, contracting for the third consecutive month as the government ramped up efforts to curb non-essential imports, even as exports shrank for a third time in five months amid slowing global demand.

Merchandise exports contracted 8.8 per cent to $33.88 billion in February, while imports fell 8.2 per cent to $51.31 billion, leading to a trade deficit of $17.43 billion, showed the data released by the commerce department on Wednesday.

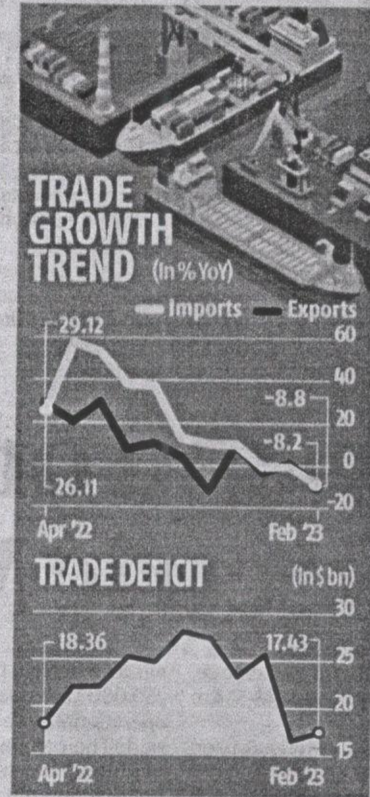
Commerce Secretary Sunil Barthwal said the government had been able to contain imports in February. "It is not simply statistical. There were several meetings which were taken by the commerce minister (Piyush Goyal) with various ministries where we looked at strategies to contain non-essential imports. Those steps are bearing fruit," he added.

Barthwal said ministries were told to analyse import data and discourage non-essential imports. "If there is sufficient capacity [for a product] within the country and it is still being imported, we are trying to educate that it can be substituted by domestically manufactured products. But of course, it will depend on the requirements of global value chains. We have decided on a principle. We are not looking at particular commodities," he said.

Rajani Sinha, chief economist at Care Ratings, said while the moderation in the trade deficit was a positive, it was mainly due to lower value of imports amid softening commodity prices. "In the months to come, import performance will remain crucial to gauge the pulse of domestic demand. Export slowdown is likely to aggravate further amid an uncertain global scenario," she added.

Under merchandise imports, 16 of the 30 key sectors witnessed contraction in February, led by gold (-44.9 per cent), fertilisers (-59.3 per cent), and crude oil (-4.27 per cent). Other major import items that dipped include vegetable oil (-2.48 per cent), chemicals (-5.5 per cent), pearls (-20.9 per cent), machinery (-2.5 per cent), and electronic goods (-11.1 per cent). Key sectors that saw growth were coal (8.9 per cent), plastic materials (6.5 per cent), iron and steel (16.46 per cent), and transport equipment (49.25 per cent).

Turn to Page 5 ▸



Source: Department of Commerce

APEDA takes millet exporters to global audience through virtual trade fair

BUSINESS LINE dt. 20/3/23

Prabhudatta Mishra
New Delhi

The Agricultural and Processed Food Products Export Development Authority (APEDA) has moved to a digital platform, named VTF, as an additional benefit for exporters in getting market access even in unknown territories. On the sidelines of the Global Millets Conference, about 100-odd exhibitors of unique products made from millets showcased products.

The virtual trade fair is operational 24x7, 365 days wherein exhibitors and buyers can interact based on the products displayed there.

Pratibha Tiwari of Bhopal, who launched her start-up a year ago, is very excited to get buyers' responses, as some importers from the Philippines had visited on the first day. "As the conference was there, the first half was not that great, but post-lunch people are coming. I am aware of the digital mode of the exhibition, and hopefully it will allow us market access to non-traditional countries," she said.

GLOBAL BUYERS

Around 100 international buyers from the US, UAE, Kuwait, Germany, Vietnam, Japan, Kenya, Malawi, Bhutan, Italy and Malaysia, have been invited to the conference, said APEDA Chairman M Angamuthu.

"This provides an excellent opportunity for trade and networking among the participants," he said.

APEDA has requested 30 potential millet importing countries to send their major buyers for this conference to visit the exhibition, the Commerce Ministry said in a statement. Additionally, the details of all the millet exhibitors under different categories have been displayed digitally, through which the importers can source millets directly from Indian millet producers, it said.

M.Angamuthu, Chairman, APEDA

"It (VTF) is a good initiative and going forward, definitely there will be improvements both in terms of awareness among exhibitors and also in terms of the virtual footfall of visitors, including importers," said an expert. He said some of the exhibitors are not even aware that the contact number given at the QR code on the digital platform should not be switched off or should be answered when calls are made.

MILLETS' EXPORTS

The event has provided a platform for B2B meetings between international buyers on one hand and exporters, progressive growers and FPOs on the other to explore direct marketing and export opportunities for millets and its value-added products, the Ministry said.

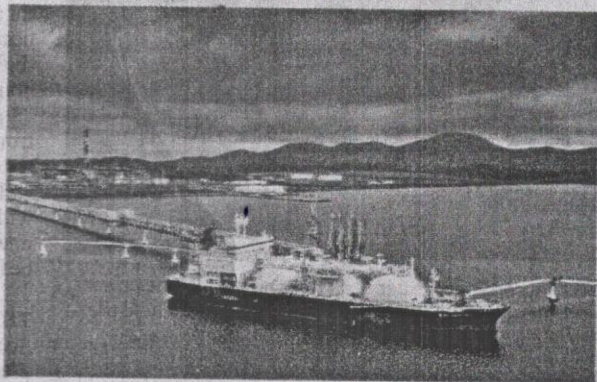
India's export of millets was $64 million in 2021-22 and there was an increase of 12.5 per cent y-o-y reported during April-December 2022-23. The major importers in 2021-22 were Nepal ($6.09 million), the UAE ($4.84 million) and Saudi Arabia ($3.84 million).

BUSINESS LINE dt. 20/3/23

India's oil imports from Russia may be getting too big for comfort: IEA

'BEATS LOGIC'. If it is legally possible to procure cheaper crude, then why not, says government official

Rishi Ranjan Kala
New Delhi



EVOLVING SITUATION. Trade sources say India has started paying in roubles and dirham; so, the market does not expect major disruptions AP

The International Energy Agency (IEA), in its latest oil market report, has indicated that India's seaborne imports from Russia could be heading into an uncomfortable territory. "Willing buyers in Asia, namely India, and to a lesser extent, China, have snapped up discounted crude oil cargoes, but increasing volumes on the water suggests that the share of Russian oil in the import mix may be getting too big for comfort," it said.

However, a senior government official said so far there is no indication that anyone wants India's relationship with Russia to stop. The objective is to dilute its export earnings from crude oil.

"This is purely a commercial decision, besides the price cap is being followed. No official communication has been received. The government is seized of the sensitivity and is acting accordingly. It just beats logic that there is cheaper crude available and if it is legally possible to procure it, then why not," the official added.

CHANGING DYNAMICS

Trade sources said this is an evolving situation. India has largely been snapping up cheap Russian crude, of which the Ural blend is around 80 per cent followed by Sokol and ESPO blends, as discounts are still being offered in the range of $20 per barrel (mostly for Ural).

"Ural is largely below the G7 price cap. The price level may be breached in case of Sokol as discounts are low below $5 a barrel (to the benchmark Dubai price). This may breach the cap thereby making it difficult to find insurance and freight. But, India has also started paying in roubles and the UAE's dirham. So the market does not expect major disruptions so far," one of the sources said.

CURRENCY CONUNDRUM?

An oil marketing company official said, "Refiners will continue to import at similar levels, if not more, from Russia till there is a business case."

Kpler's lead analyst (dirty products and refining), Andon Pavlov, said: "While it is probably a bit inconvenient, especially until these payments have been established, the price and realised margin afterwards, respectively, it is just too attractive to hinder this stream from retaining its strength... this appears to be a minor hiccup and will not have a material effect."

FINANCIAL EXPRESS dt

India can hit $350-bn exports via e-comm by 2030: Report

FINANCIAL EXPRESS dt. 20/3/23

PRESS TRUST OF INDIA
Delhi, March 19

INDIA SHOULD TARGET $350 billion worth of goods export through e-commerce by 2030 and for that the government needs to address pain points of the sector by taking steps like formulating a separate policy, a report by economic think tank GTRI said.

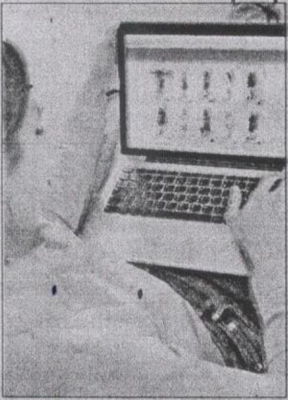
The Global Trade Research Initiative (GTRI) said the current e-commerce export provisions in India are a patchwork over the rules framed for regular B2B (business-to-business) exporters.

India's e-commerce exports have the potential to grow at a faster pace than its IT exports did in the early 2000s, it said.

With Global business-to-consumer (B2C) e-commerce exports estimated to grow from $800 billion to $8 trillion by 2030, India's strengths in high-demand customised products, expanding seller base, and higher profit margins per unit of export place it in a prime position to benefit from this trend.

GTRI has identified 21 action points for accelerating the country's exports through online medium.

India's current e-commerce export numbers remain far below their potential. Currently, e-commerce exports account for only $2 billion, less than 0.5% of the country's total goods export basket. "The country must plan to export $350 billion, or about one-third of its total goods, through e-commerce by 2030. This will require focus on developing the ecosystem for e-commerce exports to fully realize its potential," the report said. It added that the current export provisions for the medium creates an enormous compliance burden on small firms.



SEPARATE POLICY NEEDED

- Government needs to address pain points of the sector by taking steps like formulating a separate policy
- Currently, e-commerce exports account for $2 bn, less than 0.5% of the country's total goods export basket

To address such needs, the report recommends that the government issue a separate e-commerce export policy. Such policies in countries including China, Korea, Japan, and Vietnam, have helped many firms sell globally.

As the needs of the e-commerce export sector are vastly different from the regular export sector, the e-commerce export policy should be an independent document addressing all pain points faced by exporters.

It added that this policy should be jointly issued by the RBI, customs, and the directorate general of foreign trade (DGFT) after making necessary changes to their regulations.

It should include provisions for business development, easing regulatory burden, and setting up a national trade network. The GTRI suggestions include redefining responsibilities of sellers; simplifying payment reconciliation and processes; developing business ecosystem; and setting up of a National Trade Network for the medium. Small and medium-sized firms rely on online platforms for global exposure and value- added services, such as timely payment assurance.

However, it said that this conflicts with FEMA (Foreign Exchange Management Act) regulations as the platform is responsible for receiving payment, while the ownership of goods remains with the seller.

Compliance procedures can be challenging for small sellers due to high sales volume. The report added that payment reconciliation is a major roadblock for third-party e-commerce exporters.