

Business Line Dt 12/14/23.

Steel prices continue to fall in December on import influx



FACING A GLUT. Increased supply, mostly from China and some from Vietnam, has created an imbalance in the domestic market, thereby putting pressure on prices REUTERS

Abhishek Law

New Delhi

Steel prices in India saw a 1-3 per cent fall on a month-on-month basis in December 2023, continuing the slide experienced since the beginning of the third quarter in October 2023, as increased imports from China and a slowdown in demand due to the holiday season led to a change in market conditions.

The benchmark hot rolled coil (HRC) trade prices were at ₹55,000 per tonne for early December deliveries, a one per cent drop from early November prices when they were around ₹55,200 per tonne, per market sources. Incidentally, the fall is a steeper 6 per cent compared with early October deliveries, wherein the price was ₹58,300 per tonne.

The HRC price saw ₹100 per tonne improvement over November-end trade prices, which were at ₹54,900 per tonne, sources added.

In the rebar segment, driven primarily by demand in the construction sector, there was a 2.5 per cent fall in December prices to ₹54,500 per tonne, against ₹55,900 per tonne in November and a sharper 6 per cent fall over October prices of ₹57,900 per tonne.

Market research firm SteelMint said in a report that India's steel mills have announced a rebate or discount of ₹1,500-2,000 per tonne on HRC, whereas

manufacturers have also provided a rebate on the list prices of cold-rolled coil (CRC) by the same amount.

The price of cold-rolled coils has remained stable at ₹62,500 per tonne.

RISING IMPORTS

Chinese imports increased in November 2023. Bulk imports of hot-rolled coils and plates from the country reached 1.08 million tonnes (mt) in November, one of the highest so far this fiscal year. In comparison, October imports were 584,999 tonnes and September was 235,240 tonnes.

This increased supply, mostly from China and some from Vietnam, has created an imbalance in the domestic market, thereby putting pressure on prices, market sources told *businessline*.

The Chinese price (in India) has moved up steadily from October onwards, from \$564 per tonne (around ₹48,000 per tonne) to \$609 per tonne in December (₹51,000 per tonne). India's comparative price has been in the \$660 per tonne range.

And as per sources, orders booked at a lower price and significant cargo volumes coming in will continue to put pressure on the Indian market till mid-January, leading to price volatility.

"Market participants anticipate a rebound in demand and consumption post-mid-January, which could elevate the price pressures and stabilise the market," the SteelMint report added.

Business Line Dt: 12/12/23

Copper import jumps 30 per cent in FY23

Abhishek Law

New Delhi

India's copper import bill increased 20 per cent year on year in FY23 in value terms to ₹27,131 crore (₹21,985 crore) following a post-Covid economic recovery and improved demand, especially driven by electric vehicles and renewable energy segments.

Copper demand is said to have a direct correlation with economic activities considering its wide usage across construction, home appliances and other sectors.

According to a report from ICRA, refined copper imports increased 30 per cent in FY23 (by volume) and 180 per cent in H1 FY24.

PRODUCTION CAPACITY

Due to low availability and increased usage, copper and copper concentrates are primarily imported into India;



OUTPACING SUPPLY. Increased demand for refined copper reflects growth in infrastructure, construction, telecom, electrical, renewable energy and electric vehicles

they form the raw material from which refined copper is produced.

India's current refined copper production capacity is 5.55 lakh tonnes (FY 2022-23), making it the 10th largest producer of the metal, as per government estimates.

According to a response from Pralhad Joshi tabled in

the Rajya Sabha, the spurt in imports in the last two years is due to increased copper refining demand, which reflects "a post pandemic recovery"... [The recovery is] driven by growth in user sectors such as infrastructure, construction, telecom, electrical, renewable energy and electric vehicles," he said. In-

identally, copper is one of the 30 critical minerals identified by the Centre, earlier this year.

DEMAND GROWTH

Domestic refined copper demand growth is expected to remain at around 11 per cent in FY24 and FY25, as per ICRA estimates, thereby outpacing the rate of global growth in copper demand.

In India, some 40 per cent of the copper is consumed by infrastructure and construction sectors, and 11-13 per cent each by automobile and consumer durable sectors. Push for affordable housing and EVs also propels the demand.

"However, a new copper smelter of 0.5 million MT (mmt) by the Adani Group is expected to start from FY25 onwards, which, once stabilised, is likely to reduce the deficit situation to an extent," the report mentioned.

AHEAD OF INDIA-ASEAN FTA REVIEW

Industry flags spike in import of 38 items

SHREYA NANDI

New Delhi, 11 December

India is gearing up for a review of the 13-year-old trade pact with the Association of Southeast Asian Nations (Asean) against the backdrop of a surge in the import of as many as 38 items, including laptops, IT hardware, telecom equipment, and stainless steel products, during the first six months of the current financial year.

The spike in imports was witnessed mainly from countries such as Singapore, Thailand, Indonesia, Malaysia, Vietnam, and the Philippines, people aware of the matter told *Business Standard*.

The 10-member

WORRYING SURGE

Commodity/ Major Asean member exporting to India	India's imports during Apr-Sep FY24 (in \$ mn)	Y-o-Y growth (%)
PV cells not made into panels/Malaysia	264.19	4,841.56
Lithium-ion/Vietnam	41.46	294.19
Aluminium ingots/Malaysia	80.15	270.08
Semi-finished stainless steel/Indonesia	624.71	188.34
Plastics/Malaysia	41.42	174.56
Non-monetary unwrought gold/Philippines	39.69	99.3
Telecom equipment (machines for conversion of audio, visual data)/Singapore	329.37	59.21
AC parts/Thailand	81.86	52.93
Electronic equipment (monolithic integrated circuit)/Singapore	601.11	15.59
Laptop, PCs/Singapore	445.41	7.15

Source: Government data

Asean grouping also includes Brunei Darussalam, Cambodia, Laos, and Myanmar. The India-Asean free trade

agreement (FTA) was signed in August 2009, and the deal came into force 2010 onwards.

CLARIFYING STANCE TO WTO

India says Laptop, PC Import Curbs for National Security

THE AIM Collect trade statistics and prevent deceptive practices

Kirtika Suneja

New Delhi: India has told the World Trade Organization (WTO) that the purpose of restricting the imports of personal computers, laptops and other IT hardware products is to collect trade statistics or market surveillance, prevent deceptive practices, protect human, animal or plant life or health and safeguard national security.

The administrative purpose of the measure is to “protect public morals, quota administration, regulate imports of arms, ammunition or fissionable materials and safeguard national security”, New Delhi said.

In October, India launched a new system of authorisation for import of laptops, tablets, and personal computers, aiming to monitor shipments of such hardware without hurting



market supply.

The country imported IT products worth \$8.7 billion in FY23 against \$10.3 billion in FY22 and \$7.1 billion in FY21. Importers are allowed to bring in shipments of IT hardware from overseas on a mere 'authorisation' upon detailing quantity and value.

“Monitoring is important as a handful of countries such as China, Singapore and Hong Kong account for more than 80% of the imports,” said an official. Protection of patents, trademarks and copyrights, and the pre-

vention of deceptive practices was the other purpose of this measure.

The government has cleared about 110 applications as part of the new 'import management system. Dell International Services India, Apple India, HP India Sales Pvt Ltd, Lenovo (India), ASUS India, IBM India, Samsung India Electronics, Xiaomi Technology India, Cisco Commerce India, Siemens Ltd and Bosch Ltd, are some of the countries which have received the authorisation.

While there are no import restrictions on spares, parts, assemblies, sub-assemblies, components, and other inputs necessary for these devices, and laptops/tablets accompanying machinery like MRI machines and unmanned aerial vehicles are exempted, companies in the “denied entity list” will not get the authorisations.

Import of US apples rises 40 times in 3 months as govt scraps retaliatory duty

Our Bureau

New Delhi

After India removed “retaliatory import duty” on US apples in September, imports of American apples have surged 40 times in three months, while traders are hopeful of regaining market share.

In 2017-18, the import of US apples was a record of over 7 million boxes, which dropped to 50,000 boxes in the 2022-23 (September-August) season.

In a promotional event in New Delhi on Tuesday, Sumit Saran, country representative of Washington Apple Commission, said: “We are hopeful to regain our market share. Apart from metros, we see a lot of sales in tier I and tier II cities. We do not promote when Indian production is in



market. We wait till domestic production exhausts by January so our product can be from February.” The main sales period of US apples in India continues until July.

Saran said Washington apples had a kind of gone out of Indian market due to “retaliatory tariff” of additional 20 per cent over and above basic import duty of 50 per cent imposed in 2019 in retaliation to US government’s higher import tax on Indian steel and aluminium.

Though India announced

to withdraw additional duty on US apples in June, the notification came only on September 6.

CREATING A VOID

Claiming that the non-presence of Washington apples created a void both for traders and consumers, Saran said that 70 per cent duty was huge for the trade to compete with other origins that were paying 50 per cent duty.

Between September 1 and November 30, 440,000 boxes (of 20 kg each) have been imported, as against only about 10,000 boxes in the year-ago period, he said. In entire 2022-23 (September-August), India had imported 50,000 boxes of apple from the US whereas prior to the additional duty levied, the annual import by India was about 5 million boxes, he added.

Business Line, Sat. 13/12/23

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India mulls safeguard measures on steel imports

ANTI-DUMPING MOVE. Development follows surge in imports, especially from China

Abhishek Law
New Delhi

India is planning to introduce some safeguard measures on steel imports, along the lines of European Union's (EU) quota system to check the surge in inflows.

Other options include exploring the possibility of placing import restrictions across ports and removing the lesser duty rule, sources in the Union Steel Ministry told *businessline*.

The move comes even as India has seen a surge in steel imports, especially shipments coming in from China, and Chinese supplies being routed through Vietnam.

NET EXPORTER

The country turned a net importer of steel for the April-November period (eight months of the fiscal) due to a continued fall in export orders and stiff competition from imports. Finished steel imports stood at 4.3 million tonnes (mt) exceeding exports, which stood 4.0 mt for the eight month period, by 0.3 mt. This marks a drastic change in India's competitive landscape, as the second largest producer of crude steel, which



SEEKING BALANCE. India turned a net importer of steel during the April-November period due to a continued fall in export orders and stiff competition from imports REUTERS

became a net exporter, has now turned back to be a net importer.

According to a Steel Ministry official, the three options being mulled will be discussed with industry majors, steel associations and the integrated steel players that include companies such as JSW, Tata, AMNS India, SAIL and JSPL.

"There are some discussions that are underway," the official said, adding that the preferred option would be coming up with tariff rate quotas on imports.

TARIFF RATE QUOTAS

A tariff rate quota acts as an upper limit for imports into

India from the exporting country. As long as the exporting country ships the goods to India within the prescribed limit or quota, there will be negligible or no duty charged.

However, if the exporting country exhausts the prescribed limit, a safeguard duty/tariff will be levied.

Countries such as the US, EU, Canada, Australia, Japan and New Zealand have been using tariff rate quotas as one of the safeguard measures.

This measure is most suitable in a situation where there is a demand-supply gap in the importing country, people familiar with the matter said.

It is to be noted that India's

steel exports to the EU go through such a quota system.

OTHER MEASURES

The removal of the lesser duty rules include reworking duties being charged. India has typically been following the lesser duty rule in its anti-dumping investigations, which means that the duty is imposed to the extent of dumping margin or injury margin, whichever is lower. The injury margin under the present law is calculated as the difference between the non-injurious price and the landed price.

Theoretically, the non-injurious price is supposed to be a fair selling price at which there would be no injury to the domestic industry. But sometimes prices are even lower than the cost of production of the product, a pain point that Indian steel-makers refer to when it comes to imports from China.

Under a tariff value levys system, the duty will be levied on a pre-specified price instead of that listed on the invoice.

There could be restrictions on steel imports or shipments coming into select ports, including higher duty imposition. The restrictions could come into one or multiple ports.

Steel mills hold back exports to S-E Asia, West Asia; EU sees green shoots

Abhishek Law

New Delhi

India's steel mills have again held back on exports for three months now given stiff competition from China that continues to be 10-20 per cent lower-than-expected market rates.

Mills here placed the last export offers at \$660 per tonne (for benchmark hot rolled coils) against which the competing Chinese offers were sub-\$600 (around \$580-590/tonne).

Till December 15, Indian mills have reportedly withdrawn all export offers specially for markets in and around South East Asia, Middle East, and elsewhere including Turkey, exporters told *businessline*.

The market is closely watching global trends and waiting for more favourable conditions before resuming exports to Southeast Asia and West Asia.

Chinese export offers are at present hovering around the \$585-590 per tonne range (elsewhere) and at \$609 per tonne for import to India. This has practically shut out the Indian players in the export market whose cost of production are substantially higher.

"Until there is a change in Chinese prices, it would be prudent for Indian mills to hold back export offers in

Vietnam moved from being a market buying Indian steel (export) to one that started selling to India

the HRC segment," the exporter said, pointing out, the matter of Chinese products coming into Indian markets, also via other countries like Vietnam, has been raised with the Steel Ministry.

Vietnam moved from being a market buying Indian steel (export) to one that started selling to India.

In case of most export offers being made by China, quotes are "lower than their production cost too", some exporters have pointed out.

EUROPEAN DEMAND

The Indian hot rolled coil (HRC) export prices to the EU are rising due to strong domestic demand in the region, market research firm, SteelMint said in a report. Quotas are also up, reportedly,

Moreover, Europe is not been favourably disposed towards HRC plates coming in from China, which has given Indian players added advantage in the markets there.

In the EU, the HRC prices

rose to \$730 per tonne levels as some service centres came into the market to buy what they believe has bottomed out.

ArcelorMittal's official offers were at €720/t across Europe (around \$775 per tonne) last week, while Indian import offers increased in the market amid quota issues for other countries.

CHINA DATA

Domestic HRC prices rose by \$10 per tonne last week in China to \$566 per tonne ex-warehouse Shanghai as steel inventories declined sharply amid expectations of an impending stimulus announcement in mid-December, Market sources said.

Data tracked by various market intelligence agencies showcased that Chinese steel exports rose by 0.8 per cent from October and by 43 per cent from a year earlier to 8.01 million tonne (mt) in November as seaborne buyers increased purchases.

In the export market, Chinese offers increased to \$590/t cfr Vietnam.

Steel imports into India recorded at 1.2 mnt in November. And are expected to remain high till mid-January 2024 due to previous bookings, SteelMint said in its report while market sources said this is "likely to pressurise prices in the near term".

Business Line, Sat. 15.12.23

Oil imports from Russia soars to 4-month high of 1.6 million bpd in November

Reuters
New Delhi

India's Russian oil imports in November rose to a 4-month high of 1.6 million barrels per day (bpd), up 3.1 per cent from October, making up about 36 per cent of the nation's overall imports last month, data obtained from trade sources showed.

Russia became India's top oil supplier this year as it was drawn to Russian oil discounts after some Western companies shunned purchases from Moscow following its invasion of Ukraine in February last year.

India, the world's third biggest oil importer and consumer, has traditionally relied



DIVERSIFYING SOURCES. Higher purchase of Russian oil has dented the share of Middle Eastern oil in India's crude diet REUTERS

on Middle Eastern producers for meeting the bulk of its oil needs and rarely made purchases from Russia in the past due to high transportation costs. Last month, India overall imported about 4.5 million bpd oil, a decline of about 4.5

per cent from October and a growth of 13 per cent over the same month last year, the data showed.

Iraq and Saudi Arabia were the next top oil suppliers to India after Russia in November. Higher purchase of Russian oil

has dented the share of Middle Eastern oil in India's crude diet.

INDIRECT IMPACT

The share of Middle Eastern oil in November oil imports was about 46 per cent compared with 48 per cent in October, while that of the Commonwealth of Independent States — Russia, Kazakhstan and Azerbaijan — rose to 39 per cent from 36 per cent, the data showed.

Increased Indian imports of Russian oil have also dragged down the share of oil from the member nations of the Organization of Petroleum Exporting Countries in April-November to 48 per cent from about 62 per cent in the same period last year, the data showed.

The Economic Times, At. 15.12.23

Motorola Plans to Double Exports from India

Lenovo-owned co to boost North America shipments from next year, a market served mainly from China: Exec

Subhrojit Mallick

New Delhi: China's Lenovo-owned smartphone brand Motorola, an early beneficiary of the government's production-linked incentive (PLI) for mobile phone manufacturing, plans to double exports from India starting next year, said a senior company executive. This will be achieved by ramping up Indian shipments to North America, a market that is being served mainly from China.

"North America is our primary export market from India. Currently, we have been exporting 20-25% of our capacity to North America, and every year, we are seeing step ups in terms of growth. We are planning to double our exports next year (in 2024)," said Prashant Mani, executive director, Asia Pacific, Motorola.

According to market trackers, Motorola exported more than 1 million smartphones from India in 2022, manufactured by local

electronics contract manufacturer Dixon Technologies. This calendar year, it has already exported 800,000 units as of October.

Mani said Motorola's objective is to sustain a faster growth in exports than its sales in the Indian market. "If we are seeing a 50-60% growth in domestic sellout, exports will grow faster than domestic sellouts."

Motorola's comments come at a time when the govt has been amping up pressure on Chinese brands to expand local manufacturing

mobile phone companies. According to market trackers, Motorola has already achieved a domestic value addition of 50-60%, excluding semiconductor parts, higher than rivals like Samsung and Apple.

Motorola's comments come at a time when New Delhi has been amping up pressure on Chinese

smartphone brands to expand and deepen local manufacturing and begin exports from India. Apple and Samsung dominate India's smartphone exports with a 90% share, according to the market trackers.

Mani said Motorola can also consider growing the share of Indian shipments to North America by diverting the share of China. This comes as Washington and Beijing continue to clash over trade, technolo-

Outgoing Call

Motorola exported over **1 million smartphones** from India in 2022

Already exported **800,000 units** as of October in 2023

Enjoys significant market share in the US, Brazil and Japan



Strong potential for exports at a time when smartphone shipments globally have been on a decline

Co also looking to increase component sourcing from India

BHAVIN G

to serve other markets from India. The brand enjoys significant market share in markets such as the US, Brazil, and Japan, giving strong potential for exports at a time when smartphone shipments globally have been on a steady decline.

The company has been quick to capitalise on this by tying up with Dixon when the PLI scheme was announced in 2020. The two companies signed a pact in December 2020, and since then the partnership has thrived with Motorola becoming the anchor for Dixon to grow its manufacturing presence.

Publicly-listed Dixon said, in its recent earnings call, that it had received an increased order book from Motorola in the second quarter of FY24, resulting in a revenue growth of 77% on-year. "We are seeing and expecting export volume also to come in from our largest anchor customer in the smartphones," said Saurabh Gupta, chief financial officer, Dixon.

gy and other geopolitical events.

"India is in the best position to make the best of the current geopolitical situation between the US and China, something we have already seen happen with Apple which has ramped its manufacturing presence here significantly over the years," said an industry executive who didn't wish to be named.

Compared to other smartphone brands, Motorola is also better pla-

Farm exports dip on rice shipment curbs

Financial Express, Sat. 18/12/23

Rise in shipment of buffalo meat, fruits & vegetables

SANDIP DAS
New Delhi, December 17

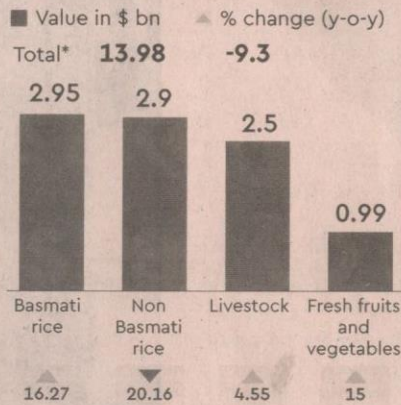
SEVERAL RESTRICTIONS IMPOSED on rice exports to improve domestic supplies have adversely impacted India's farm exports in the first seven months of current fiscal.

The shipment of agricultural items and processed foods, which had remained resilient in the last few fiscal years, dropped 9.3% on year to \$13.98 billion during the April-October period of the current fiscal year.

Cereals exports in the first seven months of 2023-24 dropped sharply by 10% to \$6.17 billion on year because of the ban on white and broken rice exports, shipment duties on parboiled rice and the curbs on wheat exports imposed in May last year.

According to the Directorate General of Commercial Intelligence and Statistics, while Basmati rice exports grew by 16.27% in April-October of FY24 to \$2.95 billion, non-basmati rice shipment declined sharply by 20.16% to \$2.9 billion this fiscal compared

Agri & processed food exports in FY24



(including other products, data for Apr-Oct)



to the previous year.

In terms of volume, rice exports dropped by 21.49% to 9.91 million tonne (MT) in the reporting period mainly due to a 28% fall in the volume of non-Basmati rice shipment to 7.31 MT.

However, the shipment of all other major items – livestock products, fresh and processed fruits and vegetables and other processed products such as groundnut and guar gum in the agricultural and processed food products exports basket of Agricultural and Processed Food Products Export Development Author-

ity (APEDA), rose significantly in the current fiscal.

Shipment of livestock products – buffalo meat, dairy and poultry rose by 4.4% to \$2.5 billion in April-October period of FY24 on year. This was driven by an 11.31% increase in buffalo meat exports to \$2.09 billion in this fiscal compared to the same period last year.

The exports of fresh fruits and vegetables have risen by 15% in the first seven months of FY24 to 0.99 billion on year.

“Globally there has been a robust demand for agricultural

products, which we have been able to cater to,” a commerce ministry official told FE. However the official said that the ban on onion exports announced recently will impact shipment of fresh fruits and vegetables in the current fiscal.

The exports of products under the APEDA basket grew by 9% to \$26.3 billion in 2022-23 as compared to FY22, due to a spike in shipment of rice, fruits and vegetables, livestock and dairy products.

The rice exports in the last fiscal rose by more than 15% on year to a record \$11.1 billion from \$9.6 billion in FY22. In terms of volume, rice shipment grew by 5% to a record 22.34 MT last fiscal on year.

During the August-October period, the government had imposed a temporary minimum export price (MEP) of \$1200/tonne on Basmati rice shipment to restrict ‘illegal shipment of white non-basmati rice in the garb of premium basmati rice.’ Subsequently MEP was reduced to \$950/tonne.

Exports of products under APEDA basket was \$25.6 billion in 2021-22, which was around 51% of the country's total agricultural goods exports of more than \$50 billion.