

India's import tariffs on agri products are 3rd highest globally

Business Line, At. 25/3/25

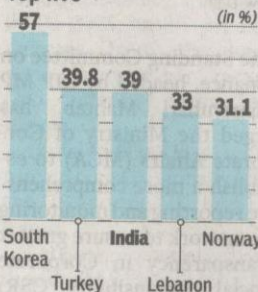
Jayant Pankaj
Chennai

Seeds of controversy

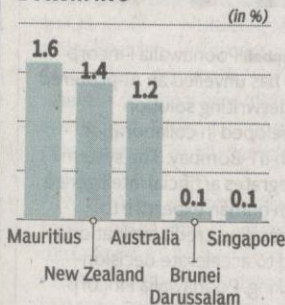
India's tariffs vs the world

Average applied MFN tariff in 2023

Top five



Bottom five



DATA FOCUS.

According to WTO's World Tariff Profiles 2024 report, among 153 countries, South Korea, Turkey and India levy the highest MFN tariffs on agricultural goods at 57 per cent, 39.8 per cent, and 39 per cent respectively.

The WTO releases an annual report on the World Tariff Profiles every year. The report categorises tariffs into two types.

The MFN tariff is a non-discriminatory rate that countries impose on imports from other WTO members unless they are part of a preferential trade agreement. The second is the bound tariff, which represents the maximum tariff a country can impose on products. MFN tariffs are the most used baseline for imports.

PRO-INDIAN FARMERS

Vivek Mishra, Deputy Director of the Strategic Studies Programme at Observer Research Foundation, explained that the import tariff on agricultural products is high because India is structurally an agricultural economy.

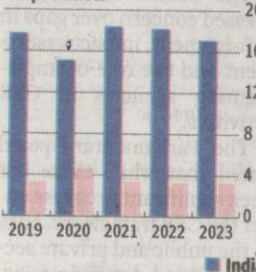
The government provides subsidies on agricultural goods and implements various barriers to protect farmers interests. "If agricultural products from other countries start competing on a large scale in India, it could create significant challenges for local farmers," Mishra noted.

The founder of Global Trade Research Initiative, Ajay Srivastava, agrees: "In India, agriculture is a liveli-

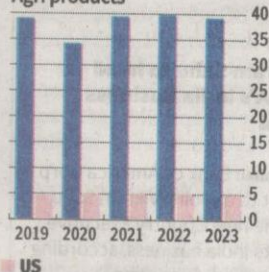
The mismatch

The average MFN tariff on agri products and all products (in %)

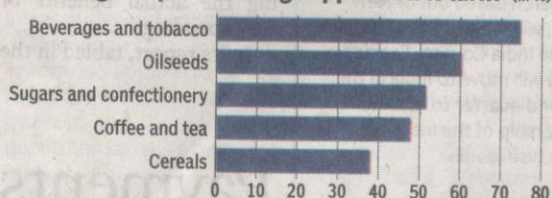
All products



Agri products



India's agri imports average applied MFN tariff (in %)



MFN - Most Favoured Nation

Source: WTO-World Tariff Profile Reports

hood issue rather than a trade issue. Whereas, less than 2 per cent of the US population depends on agriculture.

"Therefore, higher tariffs on agricultural products help protect the interests of Indian farmers."

The data show that Singapore, Brunei Darussalam, and Australia are the bottom three countries which have applied the least MFN tariffs on agricultural goods in 2023 with 0.1 per cent, 0.1 per cent, and 1.2 per cent, respectively.

Year-wise data show that India imposes higher tariffs on both overall products and agricultural products compared to the US.

In 2017, India's MFN tariff was 13.8 per cent on all products and 32.8 per cent on agricultural products, whereas the US' MFN tariff

stood at 3.5 per cent and 5.1 per cent, respectively. By 2023, India's MFN tariff had risen to 17 per cent on all products and 39 per cent on agricultural products, while US' MFN tariffs declined to 3.3 per cent and 5 per cent, respectively.

Among the 20 items on which India imposes import tariffs, beverages and tobacco, oilseeds, fats and oils, sugars and confectionery, rank at the top with 74.5 per cent, 60.1 per cent and 51.5 per cent, respectively.

On how India can tackle the reciprocal tariffs by US, Mishra said: "India can choose to lower tariffs on selected goods and use them as a bargaining tool with the US. Increasing domestic production and gradually reducing tariffs could help in narrowing the trade deficit with the US."

Trump's move to probe copper imports triggers rally in red metal

BULLISH TREND. Comex copper at a near record level, rules at a premium over LME on tariff fears

Subramani Ra Mancombu
Chennai

US President Donald Trump's move to probe the potential threats posed by copper imports to national security has triggered a sharp rally in the red metal's prices in the global market.

Trump, signing an executive order for the probe, asked the US Commerce Department to recommend ways to overcome such threat, including through "potential tariffs, export controls or incentives to increase domestic production" within 270 days.

Canada and Mexico have been exempt from all tariffs under the United States-Mexico-Canada trade agreement but Trump's order is impacting the market. Any move to curb imports will result in the US depending on its two major smelters.

Washington imports 50 per cent of its copper needs. In 2024, it imported 8.5 lakh tonnes, excluding scrap.

Copper prices have rallied on Comex, a leading plat-



CLIMBING UP. While LME copper prices are up 13 per cent this year, they have gained 25 per cent on Comex

form to trade in commodities futures in precious and base metals, to near-record levels of \$5.1 a pound (\$11,330 a tonne), widening the gap with rates on the London Metal Exchange (LME).

On the LME, the copper three-month contract is ruling at \$9,880 a tonne, leaving Comex enjoying a record premium.

MORE THAN GOLD

While LME copper prices are up 13 per cent this year, on COMEX, they have gained 25 per cent — more than gold.

The US move has resulted in traders shifting the red metal from LME warehouses to the US to take advantage of arbitrage opportunities, said ING Think, the economic and financial analysis wing of Dutch multinational financial service firm ING.

Analysts say copper prices rising to such levels is not a good indicator of the economy. This is because prices have increased on fears over the trade war than any economic buoyancy.

Shanghai Metal Market (SMM) News said Trump's probe into copper has not

only boosted global copper prices but also led to changes in the recent flow of copper cathodes.

It has also impacted Chinese export quotations of domestic copper cathode rods. With more copper cathode flowing into the US market, supplies in China have tightened and raw material prices have increased, it said.

SMM said its data showed the latest FOB export processing fees for copper cathode rods have increased between \$200 and \$245 a tonne. It expressed the fear that Chinese domestic supplies will likely be tight.

The *Trading Economics* Website said demand from China, the world's top consumer, remains strong owing to rising manufacturing activities and Beijing's pledge to stimulate the country's economy.

ING Think said the cancellation of copper warrants in the LME has soared since late February. This has resulted in the largest drawdowns in Asia's inventories, fol-

lowed by those in Europe.

WITHDRAW METAL

"Orders to withdraw metal out of LME warehouses in Asia have surged to the highest level seen since August 2017," it said. This means the person or organisation holding warrants in an LME-authorized warehouse has sought physical delivery.

ING Think said in the near-term, copper prices are likely to remain supported by the front-running of tariffs and tightening of the ex-US physical market as more metal makes its way to the US ahead of any potential levies.

In the long term, tariffs could be bearish for copper and other industrial metals in the context of slowing growth and keeping inflation higher for longer.

"With growth in the US likely to slow on the back of tariffs and China already struggling to revive its economy, demand for copper and other industrial metals is likely to weaken looking ahead," said ING Think.

Electronics exports to top ₹3L cr

RISHI RAJ
New Delhi, March 24

INDIA'S ELECTRONICS EXPORTS are set to cross the ₹3-lakh-crore mark for the first time in FY25. Though the final numbers are yet to be announced, the April-February figures make it clear that the sector is all but certain to achieve the record. During the 11-month period, electronics exports touched ₹2.87 lakh crore, up 35% from ₹2.11 lakh crore during the corresponding period in the previous financial year.

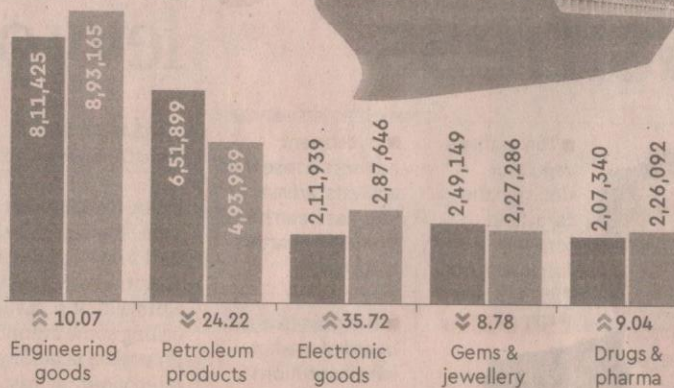
The growth in shipments came at a time when the overall merchandise exports remained flat. It reflects the success of the multiple schemes and programmes implemented by the ministry of electronics and IT (MeitY) in the past few years, especially the production-linked incentive (PLI) scheme for smartphones, launched in 2021.

Smartphones continue to be the top contributor to electronics exports growth. In FY24, smartphone exports to the tune of ₹1.3 lakh crore constituted nearly 54% of the ₹2.41-lakh-crore electronics exports. In the first 11 months of FY25, smartphone exports of ₹1.75 lakh crore account for 60% of the total electronics exports. Among companies, Apple, whose iPhone exports reached ₹1.25 lakh crore in the first 11 months of FY25, contributed 43% of the total electron-

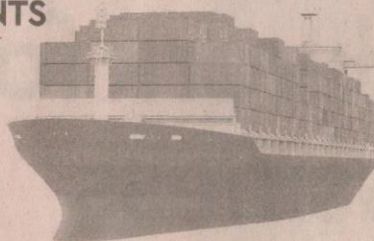
SHARE IN SHIPMENTS

Top 5 commodity exports

■ Apr'23-Feb'24
■ Apr'24-Feb'25 % chg



Source: Department of commerce; figures in ₹ crore



Tariff war hurts engineering export growth

THE US-INDUCED UPHEAVAL in world trade through tariffs and counter-tariffs has stalled the growth in India's export of engineering products. The growth in these shipments, which remained in positive territory for nine months in a row bucking the stagnation in others, fell 8.62% on year to \$ 9.08 billion in February.

Steel, aluminium and copper — the sectors that President Donald Trump has focused on for tariffs — were laggards in terms of exports from the engineering sector. While the US still discusses the quantum of taxes each country will face under its reciprocal tariff plan, it has already gone ahead with 25% duties on steel and aluminium from March 12. The impact of steel and aluminium duties will be felt in the coming months.

There was a 58% year-on-year decline in exports of aluminium products and a 40% decline in exports of iron and steel in February. While the US remained the top destination for engineering exports, the impact of tariff announcements was felt in other markets such as China and Russia.

— FE BUREAU

ics exports and 70% of the total smartphone exports. This figure is expected to rise by the end of FY25 when final export numbers come in at the end of March.

At the end of FY24, the electronics sector was ranked as the fifth-largest export basket, behind engineering goods, petroleum, gems & jewellery, and organic and inorganic chemicals. During the current fiscal, it has jumped two positions and is now the third largest, behind engineering goods and petroleum.

Further, due to a reduction in

petroleum exports and an increase in electronics exports, the gap between the second-placed petroleum products and electronics is decreasing sharply. For instance, in FY24, exports of petroleum were more than electronics by ₹4.4 lakh crore. In the first 11 months of FY25, the gap is down to ₹2 lakh crore. Encouraged by this unparalleled performance of the electronics sector, the government is actively considering a component development scheme with the aim to deepen the ecosystem, build resilience and shift supply chains.

Business Line Dt: 26/03/25

'25.21 million kg of tea imported in 2023-24'

Our Bureau

Mangaluru

India imported 1.82 per cent of its total tea production in 2023-24, the government said on Tuesday.

Replying to a query on tea import to India, Jitin Prasada, Union Minister of State for Commerce and Industry, said in a written reply to the Lok Sabha on Tuesday that overall Indian tea imports were 25.21 million kg, valued \$53.30 million in 2023-24. This was 1.82 per cent of country's total tea production of 1,382.03 million kg. Tea imports are mainly for blending and re-exports, he said.

Stating that the Tea Board has taken several measures in respect of teas imported into the country, he said a notification dated November 11, 2021 was issued with a directive stating that im-



ported tea must not be blended with GI teas. If blending is done, the end product must not be sold as GI tea.

KENYAN IMPORTS

Directives were issued to packers, requiring them to clearly indicate on the packaging that the blended tea contains imported ingredients.

He said importers and exporters have been directed to mandatorily obtain clearance certificates from the board's Tea Council portal before importing or export-

ing tea, and the origin of the tea must be mentioned on the packages.

Asked if India has become the largest importers of tea from Kenya, the Minister said India is not the largest importer from Kenya and its imports stood at only 2.83 per cent of total tea exports made by Kenya in 2024.

Replying to a question on the steps taken to protect and promote indigenous tea production, the Minister said the government, through the Tea Board, is implementing the 'Tea Development and Promotion Scheme'.

To another question, he said India is the second largest producer and the fourth largest exporter of tea with a share of 21 per cent and 12 per cent in world tea production and exports respectively.

Indian tea production has increased from 2021-22 to

2023-24 with a CAGR of 1.39 per cent to reach 1,382.03 million kg and Indian tea exports during the same period increased with a CAGR of 13.95 per cent to reach 260.71 million kg.

The all-India average auction price of tea during April-January 2024-25 was ₹203.15 per kg, an increase of 20.39 per cent, compared to the all-India average auction prices in the corresponding period of 2023-24, he added.

MILK CONSUMPTION

In a written reply in the Lok Sabha, SP Singh Baghel, Union Minister of State for Fisheries, Animal Husbandry and Dairying, said per capita availability of milk had increased by 48 per cent in the last decade with more than 471 gram per person per day during the year 2023-24 as against the per capita availability of 322 gram per person per day in the world.

Business Standard. Dt: 27/03/25

US may impose copper import tariffs in weeks

25% duty likely on all imports of the metal

BLOOMBERG
26 March

US tariffs on copper imports could be coming within several weeks, months earlier than the deadline for a decision, according to sources. US President Donald Trump in February directed the Commerce Department to open an investigation into potential copper tariffs and submit a report within 270 days, though it's now expected to be resolved sooner, sources said.

The investigation already is looking like little more than a formality, sources said, with Trump having regularly said he plans to impose the tariffs.

The administration is pro-



ceeding expeditiously with the review, and a conclusion could be possible well before the 270-day deadline, an official said.

The White House declined to comment.

Trump has threatened to impose a duty of 25 per cent on all copper imports, a move that could roil the global market for one of the world's most ubiquitous metals, which is used in

pipes and electrical cables.

Copper on New York's Comex rose 3.1 per cent to a record of \$5.3740 a pound, before paring those gains to trade at \$5.2815. The benchmark price on the London Metal Exchange fell 2.2 per cent to \$9,893 a ton, widening the gap between the two contracts to more than \$1,700 a ton.

The large price differential

'RED METAL' RUSH

(Price in \$ / tonne)

NY Comex copper



LME copper



Note: London Metal Exchange copper as on March 25, 2025
Sources: Bloomberg, LME, Comex

between London and New York created a worldwide dash among traders and dealers to ship the red metal to America to capture a lucrative premium. Such a move has left the rest of the world, especially top consumer China, short of copper.

Goldman Sachs expected the tariff to be implemented between September and November, analysts said.

SEA hopes edible oil imports from Nepal will dip after customs notification seeking certificate of origin

Our Bureau

Mangaluru

The Solvent Extractors' Association of India (SEA) hopes that the Customs Department notification asking exporters/importers to provide "Proof of Origin" instead of a "Certificate of Origin" for commodities imported under concessional duty would help reduce the flow of edible oil from Nepal and other SAARC countries.

In his monthly letter to SEA members, Sanjeev Asthana, SEA President, said the massive influx of refined soyabean and palm oils from Nepal to India, in violation of the rules of origin, continues to severely impact domestic refiners and oilseed farmers, leading to significant revenue losses for the government. The import of edible oil at zero duty under the South Asian Free Trade Area (SAFTA) agreement from Nepal is creating havoc not



VOICED CONCERNS. SEA has urged the government to intervene and take necessary actions to regulate the inflow of edible oils from Nepal and other SAARC countries

only in Northern and Eastern India but is also now spreading to Southern and Central India.

MODEL FARMS

Stating that the SEA has strongly urged Prime Minister Narendra Modi and other key Ministers to intervene and take necessary action to regulate the inflow of edible oils from Nepal and other SAARC countries, he said the Union Commerce Ministry had responded positively

and promised action. Asthana said rapeseed and mustard remain critical crops in reducing India's dependence on oilseed imports.

Strengthening extension services and raising farmer awareness on best cultivation practices are essential in achieving self-sufficiency in edible oils and realising the vision of 'Aatmanirbhar Bharat' as outlined by the Prime Minister.

Referring to SEA's Sus-

tainable Mustard Model Farms (MMF) for boosting yield, he said the initiative, which was launched in 2020-21, was instrumental in equipping farmers with advanced agricultural practices, thereby enhancing productivity and resilience.

India's mustard production has significantly increased from 86 lakh tonnes (lt) in 2020-21 to 116 lt in 2023-24. The cultivated area has also expanded annually, growing from 67 lakh hectares (lh) in 2020-21 to approximately 94 lh in 2023-24.

This year, the initiative has expanded to over 2,000 farms under frontline demonstrations across 750 farms in Madhya Pradesh, 350 in Uttar Pradesh and 900 in Rajasthan. "Compared to traditional farming, advanced techniques have shown an average yield increase of 20-25 per cent. In 2024-25, yield improvement of around 24 per cent has been recorded," he said.

Maize exports decline sharply on higher domestic demand

Business line, dt. 28/3/25

Vishwanath Kulkarni

Bengaluru

India's maize (corn) exports have declined sharply this year following a pick-up in domestic demand from segments such as ethanol manufacturers and feed makers. Besides, higher domestic prices have proved to be a dampener.

"Exports are taking place but in limited quantities. During November and December, exports have taken place in good quantities, but before that the shipments were weak. However, compared to last year, the maize exports will be less," said Rahul Chauhan of IGrain India.

On the other hand, the imports of maize have increased due to the demand from ethanol manufacturers, Chauhan said.

GM CORN

India doesn't allow the import of genetically modified (GM) corn. Ukraine and Myanmar are the only other major producers apart from India that grow non-GMO maize. In 2024, imports of maize were over 8.8 lakh tonnes, he said.

Of this, 4.37 lakh tonnes were imported from Myanmar while 4.45 lakh tonnes were imported from Ukraine and another 1,875 tonnes from Singapore.

"Exports of maize have stopped completely as we are not self-sufficient," said Divya Kumar Gulati, Chairman, Compound Livestock Feed Manufacturers Association (CLFMA) of India.

"We were actually exporting to Nepal and South-East Asia but hardly anything is going now compared to earlier as everything is being consumed domestically," Gulati said.

Also, Indian corn prices are very high, which make



On a declining trend

Year	Quantity (lakh tonne)	Value (\$ million)
2024-25 (Apr-Dec)	3.86	143.32
2023-24	14.42	443.62
2022-23	34.56	1,116.93
2021-22	36.04	1,023.46

Source: DGCIS, IGrain

Per DGCIS data, the value of maize shipments to Nepal dropped to \$74.08 million this year till December (\$104.41 million last year), Bangladesh \$13.86 million (\$72.72 million) and Malaysia \$0.74 million (\$14.50 m). Shipments to Bhutan increased to \$12.84 million (\$8.01 m) and to Sri Lanka 21.64 million (\$3.06 million).

Gulati said India's corn demand for 2024-25 is estimated at 47.51 million tonnes with bulk of the demand coming from the poultry feed segment at 22.25 million tonnes, 5.47 million tonnes from cattle feed and 5.91 million tonnes from the starch sector. The demand from fuel ethanol is estimated at 10.26 million tonnes.

The industry estimates production at 32.62 million tonnes, with exports around 2.7 lakh tonnes and imports of 1.2 million tonnes. Factoring a supply of other grains of around 2.75 million tonnes, the shortfall is estimated at over 11.6 million tonnes.

As per the Agriculture Ministry's second advance estimate, kharif 2024-25 maize production has been pegged at 24.81 million tonnes and the rabi 2025 output at 12.43 million tonnes. The total maize output is estimated at 37.25 million

At over 5 m barrels/day, crude oil imports hit a record in March

SIX-MONTH HIGH. Return of Russian barrels push up import numbers

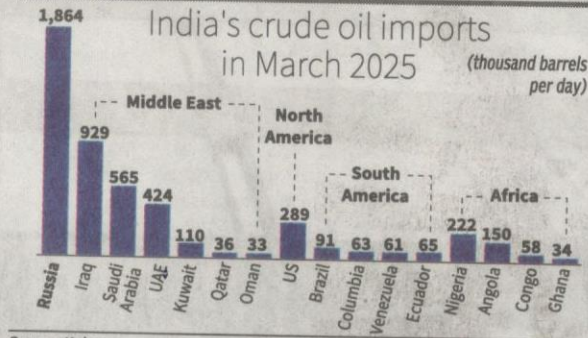
Rishi Ranjan Kala
New Delhi

India's crude oil imports surpassed 5 million barrels per day (mb/d) during March 2025 — the highest monthly volume in over 15 years — aided by strong domestic demand coupled with high refining capacity and favourable economics with Russian barrels.

Another interesting development is the return of Russian barrels pushing up import numbers. Indian refiners are fast adapting to the evolving trade dynamics by deftly navigating sanctions to procure Russian barrels despite higher logistics costs and ship-to-ship transfers (STS) with imports hitting a six-month high in March 2025.

According to trade numbers from global real-time data and analytics provider Kpler, India imported a record 5.13 mb/d of crude oil last month, on a provisional basis, compared to 4.78 mb/d in February 2025 and 4.95 mb/d during March last year.

"India's overall crude imports in March are estimated at around 5,133,000 (b/d), based on Kpler data — the highest monthly import volume on record since 2008. This surge has pushed refinery throughput to near-record levels, reflecting a combination of structural and seasonal factors," Sumit Ritolia, Kpler's Lead Research



Source: Kpler

Analyst for Refining & Modelling, told *businessline*.

He explained that with low scheduled maintenance outages in February and March, most Indian refineries are operating at elevated levels. Besides, March marks the fiscal year end for PSUs oil marketing companies (OMCs), who typically ramp up runs to meet or exceed their annual MoU targets — a recurring seasonal pattern.

That apart, robust demand for fuel, agricultural activity (harvesting season), high industrial output and pre-summer logistical movement is also pushing up demand.

RUSSIAN BARRELS

Higher imports in March also point to strong refining margins, supported by robust local demand and the availability of discounted Russian barrels, Ritolia emphasised.

India's imports of Russian crude surged to around 1.9

mb/d in March, marking an increase of over 400,000 b/d m-o-m and more than 200,000 b/d y-o-y. Of this, Urals alone accounted for around 1.43 mb/d, a 4-month high, reinforcing its role as the dominant Russian blend in India's import mix.

"This rebound underscores a critical trend: despite the presence of sanctions, Russia's crude flows to India remain resilient. The current structure of sanctions, lacking secondary enforcement targeting buyers or shippers, appears insufficient to significantly disrupt this trade," Ritolia said.

The Kpler analyst explained that following the recent drone attacks on Russian refineries, domestic crude processing fell to about 5.2–5.3 mb/d (January 2025: 5.5 mb/d), increasing export availability.

"Urals FOB prices dropped to (approx) \$55–\$7 per barrel in March, below the \$60 price cap, enabling

use of Western logistics and insurance. Indian refiners have capitalised on this arbitrage buying more Russian barrels at discounted prices despite logistical complexity," he added.

GOING AHEAD

Elaborating on import volumes during March and evolving trade dynamics Ritolia opined "March numbers validate a few key themes (such as) India remains a core demand centre for Russian oil amid Western disengagement. Price and refining economics outweigh geopolitical pressure — at least in the current framework."

Trade sources said that after the January 10 US OFAC sanctions, there is a rebound in mainstream crude oil tanker demand largely due to apprehensions in India and China over supply. Russian replacement barrels being sourced from Middle East and Atlantic basin pushed up tonne-mile demand and rates for VLCCs and Suezmaxes.

OPEC's latest monthly oil market report pegs India's overall oil demand expansion during January-March 2025 to grow by 221,000 b/d Y-o-Y, while it is expected to rise by 239,000 b/d, Y-o-Y, to average at 5.8 mb/d in 2025.

On the other hand, the US EIA expects India to increase its liquid fuels consumption by 0.3 mb/d in both 2025 and 2026, compared with an increase of 0.2 million in 2024.

Petro product exports up 3.7% in April-Feb

ARUNIMA BHARADWAJ
New Delhi, March 30

INDIA'S PETROLEUM PRODUCT exports grew by 3.7% in volume terms, reaching 59.0 million tonne (MT) during April-February, compared to 56.9 MT in the same period last fiscal, according to data from the Petroleum Planning and Analysis Cell. The increase was primarily driven by higher shipments of motor spirit, petcoke, and fuel oil.

However, despite the rise in export volumes, the value of these exports declined by nearly 7% to \$40.4 billion in the first eleven months of the current fiscal, down from \$43.4 billion in the same period last year. This decline was attributed to weaker global prices compared to the previous fiscal.

In February alone, petroleum product exports rose by 6% year-on-year, reaching 5.6 MT, up from 5.3 MT in February 2024. However, in value terms, exports fell by 5% to \$3.9 billion, reflecting the impact of lower prices.

On the import front, refined oil product imports rose by 5.6% to 46.8 MT during April-February, up from 44.3 MT in the same period last year. The import bill for these products also increased by 3.8% to \$21.9 billion, compared to \$21.1 billion in the previous fiscal.

India's domestic petroleum

HIGHER SHIPMENTS

Petroleum products export

■ in MMT

● \$ billion



Source: PPAC



product consumption in the first eleven months of the ongoing fiscal rose to 218.3 MT, a 2.6% increase from 212.7 MT in the same period last year.

The growth was fueled by higher demand for diesel, motor spirit, liquefied petroleum gas (LPG), and aviation turbine fuel (ATF).

While the demand for ATF increased by 9.3%, that of LPG and motor spirit grew by 5.5% and 7.4% respectively. Diesel consumption recorded a growth of 2.1% during April-February from last year.

India projects domestic petroleum product demand to reach a record 252.9 MT in FY26.