

# India's goods exports dipped 3.1% in FY24 on global turmoil; trade deficit down on lower imports

**Amiti Sen**  
New Delhi

Geopolitical conflicts, slowdown in global demand and fall in commodity prices took their toll on India's foreign trade with goods exports falling 3.11 per cent in 2023-24 to \$437.06 billion. Top export items including petroleum products, gems & jewellery, readymade garments, chemicals, leather and marine products faced the heat, per government figures.

Yet, the trade deficit during the fiscal narrowed 9.33 per cent to \$240.17 billion as the drop in imports was a higher 5.41 per cent at \$677.23 billion. There was a significant fall in import of petroleum products, coal and coke, pearls, precious and semi-precious stones, transport equipment and chemicals, according to quick estimates released by the Commerce Ministry on Monday.



"This year was difficult from trade point of view. Not only did the Ukraine-Russia conflict continue, other conflicts also came up. We faced huge issues related to Red Sea and Panama Canal... But we have beaten all odds," Commerce Secretary Sunil Barthwal said pointing out that the overall exports of goods and services (estimates) in FY24 would be marginally higher than the previous year.

The Commerce Ministry has projected almost flat overall exports (merchandise plus services) for FY24 at

**Trade deficit during the fiscal narrowed by 9.33% to \$240.17 billion, with imports decreasing by 5.41% to \$677.23 billion**

\$776.68 billion with services exports projected to grow 4.39 per cent to \$339.62 billion. (The RBI will put out its estimates on services exports for the fiscal later.)

## EXPORT SECTORS

Barthwal said that as global trade was looking up this year, going by projections of both Unctad and the WTO, India's exports were also looking up.

Sectors that did well in 2023-24 despite the geopolitical tensions include electronic and engineering goods, drugs and pharmaceuticals

and cotton yarn. Non-petroleum and non-gems/jewellery exports in FY24, at \$320.21 billion, was higher than the previous fiscal's \$315.64 billion.

"FY24 closed on a strong note with engineering exports rising 10.66 per cent to \$11.28 billion... With more Free Trade Agreements in the pipeline, engineering exports will certainly increase in coming years," said an EEPIC India statement.

According to exporters' body FIEO, the need of the hour is to address the West Asia situation and Red Sea crisis challenges by ensuring availability of marine insurance and rational increase in freight charges.

Acknowledging that export of certain items, like gems and jewellery, had got hit due to regional conflicts, the Commerce Secretary said the government was focusing on diversification of both markets and products.

Business Line, dt. 16/4/24

# Thermal coal imports surged 23% y-o-y to a two-year high in January-March

**Rishi Ranjan Kala**  
New Delhi

India's thermal coal imports in the first quarter of 2024 calendar year rose to its highest in the last two years as the world's third-largest energy consumer prepares to meet the peak power demand during April to June.

According to data from energy intelligence firm Kpler, India's import of thermal coal, largely consumed by the power sector, rose 23 per cent y-o-y to 42.95 million tonnes (mt) during January-March this year from 34.85 mt in the same quarter of 2023.

## SUMMER RUSH

However, imports during the first three months in 2024 were lower by 19 per cent compared to the record 52.85 mt coal im-

## India's thermal coal imports (million tonnes)

	January	February	March	Total
2022	7.38	7.74	16.39	31.51
2023	10.55	10.78	13.52	34.85
2024	13.68	14.15	15.12	42.95

Source: Kpler

ported in October-December 2023. Kpler's Lead Major Dry Bulks Analyst, Alexis Ellender told *businessline* "India's thermal coal imports were in line with our expectations in March as they climbed by 1.60 mt y-o-y to a three-month high of 15.12 mt. This slower pace of annual growth compared to late 2023 and January-February 2024 was primarily due to a higher base."

Increased imports and domestic production growth means the country is entering the peak summer demand season with significantly larger thermal coal stockpiles than in recent years, he added.

At 51 mt on March 31, stocks at Central Electricity Authority monitored plants were up by more than 13 mt y-o-y and close to double the same point in 2022. "As a consequence, we do not expect a surge in summer imports of the type seen in 2022 however, we do anticipate steady annual growth in shipments through the second quarter and into the third quarter.

## RIISING DEMAND

The potential for weak hydro-power generation presents upside risk to forecasts however, on the downside, if coal burn underperforms expectations, then

high power plant stocks could become a weight on import demand," Ellender explained.

A senior government official said that imports will be higher in FY24 as electricity consumption is inching up coupled with Power Ministry's March 4 advisory to TPPs to continue importing the fuel for blending at 6 per cent till June 2024.

Government and analysts expect power demand to grow at 6-7 per cent y-o-y on the back of rising consumption from industries and households.

Keeping thermal power plants well stocked is critical as the Meteorological Department ( expects extreme heat conditions during April to June with Central and Western India likely to face the worst impact.

As expected, the Power Ministry directed all the imported-coal based power plants to continue operating at full capacity till September 2024.



# Exports shrink 3% in FY24 but tide is turning: Govt

SHREYA NANDI  
New Delhi, 15 April

Snapping the trend of growth in three consecutive months, goods exports in March year-on-year (Y-o-Y) contracted a moderate 0.67 per cent to \$41.68 billion due to falling commodity prices and persistent geopolitical challenges.

With March being the seventh month when exports contracted in 2023-24, on a cumulative basis outbound shipments saw a 3.11 per cent decline at \$437.06 billion, the data released by the commerce department on Monday showed.

The contraction came after exports grew during the last two financial years.

However, Commerce Secretary Sunil Barthwal exuded optimism



## MERCHANDISE EXPORTS: TAPERING AGAIN

Year	Value (\$bn)	Change(%)
2018-19	330.8	8.75
2019-20	313.36	-5.06
2020-21	291.81	-6.88
2021-22	422	44.62
2022-23	451.07	6.89
2023-24	437.06	-3.11

Source: Department of Commerce

## ELECTRONICS EXPORTS RISE 23.6% IN FY24

P4 ▶

and said exports had moved into a "positive cycle of growth", particularly in the calendar year 2024.

"This year was extremely difficult for trade. The Russia-Ukraine war continues, and other conflicts

came up. There was a huge issue due to the Red Sea (crisis) and Panama Canal. There were recessionary trends as well ... We have beaten all odds," Barthwal said.

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Business Line. Dt: 17/04/24

# In FY24, pulses import bill almost doubled to \$3.74 billion

**Vishwanath Kulkarni**  
Bengaluru

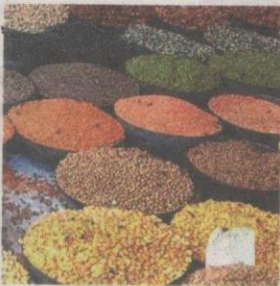
India's pulses imports almost doubled to \$3.74 billion during the 2023-24 fiscal compared with the previous year after government removed curbs to boost supplies and contain price rise. This followed a shortfall in the domestic output due to erratic climate conditions in the key producing regions.

In dollar value terms, pulses imports registered a 93 per cent growth at \$3.74 billion over previous year's \$1.94 billion. In rupee terms, imports were up 97 per cent at ₹31,071 crore during 2023-24 over ₹15,780 crore in the year-ago period, as per official estimates.

However, the official figures for the import quantity are yet to be disclosed for 2023-24. Based on the port arrival data, IGrain India's Rahul Chauhan estimates the pulses imports to be over 45 lakh tonnes (lt) against 24.5 lt a year ago.

## HIKING SUPPLY

This surge in imports of pulses is due to record purchase of masur (lentils) and increase in



In rupee terms, imports stood at ₹31,071 crore during 2023-24 over ₹15,780 crore in the year-ago period ₹.

shipments of yellow peas. The Government has allowed duty free imports of yellow peas till June 30 this year to boost the domestic supplies of pulses. Also, the duty free imports of tur and urad has been extended till March 31, 2025, to help control inflation and increase domestic supply.

Chauhan said the higher prices of pulses such as tur and urad at origins in Myanmar and East Africa could have contributed to the record import value during 2023-24. Chauhan said lentil imports would have likely exceeded a record 16.11 lt during 2023-24 compared with 8.58 lt a year ago. Imports of urad or black

matpe are seen at around 6.16 lt during 2023-24 against 5.24 lt a year ago. However, tur imports are likely to be around 7.70 lt, lower than 8.95 lt a year ago.

The duty free yellow pea imports, which were allowed from December last year, are expected to be around 12.75 lt, till March 2024. Import of other pulses varieties that registered an increase include chana at 1.48 lt (59,255 tonnes in previous year), rajma at 1.28 lt (82,736 tonnes) and cow pea at 38,034 tonnes (33,465 tonnes).

India's pulses imports had previously touched a high of ₹28,300 crore or \$4.3 billion during 2016-17. Import volumes had touched a high of 6.6 mt during 2016-17 and declined in the subsequent years on rise in domestic production. However, the erratic weather triggered by deficit rains in several parts of the country impacted the output during 2023-24. According to government estimates, pulses production during kharif 2023-24 season was 71.18 lt, down from previous year's 76.21 lt. Rabi pulses output is estimated to be 163.24 lt, down from previous year's 163.58 lt.



Business Line Dt: 18/04/24.

# India's oil import bill dips 16%, but overseas dependence still high

**Press Trust of India**

New Delhi

India's crude oil import dropped 16 per cent in the fiscal year ended March 31 as lower international rates but the dependency on overseas suppliers rose to a new high, official data showed.

India imported 232.5 million tonnes of crude oil, which is refined into fuels like petrol and diesel, in the 2023-24 fiscal (April 2023 to March 2024), almost the same as in the previous financial year. But it paid \$132.4 billion for the imports in FY24 as against \$157.5 billion import bill in 2022-23, Oil Ministry's Petroleum Planning and Analysis Cell (PPAC) data showed.

The world's third largest oil importing and consuming nation has been able to add to its domestic production drop, raising its import dependence. Import dependence of crude oil soared to 87.7 per cent in



2023-24, up from 87.4 per cent, according to PPAC. Domestic crude oil production was almost unchanged at 29.4 million tonnes in 2023-24.

Besides crude oil, India spent \$23.4 billion on import of 48.1 million tonnes of petroleum products like LPG. It also exported 62.2 million tonnes of products for \$47.4 billion. India also imports gas in its liquid form, called LNG. After the price shock of 2022-23, import of 30.91 billion cubic meters of gas cost \$13.3 billion in the fiscal year ended March 31, 2024.

This compared with \$17.1 billion spent on import of 26.3 bcm of gas in 2022-23 when energy prices

shot up to record levels in the aftermath of Russia's invasion of Ukraine.

## **IMPORT PRICE INDICES**

Net oil and gas import bill (crude oil plus petroleum product plus LNG import bill minus exports) stood at \$121.6 billion in 2023-24, down from \$144.2 billion. Petroleum imports as percentage of India's gross imports (in value terms) stood at 25.1 per cent, down from 28.2 per cent in 2022-23.

Similarly, petroleum exports as a percentage of the country's gross exports came at 12 per cent in 2023-24 as compared to 14 per cent in the previous year.

India's fuel consumption rose 4.6 per cent to a record 233.3 million tonnes in the year ended March 31, 2023. This compared with 223 million tonnes consumption in 2022-23 and 201.7 million tonnes in 2021-22. Despite low crude oil production, the country has surplus refining capacity, allowing for diesel exports.

Business Line. Dt: 18/04/24.

# Value of oilmeal exports hits 10-year high in FY24

Our Bureau  
Mangaluru

Oilmeals export from India grew by around 13 per cent in quantity and 35 per cent in value during FY24.

Data compiled by the Solvent Extractors' Association of India (SEA) shows India exported 48.85 lakh tonnes (lt) of oilmeals valued at ₹15,370 crore during financial year 2023-24, against 43.36 lt valued at ₹11,400 crore in 2022-23.

## COMPETITIVE MARKET

BV Mehta, Executive Director of SEA, said this is the biggest export of oilmeals in quantity and value since

2013-14, when 43.81 lt valued at ₹11,500 crore was exported.

He said export of soyabean meal revived during 2023-24 and increased to 21.33 lt compared to 10.22 lt in 2022-23.

Indian soyabean meal was the most competitive in the international market during 2023-24.

However, Indian soyabean meal (ex-Kandla) was quoted at \$490 a tonne on April 15, Argentine soyabean meal (cif Rotterdam) was quoted at \$417 a tonne, posing a strong competition with the potential to slow down exports from India in the coming months.

India exported 22.13 lt of



**GLOBAL DOMINANCE.** Indian soyabean meal was the most competitive in the international market during 2023-24

rapeseed meal during 2023-24, compared to 22.97 lt in the same period the previous fiscal. Rapeseed production

in India has increased in the last three years. Of late, export of rapeseed meal has slowed due to competition

from soyabean meal in the world market, he said.

## EXPORT BAN

With export of de-oiled ricebran allowed till July end, India exported 1.52 lt during April-July 2023, he said. Exports were banned from July 28, 2023, to July 31, 2024.

The ban may push ricebran processors in eastern India to down operations.

This would hurt not only the rice milling industry but also ricebran oil production, Mehta said.

Prices of most oilmeals fell, except rapeseed meal, in terms of dollar per tonne during the year. The rupee moved slightly up from

₹82.26 to ₹83.02 against the dollar, he said

Bangladesh was the largest importer of Indian oilmeals during 2023-24 at 8.92 lt, including 4.34 lt of rapeseed meal, 4.31 lt of soyabean meal, and 0.28 lt of de-oiled ricebran.

South Korea followed at 8.32 lt, including 5.47 lt of rapeseed meal, 2.26 lt of castorseed meal, and 57,899 tonnes of soyabean meal.

Thailand imported 6.33 lt, mainly rapeseed meal at 6.16 lt.

Mehta said Iran has turned out to be a major importer of soyabean meal from India (including shipment via Dubai) — at 4.29 lt — during 2023-24.



Business Line. Dt: 18/04/24.

# At 58 mt, coking coal imports in FY24 at 10-year high

**CHANGING ORDER.** Russia among top three suppliers with 12 per cent market share

**Abhishek Law**  
New Delhi

India's coking coal imports are at a 10-year high with shipments of 58 million tonnes (mt) coming in during FY24, driven by high demand from steel mills. Imports rose 7 per cent y-o-y from 54.3 mt in FY23 and over 20 per cent during a 10-year period.

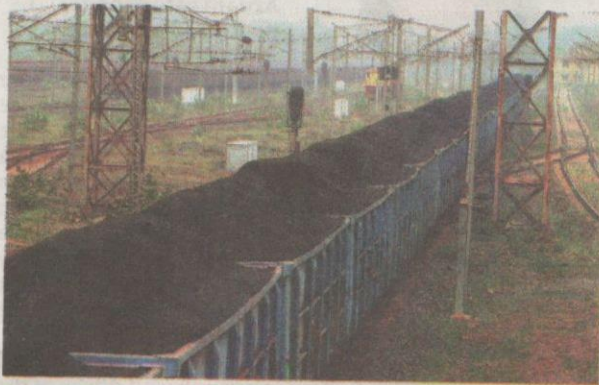
Significantly, supplies from Russia are at multi-year highs of 6.4 mt in the just-concluded fiscal, a 200 per cent rise y-o-y (2.3 mt) and up 300 per cent over a six-year period (1.6 mt), data from various ministries and trade sources show.

India continues to be among top coking coal importers globally, a key feedstock in steel-making.

## LARGEST SUPPLIER

Segment imports varied between 47 mt and 54 mt over the last 10 years, the data accessed by *businessline* show.

For FY24, Australia continued to be the largest supplier of coking coal, accounting for 59 per cent or 34.2 mt of overall shipments, marking a subsequent decline. The country



**GROWTH DRIVERS.** Steel demand and production have been robust in India with the country defying global slowdown

ceded market space to Russia - now with a 12 per cent market share - and the US, with 14 per cent at 8.4 mt of supplies.

Six years ago, Australia accounted for 81 per cent of coal shipments, Russia had a 3 per cent market share and the US accounted for 8 per cent, data from consultancy firm BigMint show.

In 2021, the Cabinet approved a MoU, allowing for an institutional mechanism, between India and Russia on co-operation regarding coking coal that further boosted supplies.

Price volatility of Australian coal, higher discounts offered

by Russia and alternative options from the US quickly led to changes in market share. By FY23, Australian supplies occupied 70 per cent market share, the US was at 12.5 per cent, while Russia saw its share move up to 5 per cent.

However, all through the year Russia continued to offer discounts to the tune of 20-25 per cent, while Indian mills also started re-calibrating their furnaces to ensure better mix of high-ash content coal coming in from Russia.

Russia displaced countries like Mozambique and Canada to move up as the third largest

supplier of the raw material. "Steel demand and production have been robust in India with the country defying global slowdown. Demand for steel continued to be on the higher side with there being a record hike in sponge iron production," the government source explained.

India's sponge iron production rose 20 per cent y-o-y to 52 mt in FY24 (43 mt). This allowed production through the induction furnace route.

## SPONGE IRON & STEEL

Sponge iron production rose as imported coal prices fell around 48 per cent (y-o-y) to \$109/t CNF Gangavaram in FY24 (\$209/t), a BigMint report said.

As a result, imports of thermal coal used in the sponge iron sector saw a 62 per cent spurt last fiscal. India's crude steel production increased around 14 per cent to 143 mt last fiscal.

The growth came following a sharp increase in production through induction furnace route. Steel making through induction furnaces grew 25 per cent y-o-y to 50 mt (40 mt). The electric arc furnaces (EAFs) showed 12 per cent growth to 31 mt.

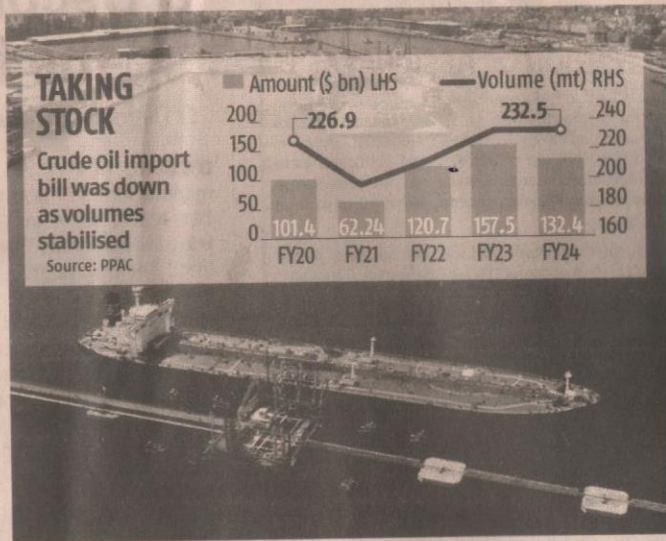
# Crude oil import bill shrank 15.9% in FY24, thanks to Russia shipments

**SUBHAYAN CHAKRABORTY**  
New Delhi, 17 April

Discounts on a steady stream of Russian crude have led to India's crude oil import bill shrinking by 15.9 per cent to \$132.4 billion in FY24 (2023-24), down from \$157.5 billion in the previous year, even as import volumes remained the same. The crude oil import bill had risen by 30.4 per cent in FY23, data shows.

However, the country imported almost the same amount of crude oil by volume in FY24, bringing in 232.5 million metric tonnes (mmt) of crude in FY24, official data released on Wednesday by the Petroleum Planning and Analysis Cell showed. This was marginally down by 0.1 per cent as compared to FY23.

This was also the second year that import volumes have remained above the pre-pandemic levels. Imports stood at 226.9 mmt in 2019-20, falling to 196.4 mmt in



2020-21. However, India's import dependency hit a fresh high of 87.7 per cent in FY24, up from 87.4 per cent and 85.5 per cent in the previous two years. When calculated based on the consumption of petroleum products, import

dependency on crude oil inched up to 88 per cent in March.

In March, crude imports decreased by 4.4 per cent to \$20 billion, down from \$20.9 billion in March, 2023 owing to higher global prices.

According to estimates by London-based commodity data analytics provider Vortexa, which uses ship movements to gauge imports, Russia remained the single-largest supplier of crude oil for the 18th consecutive month as of March. At 1.36 million barrels of crude oil per day, imports from Russia rose 7 per cent month-on-month in March, as compared to February.

Analysts had earlier predicted lower imports from the country after the US imposed fresh sanctions against Russia's leading tanker group, Sovcomflot, on 23 February. Announced on the second anniversary of Russia's invasion of Ukraine, the sanctions were placed on 14 tankers part of the fleet.

However, the average incidence of discounts received by India has also come down to its lowest since the invasion of Ukraine in late-2023 in recent months. It hovered around \$3-4 per barrel in March, sources said.



# Electronics rises up the ranks, now India's 5th largest export

CHARGED UP		% chg Y-o-Y
Top exports in FY24 (\$ bn)		
Engineering goods	109.3	2.1
Petroleum products	84.1	-14.0
Gems & jewellery	32.7	-14.0
Organic*	29.4	-3.0
Electronic goods	29.1	24.0
Drugs & pharma	27.8	10.0

\*And inorganic chemicals

Source: Government

**SURAJEET DAS GUPTA**

New Delhi, 17 April

Propelled by burgeoning mobile phone exports from India, especially from Apple, electronics exports have moved up one position to become India's fifth largest export, at \$29.1 billion, displacing drugs and pharmaceuticals at \$27.8 billion in the financial year ended March 31, 2024.

What's more, electronics exports have inched close to the fourth largest exporter — organic and inorganic chemicals — which contracted 3 per cent in FY24 to \$29.4 billion. According to the Department of Commerce, electronics exports grew 24 per cent, an increase of over \$23.6 billion in FY23. It is also the fastest growing export category among the top 10. Mobile phone exports, which grew nearly 38 per cent over last year to reach \$15.5 billion, contributed 53 per cent to the total electronics exports, according to the Indian Cellular and Electronics Association.

By comparison, in the last financial year, mobile phone exports stood at \$11.1 billion, contributing 47 per cent to the total electronics exports. The single largest factor driving this increase was Apple's iPhone exports, which doubled from \$5 billion in FY23 to over \$10 billion in FY24. This came at a time when overall merchandise exports from India were down in FY24 over the previous financial year by approximately 3 per cent. Of the \$5.5 billion increase in electronics exports this year, 90 per cent came from the increase in iPhone exports to the tune of \$5 billion. Apple's iPhone exports alone now constitute 35 per cent India's entire electronics export goods basket.

The smartphone production-linked incentive scheme pushed up electronics exports from the seventh largest export between FY19 and FY23 to number six last year, to the fifth spot in FY24. Electronics has also substantially narrowed its gap with the third and fourth largest exports from India. In FY23, electronics exports trailed gems and jewellery exports by \$14.4 billion. This year, the gap has reduced to \$2.8 billion. In the case of the fourth ranked organic and inorganic chemicals exports, electronics have narrowed the gap from \$6.7 billion in FY23 to merely \$300 million within a year.

Business Line Dt: 19/04/24

# TN retains top slot in export of electronic goods in FY24

**IN THE LEAD.** State achieved a record-breaking \$9.56 billion in exports

**T E Raja Simhan**  
Chennai

Tamil Nadu continues to be *numero uno* in the export of electronic goods. It achieved a record-breaking \$9.56 billion in electronics exports in FY 2023-24 — a whopping 78 per cent growth over the previous year's performance of \$5.37 billion.

Companies such as Tata Electronics and Pegatron starting their production in the last couple of years helped Tamil Nadu achieve the feat.

The State now has over 15 leading electronics manufacturers, including Foxconn, Tata Electronics, Salcomp and Pegatron.

**SET FOR ANOTHER HIGH**  
Out of the total \$29.12 billion exports of electronic goods, Tamil Nadu's share was 32.84 per cent, accord-



Source: Government of India

ing to Government of India data.

At a distant second was Karnataka with \$4.60 billion (15.78 per cent of the total share in value) and Uttar Pradesh third with \$4.46 billion (15.32 per cent).

In 2023-24, Tamil Nadu not only met the \$9-billion target, estimated a few months ago, but also surpassed it, said Tamil Nadu's Industries Minister TRB

## Top exports from the State/UT



Rajaa. "With the electronics sector just beginning to flex its capabilities, we're racing towards another all-time high next year, and many years to come," he added.

### KEY MARKETS

"Hoping the new Union Government will enable us even further and play to the strengths of each State instead of taking away key projects in the electronics

value chain to States which have no ecosystem," he said.

Of the total \$29.12 billion exports of electronic goods, NAFTA (US, Mexico and Canada) was the largest importing region with \$11 billion, followed by Europe with \$9 billion and WANA (West Asia and North Africa) at \$4 billion, and the rest of the world the balance, the data said.



# Pharma exports grow 10% in FY24

MANU KAUSHIK  
New Delhi, April 18

**PHARMACEUTICALS EXPORTS** seem to be bucking the trend. Just when geopolitical tensions and global demand slump have led to a contraction in overall goods exports, pharma exports grew 9.6% to touch \$27.8 billion in FY24.

This is the highest exports growth for the sector in the past three years. Experts said key categories such as generic formulations (73% of total exports) and API witnessed a robust growth from critical markets such as the US, Europe and Africa.

"The share of West Asian countries, which are at the centre of geopolitical turmoil, in total exports is quite low at around 3.7%. While it is too early to say about the cascading effect of the Iran-Israel conflict, the pharma sector so far has remained insulated from global disruptions," said Ravi Uday Bhaskar, director general of Pharmaceutical Export Promotion Council.

"Indian companies are investing heavily in upgrading the product range. They are getting into complex generics, injectables and biosimilars categories to grow the



## BOOSTER DOSE

Total exports (\$ bn)



Source: Pharmexcil

exports market. At the same time, pharma exporters are expanding their geographies to Japan and Latin American countries. Having said that, there's lot more that can be done to further increase the exports market," said Sudarshan Jain, secretary general of Indian Pharmaceutical Alliance.

# Cloud over import of laptops, tablets may continue to hover

**STAND-BY MODE.** MeitY analysing data; policy decision likely only after polls are over

**Amiti Sen**  
New Delhi

Importers of seven IT hardware items including laptops, personal computers and tablets will stay in suspense for some more time over what India's import policy on the products would be once the existing notification on obtaining automatic authorisations through an 'import management system' lapses on September 30, this year. A decision on the matter has now been deferred till after the general elections, according to officials.

"The industry, which includes multinationals such as Apple, HP and Dell, is keen to know what the import regime for IT hardware items would be after September 30. The Ministry of Electronics and Information Technology (MeitY) has been analysing import data being provided by the industry over the last six months. But it has been now decided that a call will be taken on the matter only after the general elections as the policy could have a major impact on both domestic production and imports and also determine the success of the



**KEY PRODUCTS.** Import of the seven IT hardware items on which restrictions were imposed, including laptops, tablets, PCs, ultra small form factor computers and servers, amounted to about \$8 billion in 2022-23 AM FARUQUI

PLI scheme," an official tracking the matter told *businessline*.

India adopted a new 'import management system' for monitoring shipments of seven items including laptops, tablets, PCs, ultra small form factor computers and servers, large or mainframe computers and automatic data processing machines since October 1, 2023. Free imports are no longer allowed. Instead, importers have to apply to the Directorate General of Foreign Trade for import authorisations that are issued automatically once the application is submitted online.

Despite being under the restricted category, the new import regime for the identified IT hardware items has been quite liberal, the official pointed out.

## RESTRICTED CATEGORY

"Under the system, importers just provide information on the number of items they seek to import and from where. They are then issued authorisation to import as many they want since there is no cap on numbers," the official said.

However, there is no clarity on whether the same regime would continue after September 30 or more restrictions

would be brought in, the official added.

At the WTO, India has explained to members who were raising questions on the import policy, which includes the US, that it was aimed at ensuring supply chain resilience and addressing national security concerns. Of the total imports of the seven items worth \$8 billion in 2022-23, about \$5 billion was imported from China, per available data.

## IMPORT MONITORING

Another important reason behind import monitoring was to keep a check on imports from China as a big chunk of imports is sourced from the country and security threat perceptions are much more prominent there than others, some officials informally explained.

"The import management system is giving the government a variety of data such as the total number of traders engaged in imports as well the number of manufacturers in the country for all the identified products. What remains to be seen is the conclusion MeitY reaches from the data and the policy direction it gives," the official said.



# LNG imports up 17.5% in FY24 as consumption rises

Still, import bill down 22% on softer prices

ARUNIMA BHARADWAJ  
New Delhi, April 21

**INDIA'S IMPORT OF** liquefied natural gas (LNG) rose in volume term by 17.5% on year to 30,917 mmscm (million standard cubic meter) in 2023-24 due to increased consumption, data from the Petroleum Planning and Analysis Cell showed.

The rise in consumption by 11.1% on year in FY24 to 66,634 mmscm was driven by use of gas by the fertiliser, power, and city gas distribution (CGD) sectors.

Even as the import volume reported such increase, the gas import bill fell significantly by 22% to \$13.3 billion in FY24 from \$17.1 billion in FY23, as prices fell.

While the fertiliser sector contributed to 32% of the total consumption, CGD entities accounted for 19% of the total natural gas consumption, followed by the power sector at 12%.

In the fertiliser and other indus-

## LNG IMPORTS



tries, natural gas is used as a feedstock and also as a fuel for electricity generation and heating purposes in industrial and commercial units.

Higher gas generation in the power sector was driven by higher peak thermal demand amid reduced hydropower generation. India generated 133,966.18 GWh of hydropower during April to March, a decline of 17% from 162,098.77 GWh in the same period a year ago,

as per data from the Central Electricity Authority.

Moreover, the production of natural gas also grew by 5.7% on year to 36,438 mmscm in FY24. In March alone, the production stood at 3,138 mmscm, up 6.2% from the corresponding period a year ago.

India's consumption of LNG is expected to rise further in the coming months on the back of growing demand from the fertiliser and power industries, analysts say. Anticipated lower spot LNG prices will further add to this growth.

"In summer 2024, imports are expected to increase by a further 3 mmscm per day compared with 2023, driven by sustained demand in the power sector and continued growth in the industrial and fertilizer sectors," S&P Global had earlier said.

The total capacity of the country's existing LNG terminals at the end of FY24 was at 47.7 million tonne per annum. The LNG terminal at Dhamra operated at 23% capacity. Petronet LNG terminal at Dahej operated at 95.1% capacity while Shell's LNG terminal at Hazira operated at just 31.5% capacity during April-February period, according to PPAC.