Business Line, dt: 17/10/24

# Innoterra to scale up exports of basmati rice, spices from India

**Vishwanath Kulkarni**
Bengaluru

The Swiss-Indian food and technology platform, Innoterra, is eyeing growth in its bulk commodities business of rice and spice exports from India on growing global demand.

The company, which exports basmati rice from India, is considering investing in a rice mill as part of its backward integration plans, while expanding its spice exports basket.

Innotera currently sources basmati rice from the Karnal region, and has now started establishing sourcing channels in countries such as Thailand, Vietnam and Pakistan, said Pascal Foehn, Group CEO. The company exports rice from India mainly to the Middle East, Turkey, Europe. "We have large buyers in Africa and now, since three months, we are also exporting to the US," he said.

Pascal Foehn, Group CEO

Innoterra is looking to export around 40,000 tonnes of rice this year, up from last year's 25,000 tonnes. It has around 230 people, mostly of them in India, while it also has small teams in Dubai, the Philippines and in China.

"This year, we plan to do around \$60 million to \$80 million in the topline. Priority for us is profitable growth. We have already become operational break-even for February this year. We are eyeing a break-even in the course of next financial year," Pascal said.

There are over 7,600 retailers active on its agritech platform FarmLink, which the company is planning to double to over 15,000 next year, Pascal said. Innoterra, which started exportingchilli powder from Guntur, is exploring other products such as cumin, said Avinash Kasinathan, Head of India Business.

It also operates a dairy business, MilkLane, through which it has started procuring aflatoxin and antibiotic safe milk for dairy companies and start-ups in the southern part of the country.

Business Standard, Dt. 17/10/24

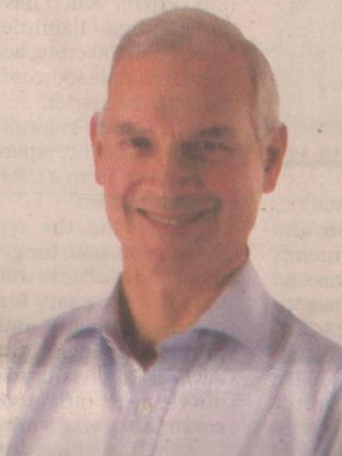
# Indian manufacturing should eye export-led growth: Godrej

SHREYA JAI
New Delhi, 16 October

The Indian manufacturing sector should aim for export-led growth driven by climate-friendly processes and see regulations like the Carbon Border Adjustment Mechanism (CBAM) as an opportunity to have a global footprint, Jamshyd Godrej (*pictured*), Chairman, CII Sohrabji Godrej Green Business Centre and Chairman, Godrej & Boyce told *Business Standard* in Delhi on Wednesday.

Godrej, who has been one of the founding members of the centre, said CBAM was a good idea for every country, asserting that it will encourage the industry to improve on the sustainability front while giving protection against cheap imports.

"What we are doing is we are giving protection to Indian industry against cheap imports such as steel from China. But we are not doing the other part. India should have something like CBAM. Anyone can offer me a cheap product. But if our tariff regulations state that you can't just bring something cheap here. You also must bring something which has a better carbon footprint, else pay higher tariffs," Godrej said.



Godrej said there is a prevalent view that CBAM will be hit but he believes it will be short term.

"It is not too late..., we should also come up with a similar scheme which gives a boost to the Indian industry to become more carbon neutral. They will benefit when they export and they will build a climate resilient supply chain as well," he said. He added once the leading players will reorient their manufacturing with greener options, it is bound to have a domino effect on the supply chain.

"If a truck maker like Volvo says all the parts that go into my manufacturing will be green, the supply chain would also reimagine its business," he said. He also talked about the slowdown in consumption in the economy and why it has come at the cost of putting too much focus on building self-sufficiency.

"If we had export-led growth, the economy would be in a different situation now. If given the right policies, opportunities, and infrastructure, manufacturers can be big players globally. That is where the growth will come from," Godrej said. "If you do not export, you are at greater risk because you depend on the Indian economy only. Whereas if you have 20 markets and five of them tank, at least 15 are doing well," he added.

Business Standard, dt. 17/10/24

# Non-petroleum & non-gems, jewellery exports grew 9.6%

Outbound shipments of petroleum products, which make up nearly 14 per cent of India's exports, contracted by over a fourth to $4.73 billion in September. Gems and jewellery exports also contracted in this period – by 11.5 per cent to $2.82 billion.

Commerce Secretary Sunil Barthwal said India was doing better than the global average. Despite the challenges, merchandise exports did well in the first half of the current fiscal year, he said.

Exports grew 1 per cent, at $213 billion, while imports saw 6 per cent growth at $350.66 billion in April-September.

On the brighter side, non-petroleum and non-gems and jewellery exports, an indication of a clearer parameter of exports' health, grew 9.6 per cent to $27 billion in September. Sectors that saw growth were engineering goods (10.55 per cent), electronic goods (7.89 per cent), drugs and pharmaceuticals (7.22 per cent), and ready-made garments (17.3 per cent).

Federation of Indian Export Organisations (FIEO) President Ashwani Kumar said the ongoing international trade disruptions, along with the volatility in crude and metal prices, had played a key role in bringing down the value of exports to some extent.

"Rising tensions between Israel and Iran led to logistical challenges with regard to international trade, as most of our trade to Europe, Africa, CIS, and the Gulf region happened through the Red Sea route or the Gulf region...In spite of so much hard work by the exporting community, the challenges with regard to trade finance remain the key for MSMEs as it is impacting the competitiveness of Indian products in the global markets," he said.

Services exports saw 7.7 per cent growth at $30.61 billion in September, while services imports witnessed an 11 per cent rise to $16.32 billion, resulting in a surplus of $14.29 billion. The services trade data for September, however, is an "estimate", which will be revised based on the Reserve Bank of India's subsequent release.

Economic Times, dt. 17/10/24

# Sept Exports Rebound, Trade Gap Shrinks

## Outbound merchandise shipments grow 0.5% and inbound rise 1.6%; trade deficit narrows to $20.78 billion

**Our Bureau**

**New Delhi:** India's merchandise exports witnessed a growth in September after two months of contraction on the back of rise in engineering, chemicals, plastics, pharma, ready-made garments and electronics shipments.

Trade deficit narrowed to a five-month low, official data released Wednesday showed.

Merchandise exports grew 0.5% to \$34.58 billion in September while the trade deficit widened to \$20.78 billion from \$20.08 billion a year ago. Goods imports increased 1.6% to \$55.36 billion in September compared to \$54.49 billion in the year-ago period.

Commerce secretary Sunil Barthwal said that exports both in September and during the first six months of FY25 have recorded positive growth despite global uncertainties, and are driven by engineering, chemicals, plastics, pharma, ready-made garments and electronics.

For the first six months of 2024-25, goods exports were 1% higher whereas imports were up 6.1%.

Sequentially, the trade deficit narrowed to a five-month low of \$20.8 billion in September from \$29.7 billion a month back. Month-on-month, goods exports were down 0.4% as against a 9.4% decline in September.

"We have done well despite global difficulties," Barthwal said, adding that the government is looking at shipping issues which have cropped up because of the crisis in West Asia and working on short term and long term measures to resolve them.

Gold imports edged up to \$4.39 billion in September against \$4.11 billion in the same month last year but the volume of imports was lower 2.2% in April-August FY25.

India's major export destinations during this period included the US, the UAE, Netherlands, the UK, and China. China, Russia, the UAE, the US, and Iraq remained the top suppliers.

Referring to a sharp rise in gold imports last month because of import tariff cuts and festive buying, Barthwal said: "One should not be alarmed by one month's figure."

Alcoholic beverages exports are growing in double digits and are expected to increase 15-20% this year, officials said, adding that it is a \$135 billion market across the world and India is just at \$350 million.

**FTA PROGRESS**

India and the UK are expected to hold the next round of talks for a proposed free trade agreement in November as the Budget presentation in Britain would be on October 30 after which "we expect the UK would come forward" for the next round of negotiations, said an official.

The officials of the UK are also briefing their new ministers about the proposed free trade agreement (FTA).

The India-UK talks for the proposed FTA began in January 2022. The 14th round of talks stalled due to elections on both sides.

With the EU, officials said that India's concerns on the EU's sustainability measures, such as CBAM and Deforestation Regulation were taken up in the recently concluded round of talks.

"We discussed how these new regulations will impact India," said an official.

The next meeting between Barthwal and EU's director general is being planned in November.

Financial Express, dt. 17/10/24

# Exports grow a flat 0.5% in Sept

**MUKESH JAGOTA**
New Delhi, October 16

**INDIA'S MERCHANDISE EXPORTS** grew a marginal 0.5% annually to $34.58 billion in September on a weak base (-2.8%). But trade deficit fell to the lowest level in five months to $20.78 billion, as import growth too was modest at 1.6%.

The trade deficit had jumped to its highest in 10 months to $29.6 billion in August, as exports shrank by a steep 9.3% on year.

The imports were contained at $55.36 billion in September due to the sharp fall in gold and oil imports.

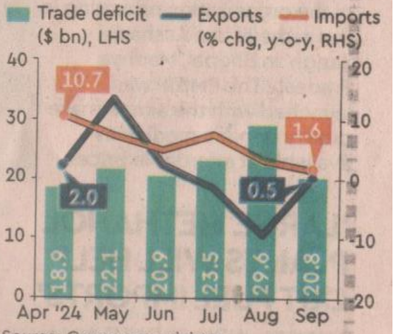
In September, gold imports were at $4.3 billion against $10.06 billion in the previous month.

Oil imports were down 10.4% on year to $12.5 billion in September due to the sharp fall in international prices of crude. Engineering exports increased 10.5% to $9.8 billion in the month.

In the first six months of the financial year, merchandise exports were up just 1.02% at $213.2 billion while imports rose 6.1% to $350.6 billion.

**Continued on Page 7**

## DEFICIT AT 5-MONTH LOW




Source: Commerce ministry

# After Sept high, diesel exports may fall on low margins, high domestic demand

Business Line, dt. 18/10/24

**SEASONAL VARIATION.** Analysts attributed September jump in shipments to refinery maintenance in Europe

**Rishi Ranjan Kala**
New Delhi

After hitting a six-month high in September 2024, India's diesel export is expected to decline during the festive season impacted by weakening price arbitrage in Europe amidst anticipation of higher domestic consumption during October to December.

According to energy intelligence firm Vortexa, India's diesel exports rose by 44 per cent month-on-month (m-o-m) and 21 per cent year-on-year (y-o-y) to clock around 656,760 barrels per day (b/d) last month.

Analysts and trade sources attributed the jump to refinery maintenance in Europe, which led to higher sourcing of the refined product. Besides, India's consumption of diesel — mainstay of the transport and logistics sector — declines during the monsoon from June to September. In fact, during August and September 2024, domestic consumption of diesel fell to record 15-month and 24-month lows, respectively, thereby sparing more volumes for exports.

India's petroleum products export (Barrels per day - b/d)

| | Sept 2024 | Sept 2023 | Aug 2024 | Aug 2023 |
|---|---|---|---|---|
| Diesel | 6,56,760 | 5,41,248 | 4,56,804 | 6,16,871 |
| Petrol | 3,75,554 | 3,33,286 | 3,33,222 | 3,67,214 |
| ATF | 2,30,457 | 1,32,205 | 1,51,732 | 2,18,871 |
| **Total** | **15,81,084** | **12,06,585** | **11,35,525** | **14,45,673** |

Source: Vortexa

"With strong diesel exports to Europe over the past months and demand remaining relatively bearish, the region has likely built up ample supplies."

"Combined with the restart of its domestic refineries, the region's import momentum for diesel may slow," Vortexa's Head of APAC Analysis, Serena Huang, told *businessline*.

"Stronger exports have been driven by weaker domestic demand due to the monsoon, as well as an open diesel arbitrage to Europe amidst the region's refinery maintenance. With domestic demand in India expected to pick up from this month (October) onwards, and Europe's refinery maintenance tapering off, India's diesel exports to Europe could slow in the coming months," Huang said.

A senior official with a domestic refiner pointed out that generally exports during October-December are lower compared to July-September. Besides, the FMCG and FMCD sectors start preparations for Diwali, and other festivities leading to more logistics and transportation activity. Exports also witness an uptick in in preparation for the holiday

season in the West. "This time, we anticipate weaker export earnings due to the slowdown in China and recession fears in Europe and the US. Also, refining margins have been under stress," the official added.

### MARGIN PRESSURE

According to OPEC's monthly oil market report, refinery utilisation rates decreased to an average of 87.86 per cent in September, corresponding to throughput of 25.40 million barrels per day mb/d in selected Asia-Japan, China, India, Singapore and South Korea.

Compared with the previous month (August 2024), utilisation rates were down by 1.7 percentage points, and throughput was lower by 130,000 b/d. Relative to the previous year (September 2023), utilisation rates were 7.5 percentage points lower, and throughput was 2.0 mb/d lower, it added.

Similarly, the US EIA said that refinery margins for petroleum refiners across the world are shrinking, indicating reduced profitability from refining crude oil and selling petroleum products. Declining margins are the result of relatively weak demand for petroleum products even as global refining capacity increases.

Global refinery margins, measured by the 3:2:1 crack spread, have been less than their five-year (2019–23) averages since the spring and dropped even more in the late summer and early fall. The 3:2:1 crack spread is calculated by subtracting the price of 3 barrels of crude oil from the price of 2 barrels of gasoline and 1 barrel of distillate.

Business Line, Dt. 18/10/24

# Jindal Stainless faces export challenges amid West Asia strife, container crunch

**Abhishek Law**
New Delhi

Geopolitical issues — including strife in West Asia — have hit exports of Jindal Stainless Ltd with freight rates shooting up 3x - 4x across geographies. Moreover, there has been an absence of containers, most of which have been "cornered by China", says Abhyuday Jindal, Managing Director of the company.

The company has revised export guidance to 10 per cent of total sales, lower than last year's 15 per cent.

"The Red Sea crises and strife between Israel and Iran are having their impact. So, we foresee a flattish growth until some respite in the coming two quarters. In select markets, particularly in the European region, freight rates which were up 2x are now up by 3x and 4x times. Moreover, there is container shortage with China cornering majority of the supplies," Jindal told *businessline* during an interaction.

Abhyuday Jindal, MD

The company is also unable to pass on the cost increase and has decided to restrict export supplies, "until there is visible improvement". Some of the European economies which were seeing green shoots — like Germany and France — have failed to sustain or rebound. "We are now tapping new markets such as Japan, West Asia, South Korea; while there are chances of us ramping up presence in Canada if they act on Chinese dumping through tariffs," Jindal said.

The Q2FY25 export volume of Jindal Stainless was consistent with Q1 levels. While volumes increased in the US, Middle East and South Korea, exports to the EU declined due to slower end-user demand and higher shipping costs.

**DOMESTIC DEMAND**

Domestic demand has been better, driven primarily by end-user industries such as consumer durables, automobiles, railways, and infrastructure.

"We see some improvement in local sourcing with some MNCs reaching out to us for increased supplies," he said.

Business Line. Dt: 21/10/24

# Auto exports rise 14% y-o-y in April-Sept, led by PVs, 2Ws

**GOING FORWARD.** Recovery in demand from key markets of LatAm, Africa cited as reason

S Ronendra Singh

New Delhi

Automobile exports in the first six months of the current fiscal year rose by 14.3 per cent year-on-year, led by gains in shipments of passenger vehicles and two-wheelers, and there was no impact of the Israel-Iran war as of now on exports from India, a top official at Society of Indian Automobile Manufacturers (SIAM), told *businessline*.

According to a recent SIAM data, the grand total of all vehicles' exports in the April-September period stood at 25,28,248 units compared with 22,11,457 units in the same period last year.

"There is no early signs as yet, but we will have to again huddle up with the members to see if there's any impact (due to Israel-Iran war) and if we need any support that we have to seek from the government. But, so far no impact as such," Shailesh Chandra, President, SIAM, told *businessline*.

### In the fast lane

| Segment | 2024 | 2023 | % change |
|---|---|---|---|
| Passenger vehicles | 3,756,679 | 3,36,754 | 11.9 |
| Two-wheelers | 19,59,145 | 16,85,907 | 16.2 |
| Commercial vehicles | 35,731 | 31,864 | 12.1 |
| Three-wheelers | 1,53,199 | 1,55,154 | -1.3 |
| **Total** | **25,28,248** | **22,11,457** | **14.3** |

Source: SIAM

**KEY MARKETS**

He said the key markets like Latin America and Africa, which had slowed down for various reasons, have bounced back and that has been the main reason for exports bouncing back.

During the April-September period, the exports of total PVs grew by 12 per cent y-o-y to 3,76,679 units compared with 3,36,754 units in the same period last year.

According to Frank Torres, Divisional Vice-President-AMIEO (Africa, Middle East, India, Europe, and Oceania) Region Business Transformation and President-Nissan India Operations, "I think in the last year, the auto industry already faced many conflicts and we have been able to overcome. Of course, it is difficult for us and there are always impact, but we are taking all the measures that we need to counter this. The good thing is that despite all of these we will export the new Magnite to almost 65 markets."

It was too early to judge the impact of logistics costs, he said, adding that the automobile industry was taking all the measures to counter the impact of the Red Sea crisis. The total two-wheeler exports grew by 16.2 per cent y-o-y to 19,59,145 units during the period compared with 16,85,907 units in April-September 2023.

**CV EXPORTS**

Commercial vehicle exports also rose 12 per cent y-o-y to 35,731 units in the first six months of the fiscal year from 31,864 units in the same period last year.

However, three-wheeler shipments declined by 1.3 per cent y-o-y to 1,53,199 units from 1,55,154 units in the April-September period last year.

Various African and other regions faced challenges due to devaluation of currencies, which impacted the vehicle shipments as the nations focussed on import of essential items. Automobile exports had declined 5.5 per cent in FY24 due to the monetary crisis in various overseas markets.

FINANCIAL EXPRESS. Dt: 21/10/24

● INDIA AIMS TO ACHIEVE 500 GW OF GREEN ENERGY BY 2030

# Solar imports to touch $30-bn per yr

MUKESH JAGOTA
New Delhi, October 20

**INDIA'S RENEWABLE ENERGY** (RE) ambitions could drive the country's annual solar import bill up to $30 billion from the current $7 billion, with most imports coming from China, according to a report by the Global Trade Research Initiative (GTRI). As the world works towards decarbonisation, key countries need to collaborate to develop large-scale solar manufacturing facilities, the report suggests.

To achieve its goal of 500 GW of renewable energy by 2030, India needs to add 65 to 70 GW of capacity each year. This is an ambitious target, given that India added only 15 GW of solar capacity in 2023-24, while the US plans to add 32 GW in 2024.

Last financial year, India imported $7 billion worth of solar equipment, with China supplying 62.6% of it. China controls 97% of the global polysilicon supply and 80% of solar module manufacturing, making it difficult for other countries to compete with China's lower prices. This dominance has resulted in an oversupplied market, which puts pressure on local manufacturing efforts in countries like India and the US.

"The US, India, EU and Japan may unite to establish global-scale solar-cell manufacturing facilities. While it may be costly initially, it is essential to break free from China's dominance," said Ajay Srivastava, co-founder of GTRI and author of the report 'Global Solar Industry in China's Iron Grip.

Although initiatives like the Production Linked Incentive (PLI) scheme aim to boost local manufacturing in India, their impact is limited due to a reliance on imported inputs. Around 90% of India's solar manufacturing involves assembling solar modules from imported solar cells, adding only about 15% value locally. Few Indian companies produce solar cells at a commercial scale using imported polysilicon or wafers, which contributes 30-40% local value addition.

Developing a self-reliant solar manufacturing industry in India will require significant investment to build an integrated supply chain, especially in areas like polysilicon and wafer production. Without these capabilities, India may continue to face high import costs and struggle to meet its renewable energy targets.

For India to produce solar cells from the ground up, it must start with silica refining, a process that involves costly and energy-intensive polysilicon production, requiring advanced technology.

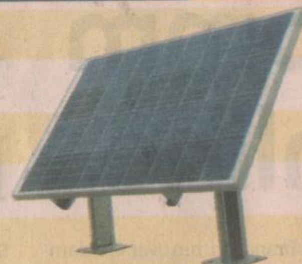
This challenge is not unique to India. The US, EU and many other countries also rely on direct and indirect imports from China. In an effort to reduce dependency on Chinese imports, India has imposed a 40% duty on solar equipment imports. However, imports from Vietnam, Malaysia, and Thailand are exempt under the India-Asean Free Trade Agreement, provided they have 35% local value addition.

While the EU continues to import finished solar modules, India and the US are making efforts to develop local manufacturing capacity. However, local value addition remains low at around 15%.

## INDIA'S GLOBAL IMPORTS OF SOLAR CELLS/MODULES

($ million-FY24)

| | Solar Modules | Solar Cells | Total | % Country share |
|---|---|---|---|---|
| China | 2,850.70 | 1,036 | 3,886.7 | 62.6 |
| Vietnam | 935.1 | 89.7 | 1,024.8 | 16.5 |
| Malaysia | 238 | 311.8 | 549.8 | 8.9 |
| Thailand | | 248.8 | 248.8 | 4 |
| Hong Kong | 210.3 | 9.7 | 219.9 | 3.5 |
| Singapore | 97.2 | 1.1 | 98.3 | 1.6 |



Source-Ministry of Commerce data