Business Line, Dt: 31-10-23

Darjeeling tea exports may fall 10% on dip in global demand

Mithun Dasgupta
Kolkata

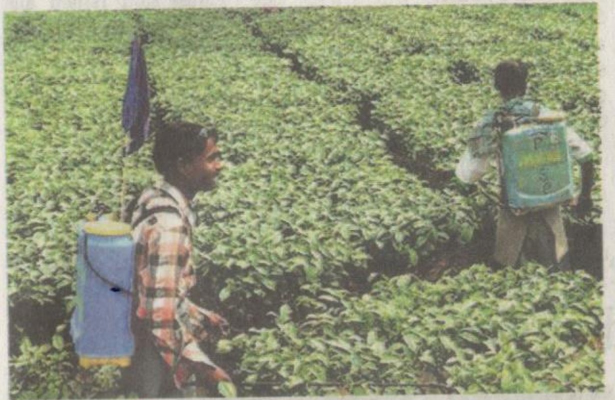
Exports of the world famous Darjeeling tea will likely fall by about 10 per cent this year, compared with last year on the back of weak global demand.

"Because of the current global situation exports are likely to drop by around 10 per cent compared to last year.

The Ukraine-Russia war and a weak yen in Japan are impacting exports," the Indian Tea Exporters' Association chairman Anshuman Kanoria told *businessline*.

Europe and Japan are the two large overseas markets for this premium tea, the first product to get a geographical identification (GI) tag in India. "We have lost markets in Russia and Iran. Iran is buying a limited amount of Darjeeling tea now," Kanoria said.

Total exports of Darjeeling tea last year was over 3 million kg (mkg). In 2022, production of the popular tea variety was 6.93 mkg, down from 7.01 mkg in 2021, according to data provided by the Tea Board of India.



HEADWINDS. The Ukraine-Russia war and a weak yen in Japan are impacting exports

CROP DOWN

For the period January-August, 2023, the Darjeeling crop dropped by around 15 per cent year-on-year to 4.16 mkg. Adverse weather conditions impacted production. "Our expectation is that Darjeeling tea production would be around 6.5-7 mkg this year," Kanoria said.

Significantly, Darjeeling's tea industry has witnessed a gradual fall in production for over a decade now. In 2011, tea production was 9.14 mkg, while it was 8.13 mkg in 2016. Production has been hit by climate change, labour issues, lower productivity and profitability, according to industry insiders. Facing financial crises, many planters have sold gardens in recent years.

"Cost of production has risen by at least 10 per cent this year compared with last year, due mainly to a wage hike. However, the average price realisation would be around 10 per cent lower in 2023. It is already a loss-making operation," Kanoria said.

Business Line, Dt- 31-10-23

DeHaat partners Freshtrop Fruits to boost grape, fruit exports

Our Bureau
Bengaluru

Agritech platform DeHaat is entering into a strategic partnership with Freshtrop Fruits Ltd to enhance the export business of grapes and other fruits from India. The partnership aligns with the vision of both companies to strengthen the fruit value chain from India with deeper engagement with farmers, better technology transfer and improved infrastructure, the company said in a statement.

Shashank Kumar, Co-founder & CEO, DeHaat

Shashank Kumar, Co-founder & CEO, DeHaat, said, "The way Freshtrop has built its relationship with over 50 global retail chains delivering a strong business presence across 20 countries is quite commendable. Over the last 25 years, Freshtrop has empowered hundreds of farmers to start the grape export journey which completely aligns with DeHaat's vision of being a 'farmers first' organisation. We established our export business 18 months ago and are today exporting more than 20 agri produce from India to the Middle East, UK and EU. We see strong synergies around the complementary core competencies between DeHaat and Freshtrop. We are super excited about this collaboration to grow the grapes and overall agri export business together. Each member of the Freshtrop's founding family along with the larger team will continue to remain actively involved in the business and DeHaat will bring its network and resources for market expansion, development of new grape varieties and will provide deeper pre-harvest support to the associated farmers."

FULL-STACK SERVICES

The partnership will enable DeHaat to offer its full-stack agri services including the availability of high-quality inputs, personalised advisory, financing, insurance and access to wider global markets to Freshtrop's farmer network, enabling seamless information exchange and better value discovery.

DeHaat said it is in the advanced stages of taking over Freshtrop Fruits' export network and grading, packing and precooling centres, and will absorb all people from the company, including the top leadership team, in its structure.

Plea to resume veg, fruits exports from Calicut

Business Line dt. 31-10-23

Our Bureau
Kochi

F,ruits and vegetable exporters are agitated over the delay in issuing Nipah-free certification to Calicut International Airport by the Kerala Government after the virus was brought under control.

Exporters along with two Parliament members from Kozhikode urged the State government to issue Nipah free certificate to the airport which would help re-start the shipments that was disrupted following the outbreak the virus in September. They pointed out that the authorities have issued Nipah-free certificates to Kochi and Kannur airports after the easing of the restrictions for exports.

IMPENDING CRISIS

MK Raghavan, MP from Kozhikode, has sent a letter to the State Industries Minister P Rajeeve seeking his intervention in the matter. He urged the Minister to help avert an impending crisis being faced by farmers, traders and those working in the export sector. According to him, it was an unjustified discrimination against Calicut Airport for not issuing Nipah free certification especially when the Kannur airport which is close to the virus outbreak area has been given such certification.

Another Parliament member, Abdussamad Samadani, in a message to the State Health Minister Veena George said the absence of Nipah free certificate to the airport could make overseas buyers to look at other destinations for their shipments. It is pointed out that around 50 tonnes of fruits and vegetables were shipped through Calicut Airport on a daily basis.

Business Line, dt: 1-11-23

Gokaldas Exports net profit drops 48% to ₹23 cr

Our Bureau
Bengaluru

Textile manufacturer and exporter Gokaldas Exports witnessed a 48 per cent year-on-year decline in its net profit at ₹23.72 crore in the second quarter of fiscal 2023-24, compared with ₹45.80 crore during the same quarter of the previous year.

On a sequential basis, net profits also fell 23.71 per cent. Meanwhile, the consolidated profit before tax was ₹29.3 crore (₹49 crore).

FALL IN DEMAND

The company's consolidated revenue saw an 11.7 per cent decrease to ₹509 crore (₹576.3 crore).

The EBITDA for the quarter stood at ₹55.8 crore (₹71.9 crore), marking a 22.4 per cent decrease.

Siva Ganapathi, Vice-Chairman and Managing Director of Gokaldas Exports, attributed the performance decline to reduced demand from major brands due to excess inventory.

The company increased its labour force in anticipation of a better third quarter, resulting in higher costs. Nevertheless, he is optimistic about improved momentum in the second half of the year, with growing traction in customer orders.

Business Line, dt-1-11-23

Fertilizer sales up 13% in H1 FY24; higher output leads to lower import

Prabhudatta Mishra
New Delhi

Fertilizer sales have increased by 13 per cent during the first half of the current financial year.

According to latest official data, overall sales of key fertilizers have surged to 319.86 lakh tonnes (lt) during April-September in 2023-24 from 282.64 lt in the year-ago period. Sales of urea, the largest used crop nutrient, have increased 6.9 per cent to 183.95 lt from 172.11 lt, Di-ammonium phosphate (DAP) by 24.2 per cent to 63.96 lt from 51.48 lt, Muriate of Potash (MOP) by 9 per cent to 7.72 lt from 7.08 lt and complex by 23.6 per cent to 64.23 lt from 51.97 lt year-ago.

Complex variety is a combination of nitrogen (N), phosphorous (P), potash (K) and sulphur (S) nutrients.

While launching the single 'Bharat' brand under 'one nation, one fertilizer' scheme, Prime Minister Narendra Modi had said that the step would help cut unnecessary use of fertilizer, though experts were of the views that unless prices were rationalised, the balanced use of fertilizers would not be achieved. "It is surprising to see higher sales as monsoon was uneven and August had the highest monthly rainfall deficit since 1901. Since fertilizer use is directly related with rainfall, it was expected a decline," said S K Singh, an agriculture scientist.

But former vice-chancellor of Gwalior Agriculture University, A K Singh, said that as the irrigated areas, mostly from groundwater sources, are rising every year, so is the fertiliser consumption. Fertilizer Ministry data show that sales of all fertilisers surged 28 per cent to 66.8 lt only in September from year-ago period while a maximum 58 per cent rise was noticed in complex that recorded about 19 lt offtake.

SURGE. Sales of urea, the largest used crop nutrient, have increased 6.9 per cent to 183.95 lt from 172.11 lt PTI

PM PRANAM

The government in June announced the Prime Minister Programme for Restoration, Awareness Generation, Nourishment and Amelioration of Mother — Earth (PM PRANAM) in order to encourage balanced use of chemical fertilisers and save ₹20,000 crore annually, of which States will get ₹10,000 crore as incentive for lowering chemical fertilizer usage.

Meanwhile, import of overall fertilizers dropped 5.9 per cent to 82.1 lt in April-September of this fiscal from 87.25 lt in the corresponding period last year.

Financial Express, dt-1-11-23

SAUDI SUPPLY REBOUNDS FROM SEPTEMBER LOW

Russian oil imports slip in Oct

SUKALP SHARMA
New Delhi, October 31

INDIA'S OIL IMPORTS from Russia averaged 1.57 million barrels per day (million bpd) in October, down from 1.78 million bpd in September, as per Kpler data. India's overall oil imports for the month, however, rose 8.1% sequentially to 4.50 million bpd, mainly on the back of higher imports from Riyadh.

Russian crude accounted for nearly 35 per cent of India's oil imports in October, followed by Iraq with 21%, and Saudi Arabia with an 18% share.

In October, oil imports from Saudi Arabia jumped nearly 65 per cent month-on-month to 7,96,659 bpd. In September, volumes from Riyadh had slumped, largely due to price advantage of competing crude oil grades from other countries and maintenance shutdown at a few units. Analysts had viewed the unusually low volumes of Saudi Arabian oil imports in September as temporary, and predicted a strong rebound in October. As for supplies from Iraq, oil import volumes in October were nearly flat month-on-month at around 9,35,000 bpd.

RIL, which has been among the top Indian buyers of Russian crude since the Russia-Ukraine war broke out in February last year, scaled back its offtake of Moscow's oil in October as its Jamanagar refinery complex was undergoing a partial maintenance shutdown.

RIL imported around 230,000 bpd of Russian crude during the month, down 24.3 per cent from September volumes, as per Kpler data. RIL's overall oil imports in October stood at 968,384 bpd, the lowest in 13 months. However, with its units now out of maintenance, Russian oil imports are likely to rise in November.

"Russia slipped back some 200,000 bpd after its 1.78 million bpd reading in September, mostly on the back of weaker buying from Reliance and several cargoes slipping into early November instead of late October. In the first three days of November alone, there are 10 tankers to be discharged into Indian ports, carrying 11 million barrels. In view of this, we expect November imports from Russia to come in around 1.8 million bpd again," Kpler's lead crude analyst Viktor Katona said.

In October, Nayara Energy (NEL) emerged as the largest Indian buyer of Russian crude, slightly surpassing state-owned Indian Oil, which has consistently been the largest Indian offtaker of Russian oil for a few months now. NEL, which is partly owned by Russian oil major Rosneft, imported 306,807 bpd of Russian oil, while IOC imported 303,944 bpd. From being a marginal supplier of crude oil to India before the war in Ukraine, Russia turned into New Delhi's largest source of crude as Moscow started offering deep discounts after Western buyers started shunning its oil. Prior to the war in Ukraine, Iraq was India's largest supplier of crude oil, followed by Saudi Arabia. India is the world's third-largest consumer of crude oil and depends on imports to meet over 85% of its requirement.

According to Katona, apart from a likely increase in oil imports from Russia in November and December, India's overall oil imports are also expected to rise in this high-demand festival season. "We believe the average pace of incoming cargoes would move higher to 4.7 million bpd, so there's a solid 200,000 bpd upside still in Indian buying, mostly accounting for Reliance's much-anticipated return after autumn maintenance," he said.

CRUDE OIL IMPORTS: TOP 3 SUPPLIERS
Oil Import Volumes (mn bpd)

SUPPLIER	SEP	OCT	CHANGE (%)
Russia	1.78	1.57	-12
Iraq	0.934	0.935	0.1
Saudi Arabia	0.484	0.797	64.7
Overall oil imports	4.16	4.5	8.1

Source: Kpler

Nod to laptop import proposals worth $10 bn

Financial Express, Dt. 2/11/23

Apple, Microsoft, Dell, Lenovo among 110 to get Centre's clearance

MUKESH JAGOTA
New Delhi, November 1

AS THE SYSTEM of prior authorisation for imports of computers and tablets came into force from November 1, the government has given the go-ahead to 110 applications from brand owners, retailers and resellers seeking approval to import up to $10 billion worth of these goods. The applicants who have got the approval include the likes of Lenovo and Xiaomi, the local arms of which source these products from China, and other multinationals like Dell, HP, Apple and Samsung, sources said. India's imports of these items stood at $8.8 billion last year.

Of 111 applications were filed under the import authorisation and only one was turned down because the company fell in the category of 'denied entities' list.

Under the commerce ministry's norms, denied list contains those importers who are facing any enquiry from an investigating agency or have not fulfilled their export obligations under schemes like advanced authorisation.

ASUS India, IBM India, Samsung India Electronics, Xiaomi Technology India, Cisco Commerce India, Microsoft Corporation (India), Siemens, Bosch and Redigton are among those given approval, a senior official said.

The liberal clearances indicate the government is walking the talk that the new system is not aimed at curbing imports right away, but instituting a monitoring mechanism.

The new licence regime is applicable to laptops, personal computers (including tablet computers), micro-computers, large or mainframe computers, and certain data processing machines to ensure India's trusted supply chain.

On August 3, the Directorate General of Foreign Trade put imports of these devices on the restricted list that would require licence. However, when the industry expressed concern over sudden change in rules, the proposal was kept in abeyance for a three month period which ended on October 31.

In between, after consultation with the industry, the government on October 18 unveiled a new system of monitoring imports of the computing devices and named it 'restricted import authorisation'. For now, under this system approvals will be available on tap to importers and all they have to provide is the name, quality and value of an item they want to bring in.

The government will monitor the data and trends of imports till September next year before deciding the further course of action.

The government decided to move away from the system of free imports of these devices because it wants IT products that are used in the country to be from 'trusted sources' and an ecosystem for domestic manufacturing of these devices is created locally.

Under the new system, there are no restrictions on quantity, value or country for imports. The biggest source of imports of IT hardware are China, Singapore, Hong Kong, US and Malaysia.

EASE OF IMPORTS

- Of 111 applications filed, only one was turned down because the company fell in 'denied entities' list
- The liberal clearances indicate the government is walking the talk that the new system is not aimed at curbing imports right away

Business Line, dt. 3/11/23

India not to expand import licence regime to more hardware items

Amiti Sen
New Delhi

India has no immediate plans to extend import restrictions beyond laptops, computers, and tablets to other IT hardware items not covered under the specific notification and is ready to share the information formally with other countries, sources have said.

"The government is clear that the import restrictions will only be limited to the IT hardware items mentioned in its notification for now. There are no plans to add other items to the list, and that will be the official stand on all platforms," a source tracking the matter told *businessline*.

RELIEF. Importers now have an assurance from the government that they will face no upper limit on quantity or value of products brought in till September 30, 2024

US' QUERY @ WTO

The US recently raised a query at the WTO on whether India intended to extend the import restrictions to more IT hardware items.

On August 3, the Directorate General of Foreign Trade (DGFT) issued a notification imposing licensing conditions on import of laptops, tablets, all-in-one PCs, and ultra-small form-factor computers and servers applicable with immediate effect. Following protests by the industry, a three-month transition period, until October 31, was announced the following day.

The government had at the time said that the move was to address India's security concerns, especially those related to items shipped from China, as well as boost local manufacturing, which was being incentivised by the PLI scheme. A large part of the $7-8 billion of laptops, tablets, and computers imported annually into the country comes from China.

"The US government had first registered its concerns about the import restrictions on specific IT hardware items soon after the notification was issued. US Trade Representative Katherine Tai took up the matter with Commerce Minister Piyush Goyal, who assured her that the industry's problems would be addressed," the source said.

NEW REGIME KICKS IN

After consultations with the industry, which included the India Cellular and Electronics Association representing companies such as HP, Dell, HP Enterprises, Apple, Acer, Asus, and Lenovo, the DGFT, on October 19, announced the operationalisation of a liberal online authorisation system to automatically issue import authorisations once importers entered the value, volume, and country of sourcing for the proposed imports.

NO VOLUME, VALUE CAP

"Importers of the specified IT hardware items now have an assurance that they will be allowed to import with no upper limit on quantity or value until September 30, 2024, as the authorisations are valid until that time. The import data collected during the period will determine the future decisions to be taken by the government," the source said.

Business Standard, dt. 3/11/23

Govt may extend export-boosting textile scheme

Ministry seeks Cabinet's approval regarding RoSCTL scheme

SHREYA NANDI & SHIVA RAJORA
New Delhi, 2 November

After Remission of Duties and Taxes on Exported Products (RoDTEP), the government may extend the tenure of another export-boosting scheme that mainly seeks to benefit the textiles sector till 2025-26, people aware of the matter said.

The Rebate of State and Central Levies and Taxes (RoSCTL) scheme was launched more than four years ago to increase the competitiveness of apparel/garments as well as the home-furnishing space.

The scheme is valid till March 31, 2024.

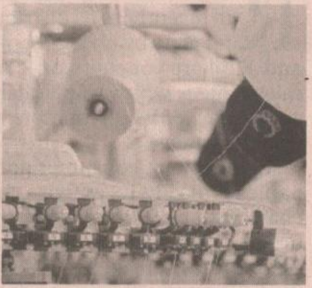
The textiles ministry has already sought the Union Cabinet's approval regarding the same, as it received representations from the industry. "We are going for the extension of RoSCTL. The idea is to make it coterminous with the current finance commission cycle (till 2026)," one of the people cited above told *Business Standard*.

"A Cabinet note has been moved for [this] purpose," the person cited above said. "At the end of financial year 2025-26, the idea is that the Centre will take a call on whether to merge the RoDTEP and RoSCTL, which was a commitment made earlier," he said.

An extension of the scheme's tenure can help exporters who are grappling with tepid external demand.

Such an export-boosting scheme can also help in the creation of employement opportunities.

Under the RoSCTL scheme, exporters get a refund of all embedded taxes/levies that are currently not being rebated under any other mechanism.



THE SCHEME

- Exporters get refund of all embedded taxes/levies which are not being rebated under any other mechanism
- They are issued duty credit scrip for the value of embedded taxes/levies contained in exported products
- They use the scrip to pay tax while importing equipment, machinery
- Scheme aims increasing competitiveness of the apparel/garments and home furnishing space

Exporters are issued a duty credit scrip for the value of embedded taxes and levies contained in exported products.

Exporters can use this scrip to pay tax while importing equipment and machinery.

With the rollout of goods and services tax (GST) in 2017, the Rebate of State Levies (RoSL) scheme was replaced by RoSCTL in March 2019.

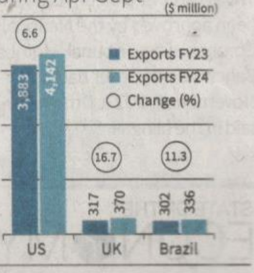
Exporters had earlier said the benefit of RoSCTL, along with free trade agreements (FTAs) for India's key trading partners, could be a game changer for Indian apparel and made-ups sectors. It could also help in achieving the country's rightful share in the global trade, they had said.

Business Line, Dt. 6/11/23

Pharma exports grow 5% in H1; Gaza strife may provide tailwind

G Naga Sridhar
Hyderabad

Top 3 export destinations during Apr-Sept



Pharmaceutical exports grew 5 per cent in the first half of the current fiscal year ended September 30, 2023, to $13,361 million compared with $12,723 million in the corresponding period of the previous financial year.

"Overall exports in September grew 9 per cent — the second highest monthly growth after April — which recorded 9.43 per cent growth. This is a positive sign for the overall growth in pharmaceutical exports," R Uday Bhaskar, Director General, Pharmaceutical Export Promotion Council (Pharmexcil), told *businessline* on Sunday.

The growth was driven by greater demand, increase in export scale up of mid-level pharma companies and clearance of pending site inspections by the US Food and Drug Administration (USFDA), Bhaskar said.

The US, the UK and Brazil were the top three destinations for Indian pharma exports at $4142 million, $370 million and $336 million, respectively. All three top regions — NAFTA, the EU and Africa LAC — showed healthy growth.

"At this run rate, overall exports in the current financial year of FY24 are likely to surpass the $27-billion mark," Bhaskar said.

THE WAR MOMENTUM

Due to the Israel-Hamas conflict, drug shortages might increase, and India's exporters may get some additional benefits which can result in higher quantum of exports over next 2-3 months, he added.

Due to the wartime shortage of drugs, Indian companies are already being asked to fill the gap as a measure of emergency even without market authorisations that might augur well for exports, according to Bhaskar.

In 2022-23, pharma exports to Israel grew 40 per cent at $92 million, compared with $60 million in the previous year. The compounded annual growth rate (CAGR) for the last five years is 22 per cent, Pharmexcil data show.

Pharmaceutical exports have registered a 3.25 per cent growth in FY23 at $25.3 billion. In 2021-22, the exports growth was almost flat at 0.71 per cent at $24.62 billion.