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## Goyal to chair Board of Trade meet, talk manufacture, exports

Commerce and Industry Minister Piyush Goyal is likely to chair a meeting of the Board of Trade next month to discuss ways to boost the country's exports, an official said. The Board is an advisory body on the foreign trade policy. It is headed by the minister and includes participants from states, Union Territories, and senior officials from public and private sectors, and provides a platform to discuss ways on boosting manufacturing and exports. "The board may meet sometime in mid-September," the official said.

# Silver Imports Likely to Touch Pre-Covid Levels of 7K Tonne

## Demand from industrial sector back as factory activity gathers pace

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**Kolkata:** Silver imports are expected to bounce back to pre-Covid-19 levels of 6,500-7,000 tonnes this year as there is a strong demand for the metal, said industry executives. Demand is also coming from the industrial sector as the economy has opened up with the easing of the pandemic and manufacturing activity has picked up across the country, they said.

The expectation has arisen from the increase in imports to 5,100 tonnes in the first seven months of 2022, 84% higher than 2,773 tonnes than in the entire 2021.

In July alone, India imported a record 1,700 tonnes of silver, while in 2021, in the first seven months silver imports were a meagre 110 tonnes, said Chirag Sheth, principal consultant, South Asia, Metals Focus. Investment demand for silver is also picking up as the

### Back in Demand

Silver imports at 5,100 tonnes in first seven months of 2022, 84% higher than in entire 2021



Investment demand for silver also picking up



Price of Silver fell 12.55% to ₹54,829 per kg from ₹62,700 per kg on Jan 1

In 2021, silver prices had shot up to Rs 70,000 per kg

price of the metal has fallen 12.55% to ₹54,829 per kg from ₹62,700 per kg on January 1 this year. In 2021, silver prices had shot up to ₹70,000 per kg.

During the pandemic-hit 2020 and 2021, the industry and investors sold off a large chunk of silver lying with them to generate cash. So, the silver stock in the country has depleted and now the jewellers are restocking for the upcoming festive season. "Silver prices are also at a comfortable level which is also fuelling demand. We are

### HIGHER EXPECTATIONS

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expecting imports of 6,500 tonnes of silver, which we had achieved in the pre-Covid period," said Sheth.

India Bullion & Jewellers Association president Prithviraj Kothari said, "We may even surpass the pre-Covid demand for silver this year. It has rained well and the rural demand for silver is expected to be more this year."

Silver is an important asset class in rural India. Industrial demand for silver is also going up, said Kothari. "Electronics, solar panel manufacturing are on the rise because of government incentives. These industries are consuming more and more silver along with the auto industry," he said.

# Decks Cleared for Investing in Foreign Fintech Cos

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**New Delhi:** The amendments to foreign exchange rules notified by the central government on Monday have cleared the decks for Indian entrepreneurs and wealthy investors looking to put money in foreign fintech companies. The government allowed non-banking financial companies (NBFCs) to invest in a financial services entity overseas.

Several technology entrepreneurs and angel investors have been facing challenges in acquiring stakes in foreign fintech companies since

the target companies were involved in various financial services. However, these investors mostly were not eligible for NBFC license, say market participants. Also, financial services entities in India are subject to high compliance requirements hence even the eligible ones were not keen on becoming an NBFC.

The only caveat for making such investment is having a profitability track record in last three years. If the same investment is routed through International Financial Services Centre (IFSC), Gift City, the three years criteria needn't be met, according to the amendments to foreign exchange rules.



# Govt may set FY23 exports target at a record \$750 bn

**BANIKINKAR PATTANAYAK**  
New Delhi, August 23

**INDIA MAY TARGET** goods and services exports of about \$750 billion for FY23, up 11% from a record \$676 billion in the last fiscal year, despite mounting concerns about a recession in key markets, such as the US and the EU, sources told *FE*.

The preliminary estimate, firmed up by the commerce department, is being vetted by commerce and industry minister Piyush Goyal, who has conducted a series of meetings with various export promotion councils and other stakeholders to set the goal for FY23. "The final target will be announced soon, after considerations of several factors," said an official source.

The FY23 target for goods exports may be fixed at \$470 billion, up over 11% from a year before. Similarly, the services exports target will likely be set at \$280 billion, over 10% higher than the FY22 level of \$254 billion. The targeted 11% growth in overall exports for the current fiscal will still be lower than that of 45% in FY22 (which was on a contracted base), said the sources. Some officials believe that

## Unfavourable factors

■ The services exports target will likely be set at **\$280 billion**

■ The targeted **11%** growth in overall exports for the current fiscal will still be lower than that of **45%** in FY22

■ This is over 10% higher than the FY22 level of **\$254 billion**



■ **Several factors like unfavourable base effect for FY23, the slowdown fears in the US, the EU and China, the continued adverse impact of the Ukraine crisis on global supply chains will contribute to the deceleration of growth**

services exports may exceed such a target and offset any shortfall in merchandise despatches to achieve the overall target.

Several factors will contribute to the deceleration of growth. These include unfavourable base effect for FY23, the slowdown fears in the US, the EU and China, the continued adverse impact of the Ukraine crisis on global supply chains and the hike in the interest rates across key economies (to curb inflationary pressure) that would potentially weigh down

consumer spending, added the sources. The windfall tax on exports of petroleum products, high duties on outbound shipment of select steel items and iron ore and a ban on wheat despatches, too, will weigh on growth prospects.

The EU's proposed rollback of duty relief for Indian exports totalling about \$8 billion from January 2023, as part of its review of the so-called Generalised Scheme of Preferences for developing countries, can potentially add to the woes, they said.

Financial Express dt. 24.8.22

## Exports performance on track, says commerce secretary

ON TUESDAY, COMMERCE secretary BVR Subrahmanyam said the country's exports performance is pretty much on track. Goods exports may be around \$470-480 billion this fiscal, against \$422 billion in FY22. The trade deficit,

which touched \$99 billion in the first four months of FY23, won't hit the "discomfort level", he said, adding that the commerce ministry is closely monitoring it. Until July this fiscal, exports grew 20.1% to \$157.4 billion. — FE BUREAU

● ALL EXEMPTIONS STAND WITHDRAWN

# Cabinet puts curbs on wheat flour exports

FE BUREAU  
New Delhi, August 25

**THE CABINET COMMITTEE** on Economic Affairs (CCEA) on Thursday approved a proposal to do away with exemptions for wheat or meslin flour from export restrictions.

This will allow the government to impose curbs on wheat flour exports to check rising prices and ensure food security for the vulnerable sections of the society, according to an official statement.

The amendment would allow the government to check exports of wheat flour keeping into consideration the domestic supplies.

■ The decision will allow the govt to restrict exports to check rising prices and ensure food security for the poor

■ The Directorate General of Foreign Trade will shortly issue a notification related to the decision taken on Thursday



In value terms, exports of wheat or meslin flour jumped 64% last fiscal from a year before to \$247 million, according to the DGCIS data



On August 9, the govt tightened rules on exports of wheat flour and said such dispatches will be subject to submission of quality certificates from the Export Inspection Council

The Directorate General of Foreign Trade (DGFT) will issue a notification shortly. "Earlier, there was a policy

not to prohibit or put any restrictions on the export of wheat flour. Therefore, a partial modification of the policy was required by withdrawing the exemption from ban or restrictions on export for wheat flour,"

it stated.

On August 9, 2022, the government had sought to tighten rules on exports of wheat flour and other related products and mandated that such dispatches will be subject to the submission

of quality certificates issued by the Export Inspection Council or its affiliates.

The certificates will be over and above the current requirement of recommendations by an inter-ministerial panel.

# Govt bans exports of wheat products to tame prices



THE GOVERNMENT HAS banned exports of wheat

flour and related products to keep domestic supplies steady and curb a price rise. Nevertheless, it will allow exports of such products to food-deficit nations, based on the request of their governments, reports **fe Bureau** in **New Delhi**. With this, the export policy for wheat products is brought at par with that of wheat.

# Diesel exports fall 11% in July



INDIA'S  
DIESEL  
EXPORTS fell  
by 11% in July

to 2.18 million tonne from 2.45 million tonne a month back and overseas shipment of petrol dropped by 4.5% after the government slapped a windfall profit tax on such sales, official data showed.