

Apple exports \$6 billion of India-made iPhones in 6 months

Bloomberg

Apple Inc's iPhone exports from India jumped by a third in the six months through September, underscoring its push to expand manufacturing in the country and reduce dependence on China.

The US company exported nearly \$6 billion of India-made iPhones, an increase of a third in value terms from a year earlier, people familiar with the matter said. That puts annual exports on track to surpass the about \$10 billion of fiscal 2024.

Apple is expanding its manufacturing network in India, taking advantage of local subsidies, a skilled workforce and advances in the country's technological capabilities. India is a crucial part of the company's effort to lessen its reliance on China, where risks have grown along with Beijing's tensions with the US.

Three of Apple's suppliers — Taiwan's Foxconn Technology Group and Pegatron Corp and home-grown Tata Electronics — assemble iPhones in southern India. Foxconn's local unit, based on the outskirts of Chennai, is the top supplier in India and accounts for half of the country's iPhone exports.

Salt-to-software conglom-



erate Tata Group's electronics manufacturing arm exported about \$1.7 billion in iPhones from its factory in Karnataka from April to September, the people said. Tata acquired this unit from Wistron Corp last year, becoming the first Indian assembler of Apple's best-selling product.

The dollar figure refers to the devices' estimated factory gate value, not the retail price. Representatives for Apple declined to comment. Pegatron also declined to comment while Foxconn and Tata spokespersons didn't respond to requests for comment.

MANIFOLD JUMP

iPhones account for the bulk of India's smartphone exports and helped the product category become the top export to the US at \$2.88 bil-

lion in the first five months of this fiscal year, according to trade ministry data.

Five years ago, before Apple expanded manufacturing in India, the country's annual smartphone exports to the US were a meagre \$5.2 million.

Still, Apple accounts for just under 7 per cent of India's smartphone market, which is dominated by Chinese brands such as Xiaomi, Oppo and Vivo. And while still a small market for iPhones globally, Apple is making big bets.

ASSEMBLING IPHONES

The subsidies by Prime Minister Narendra Modi's administration helped Apple assemble its pricey iPhone 16 Pro and Pro Max models, with better cameras and titanium bodies, in India this year. It is also seeking to open retail stores, including in Bengaluru and Pune.

Last year, Chief Executive Officer Tim Cook launched Apple's first shops in Mumbai and New Delhi.

The grand openings, the marketing blitz around the new stores, an aggressive online sales push as well as a rapidly growing middle class that aspires to own Apple products boosted its annual India revenue to a record of \$8 billion in the year through March.

US slaps 5.75% CVD on India's frozen shrimp exports

JEOPARDISING SHIPMENTS. Washington also imposes 1.3% anti-dumping duty; Ecuador, Indonesia and Vietnam face lower countervailing duty

V Sajeed Kumar
Kochi

The US Department of Commerce (DOC), as part of its final determination in the anti-dumping duty investigations on frozen water shrimp from India, has imposed a higher countervailing duty (CVD) compared to Ecuador, Indonesia and Vietnam. This could hit Indian seafood exports to the US and provide an edge to the competing countries.

Research House InCred Equities said the decision is likely to impact Indian shrimp exporting companies, as the final countervailing duty (CVD) could be in the range of 5.7 per cent

compared with 3.75 per cent for Ecuador and 2.84 per cent for Indonesia and Vietnam.

The DOC's findings are based on investigations into whether these countries and their companies received subsidies that gave them an unfair advantage in the US market.

Indian shrimp exporters, according to InCred Equities, would need to book additional costs related to the increased CVD, especially for sales completed over the past six months, potentially impacting immediate financial results.

ECUADOR MAY BENEFIT Ecuador holds a competitive advantage over Indian com-



LOSING EDGE. The decision to impose CVD will hit both farmers and exporters and there are chances for raw material prices to go up, making Indian shrimp products less competitive

panies, which may affect market positioning and profitability for Indian exporters. On March 26, the DOC

made preliminary affirmative determinations in CVD investigations of frozen warm water shrimps.

Ecuador seemed to be hit the hardest by the preliminary determination of CVD. But it negotiated a much lower CVD whereas Indian companies were surprised by an increase over the preliminary rates.

INPUT COSTS MAY RISE

Pawan Kumar G, National President of the Seafood Exporters Association of India, told *businessline* that the impact would be severe as India's shrimp exports to the US stood at \$2.9 billion, and 40 per cent of the country's seafood exports go to the US.

The decision to impose CVD will hit both farmers and exporters and there are chances for raw material prices to go up, making In-

dian shrimp products less competitive vis-à-vis other competing countries.

Besides the 5.7 per cent CVD, there is an additional 1.3 per cent anti-dumping duty on Indian products and there are also chances that the anti-dumping duty may go up further.

"If it happens, Indian shrimps will become most expensive in the US markets," he said.

On the findings of receiving subsidies by the US authorities, Pawan Kumar said the Indian government is not offering any subsidies; rather the government is reimbursing all taxes incurred for shipments, under schemes such as RoDTEP (Remission of Taxes and Duties on Ex-

ported Products), as per WTO rules and international standards.

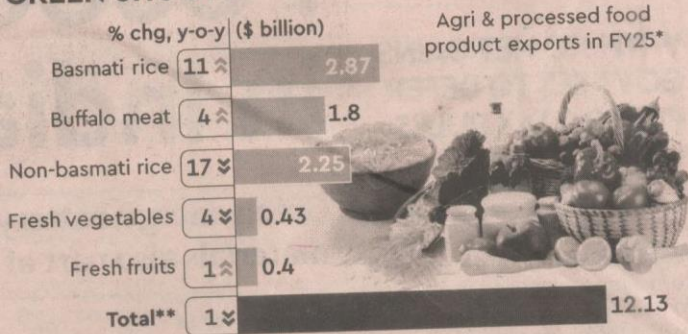
He sought the immediate intervention of the government and the Commerce Ministry to fight India's case in the US to avoid any further impact on India's shrimp shipments.

Industry sources said India's shrimp exports to the US have come down last year due to competition from Ecuador. The unit value of Indian shrimps has come down to \$7.4 per kg from \$8.57 in 2021-22.

Moreover, seafood exports are facing headwinds because of the geo-political situation, and there is a subdued demand across markets.

Agri exports flat in FY25 first half

GREEN SHOOTS



*Apr-Sept, **including items - cashew, oil meals & other cereals

Shipments of buffalo meat & basmati rice up

SANDIP DAS

New Delhi, October 29

INDIA'S EXPORTS OF agricultural and processed food products declined marginally (1%) to \$12.13 billion in the first half of FY25, owing to a sharp fall of 17% in non-basmati rice shipments. Shipments of basmati rice, buffalo meat and fresh fruits, however rose during April-September compared to the same period in FY24.

Exports of aromatic and long-grain basmati rice saw a sharp spike of 11% on year to \$2.87 billion in April-September of FY25. The minimum export price (MEP) of \$950/tonne, imposed in October 2023, was removed last month, which is expected to boost shipment of high value rice. With removal of restrictions on rice exports, agri exports are expected to rebound in the second half of FY25, officials said. Last month, the government removed virtually all restrictions on basmati as well as non-basmati rice exports imposed last year by removing minimum export price and export duties.

Although non-basmati rice exports declined by 17% to \$2.25 billion in April-September, shipment is likely to get a boost with the removal of export duties and MEP.

Trade sources said that India's

dominance in global rice trade is expected to be restored with a spike in shipment, especially to Africa and Southeast Asian countries.

"Indian rice exporters are now better equipped to reclaim market share that was lost last year because of restrictive trade policies," Akshay Gupta, business head, bulk exports, KRBL, which exports basmati rice to over 90 countries under 'India Gate' brand, told FE.

Gupta said that with the current year's crop yield projected to be 10-15% higher than last year, the timing of lifting export restrictions could not be more opportune.

The shipment of buffalo meat rose by 4% on year to \$1.8 billion during April-September against \$1.73 billion during the same period in 2022-23. Officials said that in the past decade, there has been a rise in demand for Indian bovine meat across the globe due to its quality, nutrient value and risk-free as the buffalo meat is processed and exported as per the World Organization for Animal Health (OIE) guidelines. The export of fresh fruits rose marginally to \$0.4 billion, while that of fresh vegetables declined by 4% to \$0.43 billion.

India's exports of agricultural and processed food products in FY24 declined by 6% to \$25.01 billion on year because of a drop in rice exports because of restrictions imposed last year. The Agricultural & Processed Food Products Export Development Authority has set an export target of \$28.72 billion exports for FY25.

Global rice prices plunge after India lifts export curbs

MOUNTING PRESSURE. Arrival of new crop in Pakistan and Myanmar add to the declining trend after an over 10% drop in rates in the last fortnight

Subramani Ra Mancombu
Chennai

Rice prices in the global market have dropped by over 10 per cent over the past fortnight mainly because of India lifting all curbs on exports and the arrival of the new crop in Pakistan and Myanmar, traders said.

“Rice cargo is being offered at discounts as the strong dollar has helped against local currencies. India’s opening up of exports has come when the new crop from Pakistan and Myanmar has arrived. For buyers, the situation has become a blessing in disguise,” said New Delhi-based exporter Rajesh Paharia Jain.

CURRENT PRICES
On Wednesday, Thailand’s

5% broken white rice was quoted at \$507 a tonne, down from \$529 on October 16. Vietnam’s quote is unchanged at \$537-\$541 but it is expected to cut it.

Pakistan’s offer price is at \$463-\$467 against \$481-\$485 a fortnight ago. Against these, India’s prices have dropped to \$444-\$448, compared with \$488-\$492.

In the 25% broken white rice category, India is offering at \$434-\$438 a tonne, compared with \$491-\$495. Pakistan is more competitive in this at \$424-\$428, compared with \$440-\$444 a fortnight ago.

Thailand is quoting \$491 (\$508) and Vietnam \$497-\$502 (\$509-\$513).

In the parboiled sector, Thailand is quoting its 100% sortexed at \$522 (\$561) while Pakistan is offering the



REAL ISSUE. The government has to shift 4 million tonnes of rice by rail rakes from Punjab over the next few weeks

rice at \$493-\$497 (\$500-\$504). India’s price is the most competitive at \$439-\$443 (\$490-\$494).

“Our white rice shipments to Vietnam have dropped to

\$475 a tonne from \$495 a tonne cost and freight in the container,” said M Madan Prakash, President, Agricultural Commodities Exporters Association.

LOW CONTAINER RATES
Besides a weak dollar, lower container rates are helping buyers. “Lack of shipments has resulted in container prices dropping sharply to \$100. You can even get it at \$50,” he said.

However, the trade has slowed in the past week as traders are waiting to see the extent of the fall in the prices.

“Demand is good. The rice market is trying to find its level. Prices are likely to move up a little,” said BV Krishna Rao, President, The Rice Exporters Association (TREA).

Prices could rebound a little as traders in the Philippines are interested in stocking up and Thursday’s Indonesia Bulog tender could be an eye-opener on the trend, he said.

Jain said the Bulog tender could see \$450-\$480 a tonne bids. Traders from the Philippines are purchasing rice at \$475-\$480 cost and freight in containers.

MOVING FROM PUNJAB
The real issue for the Indian government will be in moving 4 million tonnes of rice by rail rakes from Punjab over the next few weeks. “Thanks to India, cheaper food will be available to the global community,” Jain said.

A trade analyst from New Delhi said countries such as Malaysia could try and import rice when the price is lower to build stocks in the pipeline. China is also expected to buy a good quantity of rice for feed and other purposes, such as making noodles.

The Centre on October 23-24 removed all curbs on rice exports that were in force since September 2022.

However, it retained the ban on export of broken rice. It reduced the Customs duty on parboiled rice to zero from 10 per cent and scrapped the \$490 per tonne minimum export price (MEP) on white rice.

Earlier, on September 26, the Ministry had cut the export duty on non-basmati parboiled rice, husked (brown) rice and rice in the husk to 10 per cent from 20 per cent with immediate effect.

Also, semi-milled or wholly-milled rice, whether or not polished or glazed (other than parboiled rice and Basmati rice) was allowed duty-free. It also fixed the \$490 MEP on white rice.

Business Lines. Dt: 31/10/24

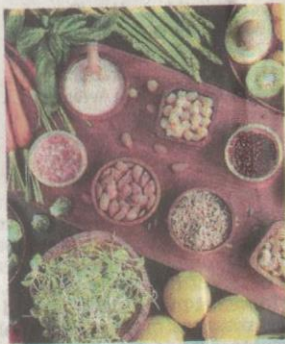
H1 agriculture exports a tad lower at \$12.13 billion on dip in cereal shipments

Vishwanath Kulkarni
Bengaluru

Agri exports from the country dropped by half a per cent in the first half of the current financial year to \$12.13 billion on a dip in cereal shipments, mainly non-basmati rice. In the same period last year, agri shipments stood at 12.19 billion.

Per the latest data released by the Agricultural and Processed Foods Export Development Authority (Apeda), the fall in non-basmati rice exports pulled down the overall cereal shipments by 8.35 per cent to \$5.22 billion during the April-September period from \$5.69 billion in the corresponding period last year.

BASMATI SHIPMENTS UP
Basmati rice exports during



H1FY25 were up 10.8 per cent at \$2.87 billion (\$2.59 billion). In volume terms, the basmati shipments grew around 18 per cent to 27.20 lakh tonnes (lt).

The removal of minimum export price towards the end of the quarter is expected to help the shipments of the aromatic rice in the year ahead.

Non-basmati rice exports

fell 16.84 per cent during the period to \$2.25 billion (\$2.70 billion) on account of the curbs placed on the shipments of rice. However, the export restrictions were removed towards the end of September and the shipments of white rice has been allowed by the Government, which should help the exporters gain back the market share.

Non-basmati volumes dropped almost 47 per cent to 46.52 lt during April-September this year from the same period last year's 68.81 lt, largely on account of the export curbs. Shipments of other cereals including maize and wheat were also down during the period.

Shipments of livestock products registered a 7 per cent growth at \$2.23 billion led by buffalo meat and dairy products. Buffalo meat exports jumped 4 per cent to

\$1.8 billion (\$1.73 billion), despite a marginal drop in volumes at 5.53 lt (6.10 lt).

Dairy exports were up 33.6 per cent at \$290 million (\$217 million) on higher volumes of 90,290 tonnes (80,372 tonnes). However, poultry products saw a 12 per cent decline at \$71 million.

F&V SHIPMENTS

Exports of processed fruits and vegetables, including pulses, were up 11.67 per cent at \$1.19 billion (\$1.07 billion). Pulses exports were up 7.8 per cent at \$349 million on higher volumes of 3.16 lt (3.04 lt).

Other processed food exports including groundnuts and guar gum registered a 6.9 per cent growth at \$2.34 billion. Fresh fruits and vegetables registered a 1.81 per cent decline at \$844 million on dip in volumes.

Business Lines Dt: 31/10/24

Coal imports see modest rebound in September, poised to rise further

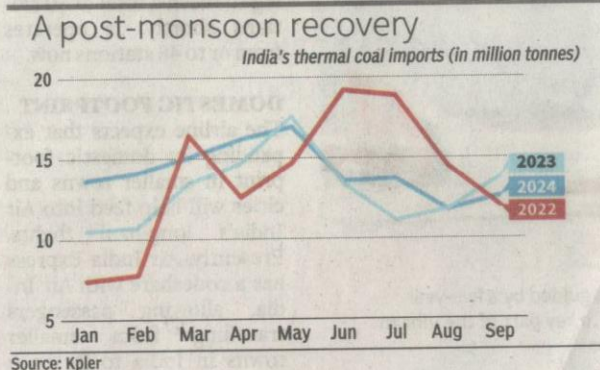
DEMAND-LED GROWTH. Seaborne thermal coal imports rose by 5% on a monthly basis to 12.65 million tonnes

Rishi Ranjan Kala
New Delhi

Following the end of the monsoon season, including clocking the lowest imports in 2024 so far during August, India's thermal coal shipments have rebounded, albeit marginally, during September.

However, seaborne thermal coal imports by the world's third largest energy consumer are expected to rise further in the current month and the ongoing quarter as demand picks up.

According to energy intelligence firm Kpler, India's seaborne thermal coal imports rose by almost 5 per cent on a monthly basis last month to 12.65 million tonnes (mt). The shipments declined by around 9 per cent on an annual basis.



"Following a seasonal low of 12.08 mt in August, imports experienced a modest rebound to 12.65 mt in September, down by 1.17 mt y-o-y. The end of monsoon season typically correlates with lower hydro and wind power output, increasing the country's reliance on coal-fired generation. This was likely the driving factor be-

hind the extension of the import directive to power plants in mid-October," Kpler's Lead Major Dry Bulks Analyst Alexis Ellender told *businessline*.

ENERGY DEMAND UP

Going ahead, he projected that India's seaborne thermal coal imports are poised to rise further in Oc-

tober as demand picks up following the end of the monsoon season.

POSITIVE OUTLOOK

"The outlook for thermal coal imports has been boosted by Indian miners struggling to achieve significant growth in domestic coal production. At 68.96 mt, September output was up by only 2.51 per cent y-o-y. This followed a 7.51 per cent annual decline in August," Ellender explained.

India's cumulative coal production rose by 2.51 per cent y-o-y to 68.96 mt during September 2024. Captives/ Others also registered a positive growth of 30.61 per cent y-o-y producing 14.26 mt coal.

Despatch of the dry fuel increased by 5.32 per cent to 73.99 mt in September 2024. Captives/ Others too re-

gistered a positive growth of 46.72 per cent on an annual basis by despatching 14.91 mt.

Compared to August 2024, pan-India coal production rose by 10.04 per cent, while despatch was higher by 5.11 per cent. Historically, monsoon months of June-September result in subdued mining and transportation activities as rains hinders mobility. Wide spread and heavy to very heavy rains across eastern India impacted mining and mobility this year.

"Higher-than-usual rainfall is expected to weigh on coal production in the first half of October. However, we do not expect thermal coal imports to reach the heights of the Q4 2023 as stockpiles at power plants are around two thirds higher y-o-y," Ellender said.

SURGING MARKET SHARE IN 5 YEARS

India rises as global player in petroleum, sugar exports

PRESS TRUST OF INDIA

New Delhi, 3 November

India's export competitiveness has witnessed healthy gains in multiple sectors — particularly petroleum, gemstones, agrochemicals and sugar — during the last five years, as these segments have increased their share in global trade, according to the commerce ministry data.

The other sectors where the share of India's exports has increased during 2018 and 2023 are electrical goods, pneumatic tyres, taps and valves, and semiconductor devices. The ministry data analysis showed that petroleum exports rose to \$84.96 billion in 2023, with India's market share surging to 12.59 per cent last year from 6.45 per cent in 2018, positioning it as the second-largest global exporter. It was ranked fifth in 2018.

In the precious and semi-precious stones segment, the country's share in global ship-

ments has soared to 36.53 per cent last year from 16.27 per cent in 2018. It has propelled the country to the top position in the category, with exports reaching \$1.52 billion in 2023 from \$0.26 billion in 2018. It was at the second spot in 2018.

Similarly, in cane or beet sugar, the country's outbound shipments have more than quadrupled to \$3.72 billion from \$0.93 billion in 2018.

India has achieved tremendous growth in the export of cane or beet sugar, with its global market share increasing from 4.17 per cent in 2018 to 12.21 per cent in 2023.

"As the world's second-largest exporter of sugar, India's success can be attributed to both favourable agricultural policies and its strong production base. The country has capitalised on the growing

global demand for sugar, especially in regions like Southeast Asia and Africa," an official said. India's share of the global market for insecticides and fungicides has also shown healthy improvement.

The country increased its global share from 8.52 per cent in 2018 to 10.85 per cent in 2023, with exports reaching \$4.32 billion.

India's ability to meet international agricultural and environmental standards and its emphasis on innovation in agrochemicals have led to this improvement, the official said. India is now the third-largest exporter globally against the 5th position in 2018, the data showed. Further, the country's position in the global market for rubber pneumatic tyres has also strengthened, with exports growing to \$2.66 billion in 2023 from \$1.82 billion in 2018.

India is now the third-largest exporter globally, against the 5th position in 2018

● RABI SOWING GETS A LEG-UP

Imports and strong kharif harvest to rein in pulse prices

SANDIP DAS

New Delhi, November 3

WITH THE EXPECTED

arrivals of chana from Australia and prospects of a robust kharif harvest, the government is aiming to bring down the prices of pulses, which have been at the elevated level for more than a year, over the next few months.

"While there has been an uptick in retail prices of pulses because of festive demand, wholesale prices have already started to moderate," an official with the department of consumer affairs told FE.

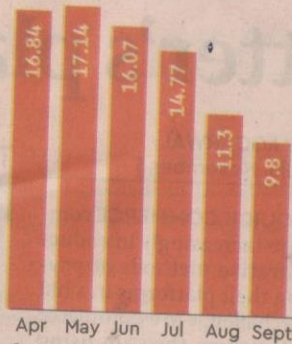
The official said with the above normal monsoon rainfall resulting in sufficient soil moisture for rabi or winter crops, area under chana, which has around 50% share in the country's pulse production, is likely to increase sowing area in the coming season.

"One vessel carrying desi chana from Australia is reported to be arriving shortly. Peak arrival of imports from Australia would be around December-January. Shipment from Tanzania will peak between the middle of November-December," according to the official. Trade sources said that shipments of desi chana from Africa have started to arrive.

ROAD TO NORMALCY

Retail inflation in pulses

2024, (% , y-o-y)



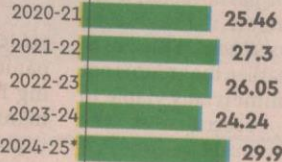
Source: Mospi; Agri ministry, crop year (July-June), *target

In 2023-24 crop year (July-June) due 10% drop in chana output to 11.03 million tonne (MT) on year because adverse weather conditions pulled down overall country's pulses output by 7% to 24.24 MT on year. However trade sources have stated a much higher drop in chana last crop year which forced the government to relax import duties on yellow peas and desi chana or bengal gram, used as substitute for chana.

The gram split variety of pulses reported the highest price rise of 21.2% in September while the government is aiming to import about 0.2 MT and 1 MT of desi chana from Tanzania and Australia



Pulses output (million tonne)



in the next couple of months aimed at improving domestic supplies of chana.

In addition around 2.3 MT of yellow peas have been imported since December last year to improve domestic supplies. The duty-free imports of tur, urad and masur (lentils) have been extended till March 31, 2025. The government has also removed import duty on desi chana while extending import duty exemption on yellow peas till October

"The retail prices of tur dal, urad dal, moong dal and masur dal have either declined or remained stable during the past three months," according to an official note.

At 12.8 million hectare,

the area under kharif pulses varieties—tur, urad and moong is up 7.8% on year. Traders say that while tur output is likely to be higher than last year, quality of urad output has been impacted because of surplus rains across key growing areas.

Agencies such farmer's cooperative Nafed and NCCF have so far registered 1.75 million farmers for assured procurement at Minimum Support Price (MSP) of kharif harvested pulses like tur, urad and lentils.

Meanwhile, retail inflation in pulses was 9.8% in September from 11.3% in August, as prices have softened. Retail inflation in pulses have been in double digits since June, 2023 because of lower output of key varieties of pulses like chana, tur and urad.

As the part of second phase of Bharat Chana Dal retail market intervention, 0.3 MT of pulses from the buffer is being converted to chana dal and chana whole is being sold at ₹70/kg and ₹58/kg respectively through various retail outlets.

To meet the rising demand, India's import of pulses rose by 90% on year to 4.73 MT during 2023-24 to meet domestic demand. India imports about 15% of its annual pulses consumption.