Business Line. Dt: 05/08/25

After stable thermal coal imports in June, shipments to slow in July-Sept

Rishi Ranjan Kala
New Delhi

The country's thermal coal imports were relatively stable in June as imported coal-based (ICB) plants procured higher quantities despite unseasonal rain dousing power demand amid record inventory levels.

However, global real-time data and analytics provider Kpler said that even as imports during June were slightly higher on an annual basis, the outlook is "weak".

Alexis Ellender, Senior Lead Dry Bulks Insight at Kpler, said that despite milder weather reducing coal burn year-on-year (y-o-y) and record inventories of domestic coal at power plants, India's thermal coal imports remained relatively stable in June as plants running on imported material took more shipments.

The South-West monsoon covered the entire country by June 29 against the normal date of July 8.

In June, thermal coal imports rose by 5.3 per cent y-o-y to 14.71 million tonnes (mt). Compared to the same month in 2023, imports were higher by 3.8 per cent. However, shipments fell by 26.3 per cent compared to June 2022.

INTENSITY TO WEAKEN

Ellender projected that even as India's thermal coal imports were higher y-o-y in June, the intensity will decline going ahead.

Indian coal production fell by 7 per cent y-o-y to 79 mt in June 2025, the first annual decline since August 2024 but this is unlikely to boost import demand as thermal power generation fell by 9 per cent (y-o-y) the same month and inventories at power plants were almost 40 per cent higher y-o-y at the end of June, he explained.

"We expect imports of thermal coal to be lower y-o-y through July-September (2025) at nearly 11 mt per month. They will then accelerate over the October-December quarter," he projected.

POWER DEMAND

According to Crisil Intelligence, India's power demand fell 1.9 per cent y-o-y in June to 150 billion units (BUs), declining for the second consecutive month as above-normal monsoon rainfall lowered temperatures in most parts of the country.

Tracking the decline in demand, power generation declined 0.8 per cent y-o-y to 161 BUs in June 2025. Fuel-wise, coal-based power generation fell 7.2 per cent y-o-y against a rise of around 10 per cent y-o-y in June 2024, it added.

As on June 30, thermal power plants had 62 mt of coal stocks, the highest level since April 2021. The stock level was 47 mt a year ago, Crisil Intelligence said.

Business Line. Dt:- 05/08/25

Despite dip in import & production, Q1 fertilizer sales up 13%

Prabhudatta Mishra
New Delhi

Sales of chemical fertilizers increased 13 per cent in the first quarter (April-June) of FY25 from a year-ago period. India's import and domestic production dipped, a possible reason for farmers' complaints about shortages.

However, experts said that as the key period during which farmers buy crop nutrients for the kharif season is already over, the government needs to plan better to avert a repeat of the chaos resulting from shortages during the rabi season.

According to the latest official data, overall consumption of key fertilizers — urea, di-ammonium phosphate (DAP), muriate of potash (MOP) and complex — increased to 121.19 lakh tonnes (lt) during April-June from 107.48 lt a year-ago period. This year's demand was estimated at 146.6 lt for the first quarter.

MORE COMPLAINTS

Sales of urea were 12.3 per cent higher at 69.99 lt against 62.33 lt year-ago, while those of MOP rose 46.8 per cent to 4.58 lt (3.12 lt) and complex increased by 34.4 per cent to 30.52 lt (22.7 lt).

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

But the government data also show that sales of DAP, where maximum complaints of shortage were registered, dropped 16.7 per cent to 16.1 lt (19.33 lt). In 2024, also there were complaints about DAP shortage in the kharif season, but the crop production was not affected and India had a record production of rice.

DEEP DECLINE. Import of overall fertilizers dropped 13.2 per cent to 28.77 lt during April-June from 33.15 lt year-ago PTI

On the other hand, import of overall fertilizers dropped 13.2 per cent to 28.77 lt during the April-June period as against 33.15 lt a year-ago, in which MOP import declined the maximum by 81.3 per cent at 1.11 lt from 5.94 lt, DAP by 12.9 per cent to 9.74 lt from 11.18 lt and urea by 12.7 per cent to 8.38 lt from 9.6 lt. Only complex showed higher import by 48.4 per cent to 9.54 lt from 6.43 lt.

Minister of State for Chemicals and Fertilizers Anupriya Patel told the Lok Sabha on August 1 that the Department of Fertilizers had put a ceiling of 50 bags of subsidised fertilizers per buyer per month. Additionally, a monthly list of top 20 buyers' of each district is made available to the concerned District Magistrate for taking necessary action. She claimed that the availability of urea, DAP, MoP and complex was adequate in the country during the ongoing kharif season.

"Many States have announced a daily capping of fertilizer sales per farmer and it caused panic buying among farmers in June. Due to local acquaintance, farmers were able to take fertilizers from their nearest shops, which might not have been entered into the data base but physical stock was not what data showed," said SK Singh, a retired agriculture scientist.

Official data show that urea sales were 2.5 lt more than demand estimated for the month. Similarly, MOP sales were 15,000 tonnes higher and complex 3.23 lt more than demand during June. But DAP sales dropped 2.41 lt from the demand estimate of 10.62 lt in June.

Data also showed that fertilizer production dropped to 120.59 lt from 125.33 lt, lower by 3.8 per cent mainly due to urea, which dipped 10.2 per cent to 67.89 lt from 75.63 lt a year ago period. But output of DAP rose 3.5 per cent to 10.35 lt from 10 lt, complex 5.8 per cent to 26.63 lt from 25.17 lt and SSP by 6.1 per cent to 13.89 lt from 13.09 lt.

FINANCIAL EXPRESS. Dt:- 05/08/25

Trump tariffs to bring down exports to US by 30%: GTRI

FE BUREAU
New Delhi, August 4

INDIA'S MERCHANDISE EXPORTS to the US are projected to contract 30% on-year to $60.6 billion this financial year due to the additional 25% tariffs imposed on India by President Donald Trump, a report said.

India now faces a 25% country-specific tariff and an extra, unspecified penalty on its exports to the United States — one of the highest among Asian exporters, second only to China at 30%.

This puts Indian exports at a clear disadvantage across most sectors, barring a few exemptions," the report by Global Trade Research Initiative said.

Other competitors like Vietnam (20%), Bangladesh (18%), Indonesia, Malaysia, and the Philippines (19%), and Japan and South Korea (15%) enjoy lower rates.

The new US tariff regime excludes pharmaceuticals, energy products, critical minerals, and semiconductors. But outside these, Indian goods are under pressure.

India's garment exports will be the worst hit. Knitted and woven garments — each worth $2.7 billion — now face steep US tariffs of 38.9% and 35.3%, much higher than the rates for Vietnam, Bangladesh, and Cambodia.

Made-up textiles like towels and bedsheets, which earn India $3 billion in exports (with nearly half going to the US), now face a 34% duty. This gives a clear advantage to competitors like Pakistan and Vietnam.

India's $2 billion shrimp exports, which make up 32% of global supply, will now face a 25% US tariff, wiping out their price edge over rivals like Canada and Chile, who benefit from free trade deals with the US.

Jewellery exports worth $10 billion—40% of India's global jewellery trade — now face a 27.1% duty. With the sector adding just 3–4% in value, margins are thin. Mechanical gold jewellery exports to the US ($3.6 billion) are likely to be hit the hardest.

India's engineering exports — $6.7 billion in machinery and $2.6 billion in auto parts — now face over 26% US tariffs, making them costlier than similar goods from Mexico (0% tariff) and Japan (15%). Petroleum exports worth $4.1 billion are still tariff-free, but India's use of Russian crude could invite penalties.

Pharmaceuticals ($9.8 billion) and smartphones ($10.6 billion) are currently exempt, but not safe — Trump has warned of tariffs on Indian medicines and tighter rules on electronics with Chinese parts.

Exporting more to other countries to make up for losses in the US market won't be easy as the global trade is shifting away from openness towards tighter controls, driven by politics, security, and climate rules, the GTRI said.

To deal with the situation the government should revive the Interest Equalisation Scheme (IES) with a ₹15,000 crore annual budget and a five-year commitment to provide subsidised credit for exporters, especially MSMEs.

RISING RISK

- India's competitors like Vietnam (20%) and Bangladesh (18%) enjoy lower rates
- The new US tariff regime excludes pharmaceuticals, energy products, critical minerals & semiconductors
- Pharmaceuticals ($9.8 bn) & smartphones ($10.6 bn) are currently exempt, but not safe

Business Line, Dt. 6/8/25

Electrosteel Castings looks to increase exports to European markets after acquiring Italian valve manufacturer T.i.S. Service

Mithun Dasgupta
Kolkata

Electrosteel Castings is looking to increase exports to European markets after acquiring Italian valve manufacturer T.i.S. Service S.p.A.

The Kolkata-based firm, which specialises in making ductile iron pipes, fittings and cast iron pipes, announced the acquisition for an investment of ₹150 crore, making it a wholly-owned subsidiary.

The Italian company has manufacturing plants in Italy and Turkey, and logistics hubs in Poland and Italy. The turnover of the company is around €40 million.

"Electrosteel Castings has been in the ductile iron (DI) pipes and fittings business, which are used in the water infrastructure space. Valve is an essential component of the same. Now, we have the three big components in this space — valves, fittings and pipes — in our fold. This moves us in the direction of being a holistic solutions provider for water infrastructure," Whole-Time Director Madhav Kejriwal told *businessline*.

EXPANDING HORIZON. Sunil Katial (left), CEO & Whole-time Director, and Madhav Kejriwal, Whole-time Director, Electrosteel Castings Ltd DEBASISH BHADURI

INTERNAL ACCRUALS

The acquisition is funded entirely from internal accruals.

"We have not done an acquisition of this sort in the past few years. We were working on developing the valves internally when this opportunity came knocking on our doors. We jumped at it with both hands," Kejriwal said.

Exports contributed to 17 per cent of the company's turnover in the last financial year.

BIG MARKET

Europe is a big overseas market. "Around 15 per cent of our sales are in Europe already. So, with this acquisition we will further strengthen our position in the European markets. We will also be able to offer a better profile of products to our customers in Asia, the Middle-East and, of course, most importantly in India," Kejriwal added.

In its annual report, Electrosteel Castings said that in FY25, the export market was under pressure due to various uncontrollable external factors, including the geopolitical crisis due to the Russia-Ukraine war, instability in West Asia and so on, leading to higher ocean freight and longer transit time and a general rise in protectionist policies worldwide.

STRONG REPUTATION

"Despite these headwinds, the firm and its brand maintained a strong reputation, resulting in repeat orders from existing customers.

This loyalty enabled the company to navigate the difficult global environment effectively," it added.

The company's consolidated revenue stood at ₹7,319.97 crore for the last fiscal.

Business Line. Dt:- 06/08/25

Gujarat top exporting State in 2024-25: FIEO

Press Trust of India
New Delhi

Gujarat retained its position as India's top exporting State in 2024-25, with outbound shipments worth ₹9.83 lakh crore, accounting for 26.6 per cent of the country's total exports, the Federation of Indian Export Organisations (FIEO) said on Tuesday. It said that despite a marginal dip from previous year, Gujarat's exports remained significantly ahead of other States, nearly ₹4.3 lakh crore more than Maharashtra (₹5.57 lakh crore), the second-ranked State.

Maharashtra was followed by Tamil Nadu, Karnataka, Uttar Pradesh, Andhra Pradesh and Telangana, according to the analysis of the FIEO.

"In 2024-25, Gujarat reaffirmed its leadership as India's top exporting State, accounting for ₹9.83 lakh crore, which is 26.6 per cent of the country's total exports," the report said.

SUSTAINED LEADERSHIP. Gujarat has reaffirmed its position as India's top exporter, accounting for ₹9.83 lakh crore, which is 26.6 per cent of the country's total exports REUTERS

JAMNAGAR FACTOR

It added that Gujarat's export dominance continues to be driven by a few high-performing districts, with Jamnagar maintaining a commanding lead at ₹3.63 lakh crore, largely owing to its petroleum and refinery exports.

Jamnagar contributes over one-third of the State's total exports.

TOP 5 COMMODITIES

The top five export commodities from the State are petroleum products, gems and jewellery, organic chemicals, pharmaceuticals, and engineering goods (machinery).

Maharashtra, Tamil Nadu, Karnataka, Uttar Pradesh, Andhra Pradesh and Telangana trail Gujarat, according to the analysis

In 2024-25, Uttar Pradesh contributed ₹1.86 lakh crore to India's total exports of ₹37.02 lakh crore, about 5 per cent of the country's total exports.

"Uttar Pradesh has demonstrated a commendable diversification in its export markets, reaching both traditional and emerging economies across continents," it said, adding that the US continues to be the top export destination of the State.

Business Standard. Dt:- 06/08/25

Russia oil import: Aug pipeline strong

Private-sector refiners accounted for around half the imports in Aug

S DINAKAR
Amritsar, 5 August

It's hardly a week into August and India is set to import over 2 million barrels per day (bpd) of Russian oil, among the highest since Russia invaded Ukraine in February 2022, and a near-record amid threats and sanctions from United States President Donald Trump and the European Union (EU), the ship-tracking data accessed by *Business Standard* shows.

This is 35 per cent higher than July, and is in line with the 2.1 million bpd imported in June, according to the data from maritime intelligence agency Kpler. The irony is that the Indian import of Russian oil was the highest this year at around 1.8 million bpd, despite the outgoing Biden administration's stringent sanctions early this year, followed by 500 per cent tariff warnings from the US Congress, the EU sanctions last month, and Trump's threats of secondary tariffs.

Private-sector refiners Reliance Industries and Nayara Energy, on which the EU has imposed sanctions, account for around half the import this month — Reliance at a record 830,000 bpd and Nayara at an all-time high of 330,000 bpd, according to the Kpler data as on Tuesday.

Reliance has a 500,000 bpd term contract with Rosneft, which has a 49 per cent stake in Nayara. But the August data must be viewed with caution because the numbers can change by the end of the month. "There will be a short-term disruption. But a complete change of slate, taking away 2 million bpd, is a monumental shift," said Naveen Das, analyst for Kpler, in a webinar on Tuesday. "If there is a shift in the (number of) barrels there will be a significant price (oil price) upshot. I think India will continue to buy Russian crude oil but there will be a small disruption and small redirection of flows," he added.

Trump's reciprocal tariffs, which kick in on August 7, do not apply to loadings before that date, according to information from the US State Department.

Based on a precedent of US sanction policies, which carry a transition period, Indian industry officials said even penalties on Russian crude-oil imports, if levied, would not apply to loadings prior to August 7 or the penalty date. But deliveries of Russian oil in September, for which orders had to be placed towards the end of July or early August, will be affected because it is unclear how much penalty the US will levy and from when it will apply, which in turn affects contracting for oil, two officials in the refining sector said.

Discounts on delivered Russian crude oil are already at record lows of below $2 per barrel and unless Russian traders agree to reimburse the penalties, the crude oil will not offer value to Indian refiners compared to the Iraqi Basrah grade, UAE Murban, or Arab medium, the officials said.

New Delhi has categorically said India will continue to buy Russian crude oil or any oil that makes economic sense and which protects national interests.

Bigger picture

1.8 mn bpd
Highest level of India's Russian oil imports in 2025 (on average)

35%
Jump from the July import volumes in Aug. India imported 2.1 million bpd in June

€21.9 bn
EU paid for Russian fuel imports in the third year of the Ukraine conflict, a mere 1% Y-o-Y reduction in volume

€18 bn
Oil products G7+ countries imported from 6 refineries in India and Turkey, of which, an estimated €9 bn was refined from Russian crude

Biggest importers of Russian oil in the EU (in 2025)
Netherlands: **€3.4 bn** | France: **€1.6 bn** | Romania: **€1.2 bn** | Spain & Belgium each: **€1 bn**

EU purchase of Russian oil

The EU is one of the biggest contributors to the Russian war machine, according to the Centre for Research on Energy & Clean Air (CREA), a leading Finnish think tank.

EU imports of Russian fossil fuels, at 21.9 billion euros, have been largely unchanged in the third year of Russia's full-scale invasion of Ukraine.

Entities in the EU and US have likely imported Russian oil products mixed or re-exported from oil-storage terminals in Turkey, the CREA said.

The EU's imports of oil products made from Russian crude oil rang up 2.2 billion euros for Kremlin as tax revenue — equivalent to the recruitment cost of over 100,000 Russian troops, according to a recent CREA report. "Between 24 June 2024 and the end of May 2025, the UK imported refined products from the Jamnagar, Vadinar and New Mangalore refineries valued at GBP 1.17 bn," the CREA said.

"Since the G7+ embargo and price cap on Russian oil products (5 February 2023) till the end of June 2025, Australia has imported $6.4 bn of oil products from three refineries in India using Russian crude, twice their aid to Ukraine, the CREA said. $2.5 bn (3.2 mn tonnes) of these oil products are estimated as being refined from Russian crude."

Trump's assertion that India sold "much of the Russian oil purchased on the open market" is also unfounded, the ship-tracking data and Indian government data shows.

The Indian import of Russian oil averaged 1.8 million bpd in 2023, 2024, and, year to date, 2025. Of this, state-run refiners accounted for 61 per cent last year. But Indian Oil, Bharat Petroleum and Hindustan Petroleum hardly export: They serve the domestic market, where fuel prices are controlled.

Business Standard. Dt: 07/08/25

Exports, premium play drive Bajaj Auto Q1 profit up 14%

Revenue from operations grew 10% to ₹13,133 crore in June quarter

ANJALI SINGH
Mumbai, 6 August

Two-wheeler major Bajaj Auto posted a year-on-year (Y-o-Y) increase of 14 per cent in its consolidated net profit at ₹2,210 crore for the first quarter of 2025-26 (Q1FY26). The revenue from operation was also up by 10 per cent, reaching ₹13,133 crore.

The growth was driven by strong exports, and sales of premium motorcycles, commercial vehicles (CVs), and electric two-wheeler (e2W) Chetak registering double-digit gains.

Sequentially, the company's net profit rose by 22 per cent while the revenue increased by 4 per cent.

Free cash flow generation was ₹1,200 crore in the quarter. Surplus funds stood at ₹16,726 crore after allocating ₹300 crore to Bajaj Auto Credit and ₹1,525 crore to Bajaj Auto International Holdings BV, Netherlands, to partly fund the KTM Austria transaction.

The results were announced during the market hours and Bajaj's stock fell 0.6 per cent, ending the day's trade at ₹8,177 on the BSE.

Premium motorcycles, three-wheelers, and Chetak recorded double-digit growth, driving the highest-ever Q1 revenue in the domestic market. Electric vehicles (EVs) now constitute over 20 per cent to domestic revenues compared to early teens same time last year, even as the first instances of supply disruption arising from the unavailability of rare-earth magnets started to surface later in the quarter, Bajaj said. The EV business has 10 per cent Ebitda (earnings before interest, taxes, depreciation and amortisation), said Rakesh Sharma, executive director (ED), Bajaj Auto.

Quarterly export revenues hit a historic peak for Bajaj, continuing the double-digit growth trend seen in six of the last seven quarters. Growth was led by strong volume gains across Africa, Latin America, and Asia. Middle East and North Africa (MENA) remained muted due to geopolitical challenges while revived exports to KTM post-restructuring gave an additional boost. Domestic motorcycle volumes grew in double digits sequentially, led by the 125cc+ segment, which saw its market share inch up. The firm revealed that strong activations drove growth despite weak entry-level sales, with notable gains in the seasonal marriage markets for 125cc+ bikes. KTM and Triumph billed over 25,000 bikes in the domestic market, up 20 per cent Y-o-Y.

Three-wheeler retail sales crossed 100,000 units for the eighth consecutive quarter.

Strong showing

Consolidated figures for Bajaj Auto in ₹ cr

	Q1FY26	% Change Y-o-Y	% Change Q-o-Q
Net profit	2,210.44	14	22
Revenue	13,133.35	10	4

Source: Company

Firm halves EV output amid rare-earth crunch

China's curb on rare-earth magnet export has started to hit the automakers in India, as Bajaj Auto has halved its electric two-wheeler production plan for August and September. The Pune-based two-wheeler major has also slashed the electric-three wheelers production by up to 75 per cent for these months.

Executive Director Rakesh Sharma told reporters that they have already cut their e2W production by as much as 50 per cent in July, and anticipates a similar production cut for August and September also.

"Our impairment of production started towards the end of June. In July, the production was affected to the extent of 50 per cent. We were expecting the output to be zero in August, but it is not going to be so. August production will be better than July production, though we will still be at about 50-60 per cent of the plan," he said.

Sharma said that their vendors had put up applications before the Chinese authorities. Around 30 applications were submitted in May but there is no visibility on when these could be approved. BS REPORTER

Business Standard. Dt:- 07/08/25

Textile industry bats for quick rollout of export incentives

SHINE JACOB
Chennai, 6 August

Indian textile and apparel industry players on Wednesday raised concerns over the revised US tariff and sought immediate government intervention, including renegotiations with the US or an immediate rollout of export incentives in cash to minimise the impact on exporters. Industry bodies also batted for speedy implementation of a bilateral trade agreement (BTA).

The US is India's largest market for textile and apparel exports, and had clocked around \$4.59 billion worth of exports during the January-May 2025 period, up 13 per cent compared to the same period last year, when the figure stood at \$4.05 billion.

"This is a huge setback for India's textile and apparel exporters as it has further complicated the challenging situation we were already grappling with. It will significantly weaken our ability to compete effectively vis-à-vis many other countries for a larger share of the US market," said Rakesh Mehra, chairman of the Confederation of Indian Textile Industry (CITI). He said that a well-rounded BTA with the US, which takes proper care of India's sovereign interests and is also fair and balanced, could be a win-win proposition for both nations.

"Only solution is to give an immediate export incentive in cash, with country-centric focus. Then we can stand up and negotiate," said Sanjay Kumar Jain, managing director of textile producer TT Ltd. "This is a very difficult situation for India, especially for exporters. All the labour-intensive sectors are being hit. There are companies in the sector that have even 10,000 employees with almost 60 per cent of exports to the US. They are in a spot," he remarked.

CITI said that the government should fast-track the introduction of measures to limit the hardship likely to be faced by local textile and apparel exporters following the most recent US tariff decision. After a promising performance in the first quarter of the 2025 calendar year (Q1CY25), there was a notable slowdown in textile and apparel exports from India to the US in June.

"It is our fervent appeal to the government to urgently take steps to come to the aid of India's textile and apparel sector during these hugely testing times, given the government's strong commitment to increase the competitiveness of local industry," Mehra emphasised.

The Economic Times Dt:- 07/08/25

ADVANCE AUTHORISATION NORMS SET FOR OVERHAUL

Stricter Rules likely to Curb Substandard Steel Imports

Suryash Kumar

New Delhi: India plans to tighten the advance authorisation norms for steel imports, aiming to curb large-scale inflows of substandard inputs. According to officials aware of the development, instances of non-Bureau of Indian Standards (non-BIS) compliant steel being sold in the domestic market are being flagged. These substandard products are said to be imported duty free by export-oriented units under the advance authorisation.

"The imported steel, meant for export production is often sold in the domestic market, resulting in revenue loss for the government and putting domestic steel makers at a competitive disadvantage," the official told **ET**.

India currently levies an interim 12% safeguard duty, and a 7.5% basic customs duty on steel imports. There is also a Quality Control Order (QCO) which bans the import and sale of non-BIS steel in the country.

The advance authorisation scheme allows exporters to import raw material at nil duty and without QCO regulations with an export mandate that needs to be met within 18 months.

"Eighteen months is too long, and traceability of non-BIS compliant steel is a matter of concern since it is making its way to the domestic market and not being used to make exported products," the official said.

The centre is now said to be considering lowering the Export Obligation Period (EOP) of advance authorisations to six months in a bid to ensure the substandard steel is not diverted.

Besides tightening the Advance Authorisation regime, India is also planning to withdraw an exemption from the QCO granted to domestic importers under the scheme. This too is aimed at plugging misuse of the scheme, officials said.

According to Fitch Ratings, India is also expected to extend its 12% safeguard duty and even revise the duty rates upwards as industry conditions worsen globally. "Governments around the world have been raising barriers to steel imports in recent months," Fitch said while adding India has introduced other non-tariff measures to protect domestic producers in recent months.

Business Line. Dt: 08/08/25

US tariffs signal headwinds for auto parts exports

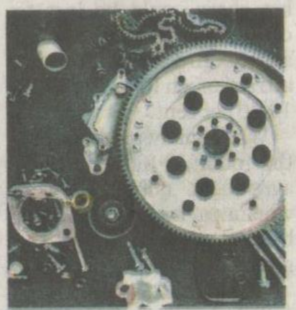
S Ronendra Singh
New Delhi

The Automotive Component Manufacturers Association of India (ACMA) has said that the US government's decision to impose 50 per cent tariff on certain imports from India, including auto components, signals near-term headwinds for the sector.

"While this development presents near-term headwinds, for Indian exporters, it also underscores the importance of enhancing our sector's competitiveness, strengthening value addition and exploring new and diversified markets," Shradha Suri Marwah, President, ACMA, said.

In FY25, the US accounted for 27 per cent of the $22.9-billion auto components exports from India and 7 per cent of $22.4-billion imports of auto components into India.

"ACMA remains committed to working closely with the government and industry stakeholders to ensure India's auto component industry remains competitive, resilient and future-ready," she added.



ADJUST PLANS

Saurabh Agarwal, Partner and Automotive Tax Leader at EY India, said that India now needs to quickly adjust its plans to protect strong export growth, especially since the US was one of our biggest markets for auto parts in FY25.

"While a 25 per cent duty was already in effect for our sector since May 3, the additional reciprocal 25 per cent tariff, effective August 2025, does not apply to the majority of the automotive sector (as majority part of automotive sector is excluded from reciprocal tariffs). However, even the initial 25 per cent duty imposed on automotive sector by US fundamentally alters our competitive landscape for US exports in the short term," he said.

To lessen this impact, Indian manufacturers should actively look at setting up some production closer to the US like in Mexico and Canada, as the USMCA trade agreement allows Indian parts to enter the US without extra taxes if they meet certain local content rules.

"This makes them attractive places to move part of our manufacturing to serve the US market. It's crucial to aggressively expand into other markets. We need to push hard for a quick trade deal with the European Union, using the success of the UK agreement to help us," Agarwal added.

Business Line. Dt: 08/08/25

Gem and jewellery exports to decline 75%

Suresh P Iyengar
Mumbai

The recent increase in US import tariffs to 50 per cent on gem and jewellery products from India has led to a significant disruption in bilateral trade. The duty on export to the US will increase from 10 per cent to 25 per cent from Friday. From August 27, the US will double the levy to 50 per cent on various gem and jewellery commodities, including cut and polished diamonds, lab-grown diamonds, gold, silver, platinum and imitation jewellery.

The overall exports of gem and jewellery were down 5 per cent in last four months at $6.48 billion, against $6.85 billion logged in same period last year. Similarly, imports were down 2 per cent at $5.34 billion ($5.47 billion) in the same period.

With the fresh duty coming to effect, the industry estimates gem and jewellery exports to decline 75 per cent this fiscal.

Rajesh Rokde, Chairman, All India Gem and Jewellery Domestic Council, said the additional levy of 25 per cent over and above a similar tariff on Indian gold jewellery exports will be a big blow to the sector. "A cumulative 50 per cent tariff threatens widespread job losses, destabilises local economies, and risks eroding a rich cultural heritage," he said.

Colin Shah, MD, Kama Jewelry, said early estimates predict there will be job loss for 1.25 lakh artisans and workers over the next 4-5 months, largely in Surat and Mumbai, who are engaged in diamond cutting, polishing and jewellery manufacturing.

CALL FOR FTA

There is also a dire need for Free Trade Agreements with

other developing markets, especially the BRICS, said Shah. Prithviraj Kothari, MD, RiddiSiddhi Bullions, said Union Commerce Minister Piyush Goyal has stressed that the government will take all necessary steps to safeguard national interests, engaging closely with stakeholders, including exporters, MSMEs and industry bodies, to assess the situation thoroughly.

Meanwhile, he said the industry has urged the government for urgent fiscal and policy support, including affordable credit at lower interest rates, credit subsidies, export-linked incentive schemes akin to PLI, tax remission, and marketing aid to sustain competitiveness under the new tariffs.

Aksha Kamboj, Vice-President, India Bullion & Jewellers Association, said the industry has collectively appealed for strategic support, including policy-level interventions, faster export clearances, and expanded trade dialogues to safeguard competitiveness.

Kirit Bhansali, Chairman, GJEPC, said the entire industry may come to a standstill with the new tariff, placing immense pressure on every part of the value chain – from small karigars to large manufacturers. What adds to the concern is that competing manufacturing hubs, such as Turkey, Vietnam and Thailand continue to enjoy significantly lower tariffs of 15 per cent, 20 per cent and 19 per cent, he said.

Business Line, Dt. 8/8/25

Electronics exports rose 47% in Q1 led by mobile phones: ICEA

S Ronendra Singh
New Delhi

Led by a strong performance in mobile phone exports, India's electronics exports have witnessed a sharp rise in the first quarter of FY26, with a 47 per cent year-on-year (y-o-y) growth to $12.4 billion. It was $8.43 billion in the same period last year.

According to data compiled by the India Cellular and Electronics Association (ICEA), the mobile phone segment grew 55 per cent to an estimated $7.6 billion in Q1 FY26 against $4.9 billion in Q1 FY25.

Non-mobile electronics exports also saw a 36 per cent growth at an estimated $4.8 billion in Q1FY26 ($3.53 billion). These include key product segments such as solar modules charger adapters and parts, and components, the industry body said.

This strong start to the fiscal year comes on the back of record-breaking growth in the previous two years. India's total electronics exports grew from $29.1 billion in FY24 to $38.6 billion in FY25.

With this momentum, ICEA projects that electronics exports are expected to touch $46–50 billion by the end of the fiscal year.

ICEA also noted that while mobile phones have led India's electronics export growth, a major thrust is now required to scale up these non-mobile categories to broaden the country's electronics export base.

Business Standard. Dt: 08/08/25

Auto sector on edge as tariffs hit export outlook

ANJALI SINGH
Mumbai, 7 August

The White House's latest move to impose an additional 25 per cent tariff on Indian imports, raising total duties to 50 per cent, has sparked concern across India's automotive and component sectors.

With the US accounting for 27 per cent of India's auto component exports and 17 per cent of tyre exports, analysts warn the hike could sharply dent India's price competitiveness, particularly in off-highway components and the replacement tyre segment, compared to Asian peers like Vietnam and Indonesia, who enjoy lower or preferential trade duties. The broader sector faces pressure. Even as the 25 per cent reciprocal tariffs from India may not hit most automotive goods, the initial US tariff already "fundamentally alters the competitive landscape" for Indian exports, noted Saurabh Agarwal, Partner and Automotive Tax Leader at EY India. He recommended that Indian firms consider nearshoring production to Mexico or Canada under the USMCA framework, while also capitalising on the new United Kingdom trade deal and pushing for a faster agreement with the European Union.

The Automotive Component Manufacturers Association of India (ACMA) has flagged this move as a near-term challenge for the industry. However, it also sees the development as a prompt for Indian exporters to boost competitiveness and diversify markets. While the tariff hike may create short-term challenges for Indian exporters, it highlights the need to enhance value addition, boost competitiveness, and diversify into newer markets, said Shradha Suri Marwah, President of ACMA. The Nifty Auto index ended marginally higher at 23,808, up 0.2 per cent on Thursday. Hero MotoCorp led gains with a 4.2 per cent rise, followed by TVS Motor, which was up 2.1 per cent and Bharat Forge, which rose 1.7 per cent. Other gainers included Balkrishna Industries, Maruti Suzuki India, Bosch, and Bajaj Auto. On the flip side, MRF, Samvardhana Motherson, and Tata Motors were among top laggards.

Industry voices are mixed on the immediate fallout. Rakesh Sharma, Executive Director at Bajaj Auto, said the company's US exposure remains minimal – less than 1 per cent of its turnover – limited to KTM and Triumph motorcycles exported by partners. "The real impact will depend on how demand shifts in response to higher prices and how our competitive position evolves." Developments in the US and Mexico economic corridor could indirectly affect demand in one of Bajaj's key markets, he added.

DESPITE THE TRADE SHOCK, ICRA MAINTAINS A CAUTIOUSLY OPTIMISTIC OUTLOOK, PROJECTING MODEST GROWTH ACROSS MOST SEGMENTS IN FY26

Carraro India, too, does not anticipate a direct impact. "Our exposure to the US is just 6–7 per cent and our diversified global portfolio makes us resilient," said Managing Director Balaji Gopalan. He also noted that long lead times and validation complexities in transmission systems make it hard for OEMs to immediately shift sourcing. Icra also noted that auto component exporters, especially those with significant dependence on the U.S. market, are likely to explore new geographies and enhance cost efficiencies to mitigate the impact of the tariff hike.

While Indian tyre exporters earlier held a slight edge over Chinese rivals, that advantage could now erode due to lower tariff rates extended to select Southeast Asian countries, it said.

Despite the trade shock, Icra maintains a cautiously optimistic outlook, projecting modest growth across most segments in FY26, supported by festive demand, infrastructure activity, and rural income stability. Still, with global trade headwinds intensifying, the auto sector's next phase may depend on how swiftly Indian manufacturers adapt to the new normal.

With inputs from Sohini Das

The Economic Times. Dt:- 08/08/25

India's Electronics Exports up 47% to $12.4 b in Q1 FY26

Industry association ICEA says mobile phones main growth driver

Our Bureau

New Delhi: India's electronics exports are expected to grow around 30% on-year to breach the $46-50 billion mark by the end of FY26, having grown 47% in the first quarter of this fiscal, an industry association said, adding that mobile phones were the main growth drivers.

But the projection doesn't take into account potential impact of US tariffs, an official said. Nearly half of India's electronics exports—of which smartphones account for over 70%—are to the US, said industry executives.

The country's total electronics exports grew to $38.6 billion in FY25 from $29.1 billion in FY24, according to data released by India Cellular and Electronics Association (ICEA) on Thursday. ICEA represents the likes of Apple, Xiaomi, Oppo and Vivo in the country.

In Q1FY26, total electronics exports surged 47% on-year to $12.4 billion (around ₹1.09 lakh crore), driven by smartphones, with a bulk going to the US as companies such as Apple scaled up outward shipments to beat imposition of US tariffs. Thus, mobile phone exports jumped 55% on-year to approximately $7.6 billion.

The non-mobile segment, comprising solar modules, switching and routing gear, charger adapters and parts, and components, also rose 36% on-year in shipments to $4.8 billion in Q1FY26, according to ICEA.

It said India now needs a major thrust to scale up non-mobile categories to broaden India's electronics exports to tap into the massive global opportunity.

FOR FULL REPORT, GO TO www.economictimes.com

FINANCIAL EXPRESS. Dt: 08/08/25

China's export machine powers ahead

BLOOMBERG
August 7

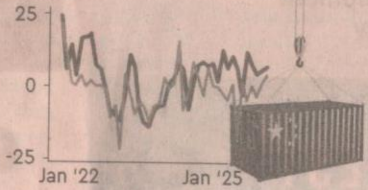
CHINA'S EXPORT GROWTH unexpectedly accelerated last month in the fastest gain since April, as demand from around the world compensated for the continued slump in shipments to the US.

PICKING UP

Imports growth also accelerates (% change y-o-y)

— Exports (in $)

— Imports (in $)



Source: China General Administration of Customs, Bloomberg

Total exports rose 7.2% in July from a year earlier to $322 billion, a surprise to most economists who had expected a slowdown from June's upwardly revised increase of 5.9%. The statistical effect of a low base last year likely accounts for part of the upswing in year-on-year terms.

Data released on Thursday by the customs authorities showed the pickup was driven by strong growth in shipments to the European Union, Southeast Asia, Australia, Hong Kong and other markets, which more than made up for the fourth month of double-digit declines in US purchases.

"What really supported China's stronger-than-expected overseas shipments in the past three months was exports to non-US markets," said Jacqueline Rong, chief China economist at BNP Paribas.

The resilience in overseas shipments comes despite the high tariffs imposed by the US, showing that global demand for Chinese goods remains strong.