

Business Line. Dt: 22/08/23

Farmers, traders question levy of 40% duty on exports of onion

Radheshyam Jadhav

Pune

The Centre on Saturday imposed a 40per cent duty on the export of onions. The national average prices of essential vegetables increased by at least ₹5 compared with last year. Farmers and onion traders have questioned the government's move, saying it will harm farmers and hit the trade.

"This decision is anti-farmer and also will have an impact on India's credibility in the international market. Onion farmers are agitated and we support the decision of onion traders to stop trading" said farmer leader Anil Ghanwat. Onion farmers in the State have been demanding that the government support farmers to improve storage facilities instead of making haphazard decisions to control prices.

According to government data on average, India consumes an estimated 1.3 million tonnes of onion every month. To meet this demand, farmers grow the



IRKED. Farmer leaders said the move will impact India's credibility in the global market

crop in three seasons — kharif, late kharif and rabi.

Onion, a semi-perishable vegetable harvested during rabi season, accounts for 65 per cent of the total production and hits the markets from April to May. The same crop continues in the market till October-November every year before the kharif crop is harvested.

MASSIVE LOSSES

According to the Ministry of Consumer Affairs' note on onions, even as it is vital to successfully store onions in order to meet the regular supply it is observed that nearly 30-40 per cent of the

crop is lost during storage due to various reasons in the form of physiological weight loss, rotting, sprouting etc. "In unexpected situations such as natural calamities, the losses even go beyond 50 per cent, creating heavy stress both on demand and supply sides. The losses occurred during storage is in terms of qualitative as well as in quantitative ways" the note adds. According to the Ministry due to improper storage systems, annual losses amount to about ₹11,000 crore.

According to APEDA, there is demand for onions in the world. The country has exported 25.25 lt of fresh onion, worth ₹4,522.79 crore in the 2022-23 fiscal.

"Instead of taking advantage of India's position in the international market, we are restricting exports. The government must instead provide basic infrastructure and boost investment so that farmers have high-quality storage systems," said Bharat Dighole, president of the Maharashtra State Onion Growers Association.

Business Line Dt: 23/08/23

Ban on white rice exports: Singapore seeks exemption

Subramani Ra Mancombu
Chennai



The Singapore Food Agency (SFA) has said it is in contact with Indian authorities seeking an exemption from the ban on exports of (non-basmati) white rice.

In a statement to the media, SFA said through its forward looking strategies such as the Rice Stockpile Scheme, "our overall supply of rice is currently stable and there is enough rice for everyone if everyone buys what we need".

INDIA'S SHARE

Under the Rice Stockpile Scheme, rice importers are required to hold an inventory equivalent to twice their monthly imports. This will ensure adequate supply of rice in the market.

"We review the inventory buffers regularly and stand

ready to work closely with the industry, if any adjustments are needed," the statement said.

India accounted for 40 per cent of Singapore's rice imports, "Only the import of non-basmati (rice) is affected by the ban," it said. Shipments of non-basmati rice make up 17 per cent of the total rice imports.

Nevertheless, there could be supply disruption and the Singapore Government will

ENOUGH STOCK

The SFA said through its forward looking strategies such as the Rice Stockpile Scheme, "our overall supply of rice is currently stable and there is enough rice".

do "what we can to minimise the impact". "We will not be able to completely mitigate disruptions to our food supply," the SFA said.

The agency said consumers "are encouraged to be flexible and adaptable" by switching to other varieties of rice, or other sources of carbohydrates "in the event of disruption".

30 NATIONS

Singapore has a multi-pronged strategy of import diversifica-

tions and stockpiling to manage supply chain disruptions to rice imports, it said. The island-nation imports rice from over 30 countries.

The statement comes in the wake of India's July 20 ban on exports of white rice and prices of rice soaring in the global market above \$600 a tonne. Indian parboiled rice and Thailand's 25 per cent broken are the only varieties ruling below \$600.

The Indian government banned exports of white rice as part of its efforts to control rising foodgrain prices in a crucial year ahead of the 2024 Parliamentary elections. The move was a measure to overcome any supply shortage in view of rains damaging paddy crops in Punjab and Haryana, besides deficient rains affecting the sowing of paddy in Karnataka, West Bengal, Chhattisgarh, Tamil Nadu, and Andhra Pradesh.

Centre may give power plants time till Oct to import coal

Rishi Ranjan Kala

New Delhi

The Power Ministry is expected to direct thermal power plants to continue importing coal for blending with domestic supplies by a month till October this year.

In January, the Ministry directed Central, State Gen-cos and IPPs to take necessary action and plan to import coal through a transparent competitive procurement for blending

at the rate of 6 per cent by weight so as to have coal stocks at their power plants for smooth operations till September 2023.

RISING DEMAND

Sources said that the Ministry, in a meeting earlier this week, decided to extend the deadline by a month on account of rising demand for power in the country led by a hot and humid August, which has spiked electricity consumption to hit an all time high of 234.1 gigawatts on August 17.

Govt likely to consider MEP for exports of specialty rice

SANJEEB MUKHERJEE
New Delhi, 23 August

The Centre may be considering a minimum export price (MEP) for a host of specialty rice, including the basmati variety, to ensure that unscrupulous traders don't ship excess quantities abroad.

India had banned export of all non-basmati white rice a few weeks ago to check domestic price rise but it allowed exports of basmati and parboiled rice.

Trade sources said though the ban impacted all varieties of non-basmati, some traders may be trying to ship in high quality non-basmati rice as basmati to cash in on the high global demand for the variety.

In this, MEP rice varieties such as sona masuri, matta and gobindo bhog may come under the ambit of the MEP along with the usual basmati. However, some exporters said that this is just a rumour and there is no concrete move on this. Trade sources said the export price of sona masuri is around \$680 per tonne on which an MEP of \$800 could be imposed.

Similarly, the current export price of matta rice is around \$570-600 per tonne on which an MEP of \$700 may be imposed.

KEEPING IN CHECK

Exports of some specialty rice varieties (in tonnes)

Variety	2021-22	2022-23	% Change
Sona masuri	68,446	71,835	4.95
Matta rice	32,383	38,591	19.17
Idly rice	26,142	26,539	1.52

Source: Traders and market sources

Gobindo bhog commands a price of around \$1,400-1,500 per tonne in the international markets on which an MEP higher than this price could be invoked.

India exported around less than a per cent of these non-basmati specialty rice in the 2022-23 fiscal.

In the case of basmati rice, the current export price is around \$1,150 per tonne on which an MEP of around \$1,250 per tonne is being thought off.

However, when it comes to parboiled rice, traders said any export levy may not be imposed in a hurry.

On Tuesday, food secretary Sanjeev Chopra categorically denied that there was any move to curb exports of parboiled rice, which is the only variety of non-basmati

rice whose exports are permitted.

"When the market is in a bullish trend, fly-by-night operators explore all possible ways to flout the laid down rules. The idea of MEP for each specialty rice variety will be effective if it is linked to random sampling, testing and inspection of export cargo by the authorities and authorized private inspection agencies. The specialty and premium rice originates from specific regions. Therefore, port restrictions and allowing only consumer packing of 1 kg, 5 kg and, 10 kg in exports could add further value to the specialty rice. This will further prevent mislabeling and pilferages of common rice as specialty rice," said S. Chandrasekaran, a leading trade policy analyst.

Steel Cos Raise Concern Over Imports from S Korea, China

Twesh. Mishra @timesgroup.com

New Delhi: The domestic steel industry has flagged imports from South Korea and China which are said to be causing a price distortion hurting local producers.

South Korea continues to be the highest steel exporter to India, followed by China in the first quarter of the current financial year.

Total steel products coming into the country stood at 2.23 million tonnes (mt) in Q1, 31% more than the 1.70 mt import during the comparable period of fiscal 2023.

The sharp increase in import of metal products including finished steel, scrap and ferro alloys on an annual basis has been flagged to the centre by the industry representatives.

"A sharp rise in the imports of finished steel was recorded in the first quarter of the current financial year. This surge has caused a significant price distortion, subsequently exert-



ing an adverse impact on our domestic price realisations," said Ranjan Dhar, Chief Marketing Officer at Arcelor Mittal Nippon Steel.

According to official data, South Korea exported 6.86 lakh tonnes (lt) of steel to India, down from 7.13 lt in the first quarter of the current fiscal Dur-

ing the same period. Chinese steel exports to India zoomed to 5.70 lt, up from 3.5 lt in the same months last year.

He says this goes beyond a supply-demand alteration. "It is a case of predatory pricing, a tactic that poses a formidable challenge to our industry's sustainability and growth," Dhar told ET.

According to steel traders, there is a sequential drop of ₹5,000-6,000 per tonne in Hot Rolled (HR) Coil prices from earlier this year.

Since HR Coil is used as an input for most steel products, its price is used as an industry reference.

"Domestic steel prices had climbed up to ₹65,000 per tonne in the first quarter of the previous fiscal. This has now come down to ₹56,000 per tonne. But despite the fall, imported steel from Vietnam, Japan, China, and Russia is trading at ₹54,000 per tonne, and is expected to come down further next month," said Vedant Goel, Managing Director, at Neo Mega Steel, a trading company.

Business Line Dt: 25/08/23

Waterbase, Venky's, Apex Frozen sizzle as China bans imports from Japan

V Sajeew Kumar

Kochi

Indian aquaculture stocks such as Waterbase Ltd, Venky's India, and Apex Frozen Foods have witnessed significant gains, thanks to reports of China's suspension of all aquatic imports from Japan.

The share price of Apex Frozen Foods Ltd rose nearly 4 per cent ₹228.20, Waterbase jumped 7.4 per cent to ₹87.64 even in a weak market. The stock of Venky's India jumped 2.3 per cent at ₹1,905.40.

However, Zeal Aqua, which gained 3 per cent, closed flat at ₹7 said Akshay Agarwal, managing director of the Kochi-based Acumen Capital Market.

If the ban sustains, it will positively impact those companies exporting seafood and aquaculture products to China, he added.

ROW OVER DISCHARGE

According to Agarwal, the decision of the Chinese authorities to ban seafood imports follows the announcement of Japanese Prime Minister Fumio Kishida on their plans to



NEW OPPORTUNITY. As China is the second largest importer of aquatic products followed by the US, Indian firms stand to benefit

discharge about 1.3 million tonnes of treated wastewater from the trashed Fukushima Nuclear Power Plant into the Pacific Ocean as part of decommissioning of the plant. Japanese government maintains that discharging of the treated water is safe and the UN's nuclear watchdog has already given green signal to this move.

Vincent KA, research analyst at Geojit said the current suspension of Japanese imports will be beneficial for other supplier countries including India. China is the second largest importer of aquatic products followed by the US. Japan exported \$600 million worth of seafood to

China last year. How India is going to benefit from the current import ban is yet to be seen as the country is a major supplier of shrimps, while China imports mainly fish, crustaceans, molluscs, aquatic invertebrates, dried, salted and smoked fish etc, said K Dinesh, Head of Aquaculture Department, Kerala University of Fisheries and Ocean Studies.

There might be a possibility to replace the imports with Indian products in the wake of the ban. However, the reported slowdown in the Chinese economy may hinder imports as they have reduced all kinds of shipments, he added.

Business Line Dt: 25/08/23 India raises concerns over collection of exporters' data by EU through CBAM

Abhishek Law
New Delhi

Indian authorities have expressed reservations regarding the data collection by the European Union from various entities such as steel exporters and integrated steel players, as the Carbon Border Adjustment Mechanism (CBAM) enters a transitional phase. Concerns also surround potential breaches of competitiveness principles.

Aggregation and monitoring of such carbon emission data is also not a mandate of CBAM which would give it powers of a monitoring agency, is seen as another ground of objection.

One of the Ministries recently wrote to the Department of Commerce, pointing out that while emissions, production and



export data are currently collected, they are not shared as being company specific. Emissions data under World Steel and other methodologies are "anonymous in region specific manner".

'PARADIGM' SHIFT

"Seeking specific data from exporters represents a paradigm shift in terms of confidentiality. Moving to a realm of non-confidentiality may mean violating the principles of competition,"

a note sent to a senior official of the Union Commerce Ministry reads. *businessline* has a copy of the note.

Concerns have also been raised on extrapolating such data, which may result in "an incorrect analysis of a country's emissions" in a particular sector.

"Over a period of time, aggregation of such data and monitoring thereof would make the role of CBAM regulator one of being a carbon emissions monitoring agency, without having been given the explicit mandate by any international agency," the note mentioned.

The CBAM mechanism (reporting standards) will enter into application in its transitional phase on October 1, with the first reporting period for importers ending January 31, 2024. It will initially apply to im-

ports of certain goods and selected precursors whose production is carbon intensive which includes iron and steel.

ACCREDITED VERIFIERS
Installation-wise embedded emissions need to be calculated by an accredited verifier as per CBAM regulated unit. But India has pointed out that "there is a need for developing capacities for international verifiers in all countries". Accordingly, the demand has been that the EU should "consider making the verification process interoperable"; "and EU should not seek accreditation, which is an additional compliance burden".

Similarly, one of the ministries has also raised concerns on factoring in scrap as a raw material in steel-making. Scrap has a lot of embedded carbon.

The Economic Times. Dt: 28/08/23
AFTER STOPPING NON-BASMATI WHITE RICE TRADE...

Export of Basmati Rice Below \$1,200/t Banned

Aim is to restrict 'illegal' shipment of white non-basmati in garb of premium basmati

Our Bureaus

New Delhi | Kolkata: India has decided to halt exports of basmati rice priced below \$1,200 a tonne to restrict possible "illegal" shipment of white non-basmati rice in the garb of the premium basmati rice. Export of non-basmati whiterice was prohibited on July 20, 2023.

The commerce and industry ministry said on Sunday that it directed trade promotion body Agricultural and Processed Food Products Export Development Authority (Apeda) not to register contracts below \$1,200 per tonne.

Existing contracts below \$1,200 per tonne have been kept in abeyance. A committee under the chairman of Apeda will be set up to evaluate the future course of action on such contracts.

"The government has received credible field reports regarding mis-classification and illegal export of non-basmati white rice, export of which has been prohibited with effect from July 20, 2023," the ministry said on Sunday.

It has been reported that non-basmati white rice is being exported under the product classification called HS (Harmonised System) codes in trade parlance of par-boiled rice and basmati rice, it said.

"To check the domestic prices and to ensure domestic food security, the government has been taking



measures to restrict export of rice from India," the ministry said.

As per the ministry's instructions, contracts below \$1,200 per tonne would be kept in abeyance and evaluated by the committee headed by the Apeda chairman for understanding the variation in prices and use of this route for export of non-basmati white rice.

The committee should submit its report within a month, after which a decision on lower price exports of basmati planned by industry can be made appropriately.

"The move has been sudden and unexpected. The rice exporters will face huge losses as many consignments are ready to be shipped," said Vinod Kaul, executive director of the All India Rice Exporters' Association.

Oil export uptick helps refiners maintain high run rates

SUKALP SHARMA
New Delhi, August 27

WITH DOMESTIC DEMAND for fuels and other petroleum products witnessing a slump due to the monsoon rains, India's refined products exports has witnessed an uptick, helping the country's refiners keep refinery runs high at a time when refining margins are robust globally, shows an analysis of data shared by commodity market analytics and intelligence firm Kpler.

The cumulative clean product exports from India in August have so far been the

highest since May 2022, with jet fuel exports at a historic high. In oil industry parlance, clean products refer to the class of petroleum products that are uncontaminated and not previously used in any application. Most major crude oil-based fuels like diesel, petrol, jet fuel, kerosene, and naphtha are categorised as clean products. Dirty refined products refer to the likes of fuel oil, low sulphur waxy residue, and carbon black feedstock.

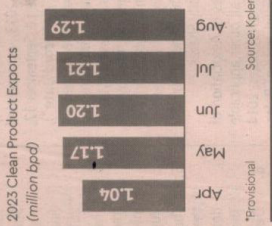
So far in August, India's jet fuel exports have averaged at a record high of 242,382 barrels per day (bpd), Kpler data shows.

month, India's jet fuel exports were 198,968 bpd.

In June, which marked the onset of the southwest monsoon, jet fuel exports stood at a robust 183,661 bpd. As for cumulative clean products, India exported 1.29 million bpd in August, the highest since May last year when the export volumes stood at 1.32 million bpd, as per Kpler. In July and June, India's clean product exports were also strong at 1.21 million bpd and 1.20 million bpd, respectively.

"jet fuel exports out of India are hitting an all-time high in August and in general, clean product exports out of

CUMULATIVE EXPORTS FROM INDIA
2023 Clean Product Exports
(million bpd)



*Provisional

The previous peak of 206,871 bpd was in June 2018. Last

India are the highest since May 2022. So, even though domestic demand is shaky because of the monsoon season impact, Indian refiners seem to be running quite high, availing themselves of refinery margins being well in the double digits," Kpler's Lead Crude Analyst Viktor Katona told *The Indian Express*.

Demand for fuels and other petroleum products usually tempers during the monsoon in India due to lower demand for transportation fuels and refined products used in some industries where work slows down because of the rains.

US raises issue of curbs on computer imports by India

MUKESH JAGOTA
New Delhi, August 27

THE UNITED STATES HAS raised concerns on India's move to impose licensing conditions on imports of computers, laptops, tablets and some other electronic components and both sides have agreed to discuss the issue further.

The issue was raised at the bilateral meeting between US trade representative Katherine Tai and commerce and industry minister Piyush Goyal on Saturday.

She noted that there were stakeholders that needed an opportunity to review and provide input to ensure that the policy, if implemented, does not have an adverse impact on US exports to India, a statement issued by Tai's office said.

India and the US agreed to explore the issue further and find a solution that addresses both countries' concerns.

India had imposed import restrictions on computers, laptops, tablets and other similar devices earlier this month. From November 1 this year, the



■ India and the US agreed to explore the issue further and find a solution that addresses both countries' concerns

importers would have to procure a licence to bring these items into India.

India had justified this move on the grounds of national security. The officials had said that with licensing, they want to ensure that electronic devices from trusted sources enter India and the second argument for this restriction was to aid domestic manufacturing.

Higher diesel exports help refined products shipment grow 15% y-o-y in July

during the month. Export of high speed diesel (HSD) rose a healthy 22 per cent y-o-y to 4.38 mt last month, while that of low speed diesel, which is the 2023 calendar year, after March (2.48 mt).

An oil marketing company (OMC) official said that lower demand during the monsoon months led to more capacity to spare for exports and demand from Southeast Asia and some North-western Europe. More of the uptick is from diesel.

HSD EXPORTS
ICRA's Senior V.P. & Co-

India's refined petroleum products export

	April		May		June		July	
	2023	2022	2023	2022	2023	2022	2023	2022
Volume (million tonnes)	4.4	5.4	5.3	5.7	5.0	5.5	5.4	5.0
Value (\$ billion)	3.3	5.8	3.6	6.5	3.5	6.6	4.1	4.30

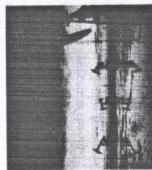
Source: PMPC

Group Head (Corporate Ratings) Prashant Vasishth also pointed out that July exports are higher owing to a surge in HSD exports.

HSD production has declined due to a supply reduction by OPEC, which has led to higher lighter

crude processing leading to a fall in HSD production. Another reason for the surge in HSD exports is the embargo on Russian oil by the West.

For the April-July period in FY24, the POL exports



2023 high of 6.06 mt to 4.37 mt in April. Outbound shipments rose to 5.31 mt in May before softening to 5.01 MT a month later. In FY23, during March, the exports were in the range of 4-5.7 mt.

DIESEL EXPORTS

Diesel exports are following a similar trajectory in FY24. Shipments, which stood at 5.31 mt in May, fell to 5.01 mt in April before upsurging to 5.4 mt in July, preciding to 2.4 mt a month later. It again fell to 1.95 mt in June.

Besides diesel, the uptick in exports was registered in petrol, ATF and fuel oil.

Petrol, or motor spirit (MS), rose by 2.4 per cent y-o-y to 1.26 mt in July 2023. Petrol exports have largely been in the range of 1.23-1.26 mt so far in the current fiscal year.

Aviation turbine fuel (ATF) exports rose 9 per cent y-o-y to 782,000 tonnes in July. This is the fourth consecutive month of increase in jet fuel shipments.

Export of fuel oil, also called heating oil, rose 4 per cent y-o-y to 142,000 tonnes in July making it the fourth month of higher outbound cargoes in a row during FY24.

Rishi Ranjan Kala
New Delhi

India's petroleum products (POL) exports rose 8 per cent m-o-m and 22 per cent y-o-y on a seasonal basis in July 2023 aided by higher outbound shipments of diesel during the months, the highest so far in FY24.

According to the Petroleum Planning and Analysis Cell (PPAC), India's POL exports stood at 5.4 million tonnes (mt) in July. Diesel exports accounted for more than 44 per cent of the total outbound shipments of refined petroleum products