

Business Line. Dt: 30/07/24

Engineering exports jump 10.27% in June

Our Bureau

New Delhi

Engineering exports gathered pace in June 2024 growing 10.27 per cent (year-on-year) to \$9.39 billion with a rise in shipments of electrical machinery, motor vehicles, products of iron and steel, auto components and parts, and Industrial machinery, according to an analysis done by industry body EEPC India.

"After starting the new fiscal with a 4.49 per cent year-on-year decline in April, Indian engineering exports in May 2024 bounced back to growth and then recorded double-digit growth in June 2024 at 10.27 per cent year-on-year," the report stated. Cumulative exports in April-June 2024-25 grew 4.34 per cent to \$27.92 billion.

India's overall goods exports in June 2024 increased at a slower pace of 2.6 per cent (year-on-year) to \$35.2 billion. In the April-June 2024-25 period, goods exports rose 5.84 per cent to \$109.96 billion

TOP DESTINATIONS

North America and the EU remained India's topmost destinations for engineering exports with share of 21 per cent and 17 per cent respectively. Among top exporting destinations, the US, the UAE, Saudi Arabia, Turkey, Singapore, the UK, Mexico experienced growth in April-June 2024-25 while exports to Germany, Italy, Korea Rep, Nepal and Bangladesh posted a fall.

In June, 26 out of 34 engineering panels witnessed growth in exports, while 8 remaining engineering panels experienced a decline. Exports of iron and steel, non-ferrous products including copper, zinc and tin products, other products including industrial boilers and office equipment, declined.

In the April-June 2024-25 period, 23 out of 34 engineering panels recorded growth.

Remaining 11 engineering panels posted a decline. Exports of iron and steel dropped 33 per cent due to tough competition from cheaper Chinese steel, drop in domestic production and increase in domestic demand, the analysis noted.

The Economic Times Dt: 30/07/24

Pvt Refiners Grow Local Mkt Share as Export Margins Dip

RIL, Nayara's combined share in diesel up 32% in June qtr; poor sales dent state firms' share

Sanjeev Choudhary

New Delhi: Private sector refiners Reliance Industries (RIL) and Rosneft-backed Nayara Energy are doubling down on the domestic fuel market as export margins sharply shrink, with their combined share in the diesel retail market rising a third in the April-June quarter from a year earlier.

Reliance, which operates pumps in a JV with UK's BP, retailed 73% more diesel in the April-June quarter than a year earlier while Nayara sold 13.5% more, according to industry data. This expanded RIL-BP's market share to 4.24% from 2.48% a year ago. Nayara's share grew to 5.35% from 4.79%.

The combined share of state-run refiners — Indian Oil, Hindustan Petroleum and Bharat Petroleum — eroded to 90.3% from 92.7% as their sales during the quarter contracted 1%.

State firms' market share in petrol retailing also declined to 91.1% from 92.2% as their sales growth slowed. Their combined sales growth of 5.9% during the April-June quarter was far lower than 53% of RIL-BP and 14.5% of Nayara. This helped expand RIL-BP's share to 2.71% and Nayara's to 5.73%.

Industry executives and analysts said private refiners are using promotions to push sales and grab higher market share as export markets have lost sheen. Nayara is offering customers a sa-



ving of ₹50 on fuel purchases worth ₹1,000 and above.

The benchmark regional refining margins dropped to \$15.6 per barrel on diesel in the April-June quarter from \$23.1 in the January-March period. For petrol, the drop was milder to \$12.1 from \$13.3. The contraction was due to higher refinery runs, new capacity ramp-up in the Middle East, and weak demand from Europe and China, the company said in its earnings report.

Expansion of the private retail network has also helped sales. "The positive sales momentum is the reflection of our growing presence through the strategic expansion of our fuel retail network," said Madhur Taneja, chief marketing officer, Nayara Energy. Nayara's fuel retail network has grown in a year to 6,575 from 6,403 and RIL-BP's to 1,722 from 1,603, according to the oil ministry data.

RIL and Nayara's direct sales to bulk buyers also grew 29% and 23% year-on-year respectively, during the quarter.

Business Live Dt: 31/07/24

Cotton exports up 68% till June-end

Our Bureau

Bengaluru

India's cotton exports in the first nine months of marketing year 2023-24 were up 68 per cent at 26 lakh bales (of 170 kg each) compared with 15.5 lakh bales during the same period a year ago.

Higher surplus and demand from Bangladesh and Vietnam boosted Indian fibre crop exports.

stock of 28.9 lakh bales and import of 16.4 lakh bales. Imports during the previous year stood at 12.5 lakh bales.

CAI said cotton stocks at the end of June 2024 are estimated at 77.29 lakh bales, including 40 lakh bales with textile mills that is about 46 days consumption.

The remaining 37.29 lakh bales are with CCI, Maharashtra Federation and others (MNCs, MCX, traders, ginners, etc).

According to the Cotton Association of India (CAI)'s balance sheet as of end-June, the closing stocks at the end of the crop year 2023-24 are estimated to be 20 lakh bales against 28.9 lakh bales in the previous year.

CAI has estimated the demand at 317 lakh bales (311 lakh bales). Supplies during the year are pegged at 363 lakh bales (355.4 lakh bales), which include the opening

FINANCIAL EXPRESS. Dt: 01/08/24

Russia oil imports fall 6.5% on month in July

INDIA'S CRUDE OIL imports from Russia fell 6.5% in July to 1.81 million barrels per day from 1.94 million in June as Russian refineries ramped up runs to meet the country's own summer demand, data from Vortexa showed. "Russia remained as the top crude supplier in July, although import volumes were down month-on-month. Higher supplies from Saudi Arabia and Mexico partially offset declines from Russia, Iraq and Nigeria, leading to a marginal decline in total imports," said Serena Huang, head of APAC Analysis at Vortexa.

Saudi Arabia and Iraq remained the other top suppliers. While exports from

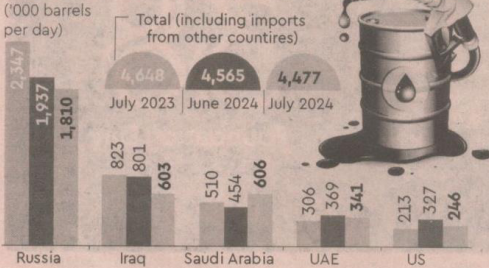
Saudi Arabia rose 33.4% to 606,000 barrels per day on month, Iraq's supplies registered a fall of 32.8% at 603,000 barrels per day compared to June.

The country imported a cumulative of 4.48 million barrels per day of crude oil in July, marginally down from 4.56 million barrels per day in June, as per the data. Russia's share in India's total imports in the period fell to 40% from 42% in June. Iraq contributed to 13.5% of total crude oil imports against 17.5% the previous month, while Saudi Arabia accounted for 13.5% of imports, up from 9.9% in June.

Compiled by
Arunima Bharadwaj

India's crude imports by origin country

('000 barrels per day)



Source: Vortexa

Business Line Dt: 02/08/24

India holds steady as 8th largest agri exporter in 2023

MIXED FORTUNES. Among top ten exporters, only Brazil, EU, Thailand increased exports

Amiti Sen
New Delhi

Despite a drop in its agriculture exports in 2023 to \$51 billion from \$55 billion in 2022, India maintained its position as world's eighth largest exporter of agriculture products in the year as seven of the top ten exporting nations witnessed a decline, per figures collated by the WTO.

AGRI EXPORT TRENDS

"Among the leading exporters of agricultural products, Brazil, the European Union and Thailand increased their exports by 6 per cent, 5 per cent and 0.2 per cent respectively in 2023. The other seven economies in the top 10 saw a decrease in their exports of agricultural products. Collectively, the top ten exporters represented a 71.9 per cent share in world exports in 2023," noted a report on key insights and trends related to WTO Trade Statistics 2023.

The fall in agriculture exports in India can be attributed to geopolitical factors such as the Red Sea crisis and the continuing Russia-Ukraine war but the decline was largely across regulated commodities such as rice, wheat, sugar, and onions, of-



DOUBLE-EDGED SWORD. Experts say the fall India's agri exports can be attributed to geopolitical ripples but the decline was largely across regulated commodities such as rice, wheat, onions, etc. BLOOMBERG

ficials in India had earlier pointed out.

India had imposed a ban on export of wheat in May 2022, non-basmati rice in July 2023 and on sugar from October 2023.

WINNERS AND LOSERS

The EU maintained its top position in 2023 by exporting agriculture produce valued at \$836 billion compared to \$799 billion in 2022. The US, too, continued at the second spot despite a drop in agriculture exports in 2023 to \$198

billion as opposed to \$222 billion in the previous year.

Brazil's agriculture exports increased to \$157 billion in 2023 from \$148 billion in 2022 while it retained the third spot.

China was the fourth largest agriculture exporter in 2023 with shipments valued at \$95 billion which was marginally below exports worth \$96 billion in 2022.

Other countries among top ten agriculture exporters include Canada, Mexico, Indonesia and Australia.

The WTO's World Trade Statistics 2023 has a new interactive tool presenting key data and trends for international merchandise and commercial services trade in 2023.

"The digital platform allows users to view the latest trends in world trade, in terms of both value and volume, using filters to display the data by economy, region, selected grouping, product group and services sector," a WTO note pointed out.

Business Standard. Dt:- 05/08/24

'Cheap Chinese imports hurting domestic market'

Tata Steel chief says this may impact steel firms' capex plans

ISHITA ANAN DUTT
Kolkata, 4 August

Low-cost imports from China into India are impacting steel prices and may hurt the investment plans of steelmakers, Tata Steel managing director and chief executive officer T V Narendran cautioned.

The Tata Steel chief told *Business Standard* that exports were coming in from China and countries like Vietnam, which sometimes is a conduit for materials flowing from China.

"It's not that Chinese steel companies are making profits at these prices. They are willing to sell at these prices because they have a problem to solve. But why should we get hurt in the process?" he asked, asserting that "this is a larger issue" and a point that companies have been raising with the government.

Dampening sentiment

According to data from BigMint, a market intelligence and price reporting firm, the average price for hot rolled coil (HRC), a benchmark for flat steel, has taken a knock year-on-year (Y-o-Y). The monthly average for HRC in April 2024 ex-Mumbai was at ₹52,600 a tonne compared to ₹59,900 a tonne in April 2023. In June 2024, it was at ₹53,800 a tonne against ₹55,400 a tonne in June 2023.

The dip in prices reflected on the top line and bottom line of steel companies. Tata Steel India reported a turnover of ₹33,194 crore in Q1FY25 compared to ₹36,146 crore in Q1FY24. Reported profit after tax was at ₹ 3,335 crore against ₹4,995 crore in the year-ago period.

India steel story

Indian steel companies are invest-



The Indian steel industry is one of the good stories about private sector capex picking up, with almost everyone investing a lot of money in building capacity



T V NARENDHAN
MD and CEO, Tata Steel

ing massive amounts in capex. Expansion plans are aligned with the country's target of 300 million tonnes (mt) of steel capacity by 2030.

"If there is no relief and steel prices continue where they are and input costs keep going up, where will the cash flows come from?" he asked.

Unlike the Chinese steel industry, which hardly makes more than 5 per cent Ebitda margins in good times, the Indian steel industry was well-positioned from a competitiveness point of view, he said, adding that it is not just about being profitable. Steelmakers, including Narendran, are asking whether it is enough to invest tens

of thousands of crores to build steel plants.

Major steel producers have been adding capacity at breakneck speed. Post-Covid, about 26.3 mt of capacity was commissioned between FY21 and FY24. Another 27.5 mt of new steelmaking capacity is expected to come onstream between FY25 and FY27, an ICRA report stated in June.

Rising imports

A CRISIL report in June noted that India became a net importer of steel in FY24 with an overall steel trade deficit of 1.1 mt, marking a shift in its status as a net exporter since FY17. China led the pack with weak steel consumption in the Communist nation. The trend continues.

In Q1FY25, imports of finished steel increased 35 per cent Y-o-Y to 1.9 million tonnes. China (572 kt) and South Korea (570 kt) remain the largest exporters to India, followed by Japan (494 kt), said Sehul Bhatt, director-research at CRISIL Market Intelligence and Analytics.

Raising the pitch

Steelmakers have been flagging concerns about predatory pricing of imports.

JSW Steel joint managing director and chief executive officer, Jayant Acharya, told *Business Standard* in a post-results interview in July that the main concern was imports from China and the ASEAN countries at predatory prices.

"China has got a surplus of steel. Vietnam is adding to that problem. Even imports from Japan and Korea have been elevated. India is basically a vulnerable ground because our domestic demand is very good," he had said.

Petro products exports to Europe up 26% in July

ARUNIMA BHARADWAJ
New Delhi, August 4

INDIA'S EXPORT OF petroleum products in the first four months (April to July) of FY25 increased marginally by 1% to 4.9 million barrels per day, compared to 4.8 million barrels per day during the same period in 2023-24, according to data from energy cargo tracking firm Vortexa.

In July, the total export of petroleum products increased by 4% to 1.27 million barrels per day, up from 1.22 million barrels per day in June.

The top destinations for India's exports in July were Southeast Asia, Europe, and the West Asia. Exports to Europe surged by 26% last month to 266,000 barrels per day, while supplies to Southeast Asia decreased by 9% to 254,000 barrels per day compared to the previous month. Exports to the West Asia increased by 12% to 191,000 barrels per day in July.

"India's clean product exports to Southeast Asia and Oceania have declined in July as ample supplies in these destination markets have been pressuring regional cracks in recent weeks," said Serena Huang, head of Asia Pacific analysis at Vortexa.

India primarily supplies petroleum products to countries in Europe and Asia. The country has emerged as a major fuel supplier to Europe in recent months after European countries began boycotting Russian supplies following its invasion of Ukraine.

"Indian refiners have instead exported more to Africa and Northwest Europe, likely driven by higher import demand," Huang said.

Asia's share of Indian petroleum product exports decreased to 20% in July from 22.9% in June. Conversely, Europe's share increased to 21% last month from 17.3% in the previous month. The West Asia accounted for 15% of India's total export volume in July, up from 13.9% in June.

India exports a variety of goods via the Red Sea, including petroleum products. However, traffic diversions from the Red Sea around the Cape of Good Hope, due to escalating tensions, have added ten days to Asia-Europe journeys and increased fuel costs, as per the Economic Survey released by the government.

"Although global shipping costs

FUELLING DEMAND

India's refined product exports by destination shipping region (kbd)



Source: Vortexa



returned to pre-pandemic levels by the middle of last year, container shipping rates have risen again," the survey noted. "Extended detours around the Cape of Good Hope have led to a significant surge in ocean freight rates, reaching up to \$10,000 per 40-foot container. Moreover, the Suez Canal Authority has declared a 5-15% hike in transit fees for ships passing through the Panama Canal."

The slight uptick in India's exports comes amidst rising domestic consumption of petroleum products, driven by increased demand for diesel, aviation turbine fuel, and liquefied petroleum gas. The country's domestic consumption of petroleum products grew by 3.4% to 60.9 million tonnes during the first quarter of the current fiscal year compared to the same period last year, according to data from the Petroleum Planning and Analysis Cell.

India produced 70.7 million tonne of petroleum products during April to June, up from 69.4 million tonne in the same period of FY24.