

Contents

Tea export to Iran picks up, Egypt emerges as new mkt	2
India may drag Egypt to WTO against levy on cotton yarn	3
India asks Egypt to scrap penal duties on cotton yarn	4
Egypt seeks to double trade with India, attract more investments	5

Tea export to Iran picks up, Egypt emerges as new mkt

Rohit Khanna, Financial Express

16 November 2012, Kolkata: Good news awaits tea growers in India. After resolving the payment-route issue, tea exports to Iran have picked up in past few months. On other hand, tea exports to Egypt is also growing at a faster pace.

Iran — the largest importer of tea after Russia, the UAE, UK and US — imports around 75,000 tonne tea each year. India's exports to Iran fell after the US imposed sanctions on exports to the oil-rich country. There is a good demand for Indian tea in Iran, but India started losing out on it with restrictions on payments to the oil producing country.

Mohammad Feissal, the managing director of Shabsavand Zarin co, one of the largest tea growing company in Iran said, “Indian exports to Iran have improved in last few months. We are receiving 100 tonne every month from India. It has grown significantly from 50 tonne in 2010.” Almost 40% of Iran’s tea import comes from Kenya, 10% from Sri Lanka and rest from India.

“Payment is not a problem now. We are hopeful of an increase in Indian export by around 30%,” Feissal said. Meanwhile, Egypt is also looking at stepping up imports from India. The 80 million kg tea market is mainly catered to by Kenya. In 2010, Egypt was identified by the Tea Board as one of the emerging markets for Indian tea export by Tea Board.

Mahmoud El Nahas, head (sector import) of Misr Import & Export Co, said, “We are trying to increase imports from India to 15,000 tonne last year to 17,000 tonne in 2012. Kenya is the largest exporter to Egypt. India can increase its exports to Egypt if it is little proactive,” he said.

While Sri Lanka sells CTC tea at an average rate of \$4 per kg, Indian tea is priced between \$1.8 and \$3.5. “That makes Indian tea a natural favourite of the Egyptian importers,” Nahas said.

Export of Indian tea is likely to decline from 193 million kg to 180 million kg in 2012. Tea production in 2012 may also decline according to a recent study conducted by IMAcS (Icra Management Consulting Services).

[\[Back to top\]](#)

India may drag Egypt to WTO against levy on cotton yarn

Amiti Sen , The Hindu

New Delhi, 25 January 2013: India is considering filing an official complaint against Egypt at the World Trade Organisation for “wrongful” imposition of penal duties on cotton yarn imported from the country.

With Turkey recently withdrawing similar duties on Indian cotton yarn after the country filed a WTO complaint, New Delhi is hoping for a similar outcome with Egypt.

Egypt is the fourth largest market for Indian cotton yarn after China, Bangladesh and South Korea, and the additional duties ranging between 13 per cent and 14 per cent has affected the industry’s competitiveness.

“We realise that the Egyptian economy is going through a low phase. But the country should not be taking so long in removing the safeguard duties as we have pointed out several times in our bilateral discussions that these violate WTO norms. We may take the WTO route if we are left with no other option,” a Commerce Department official told Business Line.

Egypt imposed safeguard duties – a levy to check surge in import of a particular commodity causing disruption in the local market – on cotton yarn from India last July.

India has argued that its cotton yarn imports to Egypt have not surged or disrupted the local market and there is no justification for the safeguard duties.

“Egypt is the fourth largest market for cotton yarn exports from India and it is in our interest to ensure that the safeguard duty is removed at the earliest as there appears to be no economic justification for imposing such a measure,” said Siddhartha Rajagopal, Executive Director, Texprocil.

Turkey had extended a similar duty on cotton textiles from India beyond its expiry date of August 2011 following which India had filed a case against it at the WTO. The case was subsequently withdrawn when Turkey promised to remove the duties by December 2012 which it did.

“We hope Egypt, too, would agree to withdraw the duties and we do not have to fight a full-fledged case at the WTO,” the official said.

[\[Back to top\]](#)

India asks Egypt to scrap penal duties on cotton yarn

Amiti Sen, Business Line (The Hindu)

New Delhi, March 15: India has submitted an unofficial notice to Egypt seeking removal of “wrongful” penal duties imposed on cotton yarn imported from the country as it flouted World Trade Organisation (WTO) rules.

The ‘non-paper’ given to Cairo by New Delhi on safeguard duties imposed on cotton yarn last year is intended to serve as a warning that India may drag the matter to the WTO if corrective action is not taken soon, a Commerce Department official told *Business Line*.

Usually ‘no paper’ is meant to be a warning for harsher steps to follow.

Egypt is a significant buyer of Indian cotton yarn ranking fourth after China, Bangladesh and South Korea. In the January-October 2012 period, cotton yarn worth \$130 million was exported to Egypt by India.

The imposition of safeguard duties – which are penal duties imposed in addition to customs duties to check surge in imports – has made Indian cotton yarn uncompetitive in the Egyptian market, Indian exporters of cotton yarn allege.

“Export of cotton yarn from India to Egypt may not be huge compared to total exports, but with growing protectionism across the world it is important to send out a signal that India is not going to take things lying down,” a senior industry official from a leading textile body said.

Interestingly, Turkey withdrew similar penal duties on Indian cotton yarn late last year after India threatened to file a dispute with the WTO.

“We hope Egypt takes our non-paper seriously and acts. Hauling the country to the WTO is something that we would not want to do enthusiastically as Egypt is going through its own political and economic turmoil. But we also have our own industry’s interests to protect,” the official added.

[\[Back to top\]](#)

Egypt seeks to double trade with India, attract more investments

Business Line (The Hindu)

New Delhi, 20 March 2013: Egypt wants to double its trade with India in the next few years from the current \$5.4 billion and has invited more investments from the country in areas such as energy, agriculture, bio-technology and information technology.

Egyptian President Mohamed Morsi, in an interaction with Indian industry here, promised investors all the required facilities and a conducive investment environment in his country.

“One of our focus areas is attracting foreign direct investment. Both countries can cooperate in areas like ICT, space science, energy, agriculture and nano technology,” Morsi said at an event organised by industry chambers FICCI, CII and Assocham on Wednesday.

The Egyptian President is on a four-day visit to India and is heading a high-level delegation comprising key ministers and business leaders.

The trade surge between India and Egypt has emboldened the Government to set up more ambitious goal of doubling this volume within the coming few years, Morsi said, adding that his country could start importing grains from India.

Speaking to the media on the sidelines of the event, Commerce and Industry Minister Anand Sharma said India was in talks with Egypt for exporting wheat, but the terms were yet to be decided.

Sharma said at the event that he would urge Indian companies to look at Egypt more seriously and invest in various sectors. “Indian companies can also partner with Egyptian firms in sectors like infrastructure, biotechnology, energy and pharmaceuticals,” he said.

[\[Back to top\]](#)