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# Coir exports remain unaffected by sluggish demand, to touch Rs 1,200 cr in current fiscal

Rajesh Ravi, Financial Express

Kochi, 28 December 2013: Coir exports during the first seven months of the fiscal are seen higher in value and volume despite sluggish demand from most of the developed markets. India is the largest exporter of coir products such as mats, matting and rugs in the world, and estimates say that it would touch the Rs1,200-crore mark in the current fiscal.

According to data provided by the state-run Coir Board, exports have increased in volume by 13.43% and value by 12.33% during the seven month period between April and October to touch 292,741 tonne, valued at Rs760.96 crore. During the same period last fiscal, the performance stood at 258,082 tonne valued at Rs677.41 crore. Coir exports from the nation during the last fiscal touched a record high of Rs1,116.02 crore despite reversals in the share of traditional items.

According to data, 4,29,500 tonne of coir and coir products were exported in 2012-13 as against 4,10,854 tonne during the preceding year. Value realised during FY12 stands at Rs1,052.6 crore.

Coir is witnessing stiff competition from other mechanised products like PVC tufted mats. These substitute products are becoming cheaper due to the mechanised production, while handloom products are becoming relatively costly due to the labour involved. Traditional items of exports like handloom mats and rugs are seen declining in both volume and value during the last few years. About 76% of the total exports were contributed by non-traditional products, whereas handloom products like mats, matting, coir geotextile put together contributed only 24% of the total exports. The US and Europe together account for over 70% of India's coir exports. Coir exporters are reporting growth in orders from the UAE and some African countries.

To increase exports through value-addition tie-ups, the board has signed several technology transfer agreements with other coir-producing countries.

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# Coir exports touch high of Rs 1,476 cr on China consumption

Financial Express

Kochi, 13 May 2014: Exports of coir and coir products from the country in the last fiscal touched an all-time high of Rs 1,476 crore, largely due to robust consumption from China, officials of the state-run Coir Board said. India is the largest exporter of coir products such as mats, matting and rugs in the world. During 2012-13, export realisation stood at Rs 1,116 crore with 32% growth year-on-year. During 2013-14, exports of coir products stood at 5,37,040 tonne as against 4,29,501 tonne in the previous year. The increase was 25%.

Coir fibre, yarn, tufted coir matting, geotextiles and coir pith have shown an increase in exports, G Balachandran, chairman of Coir Board, said. "Coir handloom mats recorded a negative growth of 6.38%. Coir rugs and carpets also recorded negative growth of 2.11% in quantity and 20.54% in value," he added.

Export of coir pith has gone up progressively and reached an all-time record of Rs 342 crore during 2013-14. However, export of coir pith from Kerala was nil. Export of coir fibre to China has also increased progressively. The value has reached Rs 329 crore by recording 59% growth in export of coir fibre from the previous year.

Coir is witnessing stiff competition from other mechanised products like PVC tufted mats. These substitute products are getting cheaper due to mechanised production while handloom products are getting relatively costly because of the labour involved. Traditional items of export like handloom mats and rugs are seen declining in both volume and value during the last few years.

China tops the list in export of coir from India. During 2013-14, 24.42% of the total export of coir from India was to China. In the preceding years, the US was top in the list. During 2013-14, 1,92,110 tonne of coir fibre valued at Rs 360.50 crore was exported to China, which is 36% in quantity and 24.42% in value of the total exports.

Balachandran expressed concern over the export of coir fibre to China in large scale. He said the state government has to take immediate steps to send value-added products to China instead of exporting raw material. He expressed concern that there is a possibility that China will try to make value-added products with the fibre imported from India, and then re-export those items to India and other countries.

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# Cotton exports hit as China shifts policy

Reuters

Mumbai, 17 April 2014: Raw cotton exports are expected to plummet around 20 per cent in the next crop year, with demand from China fading, as Beijing unwinds a controversial stockpiling scheme.

That would be greater than the nearly six per cent drop touted for this year, with the change in Chinese policy coming on top of rising cotton consumption in India and a spurt in exports of finished yarn, industry officials said.

Cotton markets around the world have been watching closely, as China abandons a stockpiling scheme under, which it has amassed more than 10 million tonnes (mt) of the fibre - around 60 per cent of global cotton inventories.

The policy had driven up import demand by removing cotton from the domestic market and pushing up local prices.

"Cotton exports have been falling year-on-year and we will not be able to export more than 7-7.5 million bales in 2014-15" said M B Lal, managing director of Shail Exports and former chairman of the Cotton Corporation of India. The country's cotton year runs from October to September.

China, the world's largest cotton importer, accounts for more than 60 per cent of total raw cotton exports from India. The rest goes to Bangladesh, Pakistan and Vietnam.

India, the world's no2 producer and exporter of cotton, has shipped a total of around 8.2-8.5 million bales so far in 2013-14, expected to grow to around 9.2-9.5 million bales by September, industry officials said. Due to harvest cycles, the vast majority of exports typically occur in the first half of the Indian crop year.

The nation exported 10.1 million bales in the 2012-13 year, falling from 12.9 million bales the year before.

China in February imported 147,317 tonnes of cotton from India, down 20 per cent from the previous month. Beijing in January announced it would scrap cotton stockpiling, instead trialling direct subsidies for farmers.

"Chinese buyers have significantly reduced their buying from India in the past two months, as they are waiting for more clarity on the cotton policy in their home country," said Rahul Jitendra Shah, managing director of Acme International.

In a bid to speed up stockpile sales, China from the start of this month lowered the state sale floor price.

Meanwhile, consumption of raw cotton by Indian mills has climbed to 25.8 million bales in 2013-14 from 25 million bales a year ago due to rising demand from textile makers as the global economy shows signs of picking up.

"Consumption by cotton in mills is increasing sharply in India, as many new spinning units are coming up to meet rising demand from textile makers," said Arun Kumar Dalal, a cotton trader from Ahmedabad.

"In the next crop year, mills' consumption is expected to touch 30 million bales." In 2011-12, demand from mills totalled 22.3 million bales.

And Indian shipments of yarn, a value-added product used by textile mills, are likely to rise by around 10 per cent in the financial year 2013-14, market participants said, further crimping overseas demand for raw cotton. Some Chinese buyers have stepped up yarn purchases to avoid higher taxes on raw cotton imports.

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# Rubber exports plunge by 59% to 480 tonnes in October

PTI

New Delhi, 5 November 2013: Natural rubber exports fell by 59 per cent to 480 tonnes in October this year due to fall in domestic production.

Exports of rubber in October last year stood at 1,145 tonnes, according to Rubber Board data. Total exports of rubber during April-October period in current year has fallen by 54 per cent to 3,975 tonnes against 8,611 tonnes in the same period a year ago.

Production of natural rubber dropped by 7.3 per cent to 83,000 tonnes during October in the current year against 89,500 tonnes in the same period last year. Similarly, consumption of natural rubber has also come down by 3.57 per cent to 80,500 tonnes in October this year from 83,485 tonnes last year.

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# Natural rubber imports rise 46%, output down

PTI

New Delhi, 8 January 2014: Imports of natural rubber went up by 46% to 26,853 tonne in December due to lower prices in international markets and drop of over 5% in domestic production.

Imports increased despite the Centre raising import duty on natural rubber to Rs30 per kg or 20%, whichever is lower, in December.

The basic customs duty on natural rubber earlier stood at Rs20 a kg or 20% whichever was lower. According to Rubber Board data, India's natural rubber imports rose to 26,853 tonne from 18,366 tonne in the same month in 2012.

"Imports have gone up as contracts for import of natural rubber in December were made during September and October, and at that time prices in the international market were down by Rs35 per tonne as compared to domestic prices," a senior rubber board official said.

During the April-December period of this fiscal, rubber import increased to 2.64 lakh tonne from 1.73 lakh tonne in the corresponding period of previous fiscal.

Meanwhile, production of natural rubber dropped by 5% to 1.08 lakh tonne during December 2013 against 1.14 lakh tonne in the same month of 2012. However, consumption rose to 79,500 tonne in December last year from 78,420 tonne in December 2012.

Rubber exports declined 57% to 695 tonne in December last year as compare to 1,603 tonne in the same month in 2012.

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# Rubber exports nosedive 82%, imports surge 49%

Financial Express

Thiruvananthapuram, 18 April 2014: Natural rubber (NR) exports in 2013-14 shrunk to one-fifth of the previous year. In a vivid indication of the domestic market logjam, NR imports surged 49% over the same period. According to provisional data with the Rubber Board of India, the country exported only 5,381 tonne of NR in 2013-14 against 30,594 tonne in 2012-13. The fall is as high as 82%.

And, for the first time in 2013-14, NR imports crossed the 300,000-tonne mark. From 217,364 tonne in 2012-2013, NR imports surged to 324,467 tonne.

It was also the first time that the rise in imports was over 1 lakh tonne, Rubber Board sources told FE. In fact, in March alone, imports spurted 144% over the same period previous year. In March 2013, NR imports totalled a mere 9,921 tonne. In March 2014, imports were as high as 24,196 tonne.

Throughout the year, international prices in Bangkok, Singapore and Tokyo were about R17/kg less than the domestic price. Imports are feasible only when there is at least a R12/kg differential between international and domestic prices.

The main reason for the fall in NR production is the failure of the Board's replantation initiatives. It has been estimated that nearly 30% trees in rubber plantation acreage have been in the 'old tree' category, where latex output is not optimal. Since most rubber farms are in the under-2-hectare category, farmers have been shying away from cutting down a yielding tree. After replantation, a sapling takes seven years to yield rubber.

The rubber board, which had announced a production estimate of 960,000 tonne for 2014, was forced to cut the estimate twice.

At first, the estimate was reset at 870,000 tonne. Later, this was further whittled down to 850,000 tonne. It is understood that even this revised estimate could not be reached. The board has acknowledged a 7.6% fall in production during 2013-2014.

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# Natural rubber imports shoot up 84% in April

PTI

New Delhi, 20 May 2014: Imports of natural rubber rose 84% to 26,445 tonne in April on account of lower prices in international markets and drop in domestic production.

According to the Rubber Board data, India's natural rubber imports stood at 14,396 tonne in the same month last year. Natural rubber imports in FY 2013-14 increased by 49% to 3.24 lakh tonne from 2.17 lakh tonne in 2012-13.

Imports increased despite the Centre raising import duty on natural rubber to Rs 30 per kg or 20%, whichever is lower, in December last year. The basic customs duty on natural rubber earlier stood at Rs 20 a kg or 20% whichever was lower.

"Imports have gone up as prices of both block rubber and sheet rubber in the international market are lower as compared to domestic prices," a senior rubber board official said.

The gap between international and domestic prices of block rubber is Rs 30-35 per kg, while that of sheet rubber is Rs 17-18 per kg. About 95% of rubber imported is used by tyre manufacturers and India imports a big chunk from Vietnam and Indonesia.

Meanwhile, the production of natural rubber dropped 4% to 51,000 tonne in April 2014 as against 53,000 tonne in the same month last year. The consumption, however, fell marginally to 81,500 tonne in the month from 82,980 tonne in April 2013, the data showed.

Rubber exports declined to 28 tonne in April this year as compared to 1,538 tonne in the same month a year ago.

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# Tobacco exports top Rs 6,000-cr mark

Business Line (The Hindu)

Hyderabad, 20 May 2014: The Indian tobacco sector has achieved yet another milestone surpassing last year's record in terms of both quantity and value. In the financial year 2013-14, 2.64 lakh tonnes of tobacco and tobacco products worth Rs 6,059 crore were exported. Of this, the contribution of un-manufactured tobacco to volumes was 2.34 lakh tonnes at Rs 4,842 crore. The country exported 29,534 tonnes of tobacco products valued at Rs 1,217 crore.

Exports to Western Europe dominated with 34 per cent, followed by Eastern Europe (14%), the Gulf (11%), South and South East Asia (20%), Africa (13%), and North and South Americas (8%).

## *FCV shipments*

Similarly, the Flue Cured Virginia (FCV) tobacco exports have also surpassed the previous record of 1.74 lakh tonnes (clocked during 2009-10) to reach 1.80 lakh tonnes.

FCV tobacco exports earned Rs 4,086 crore. In dollar terms, this is valued at \$ 675 million, the Tobacco Board said here in a statement on Tuesday. Exports of FCV tobacco during 2013-14 have increased by 2 per cent, 28 per cent and 15 per cent in quantity, rupee and dollar terms respectively compared with the exports made during the last year.

## *Export markets*

Major destinations for Indian un-manufactured tobacco during the period are Belgium, Egypt, Russia, Korea, the Philippines, the US, the UAE, Netherlands, Germany, Yemen, Nepal and Poland.

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