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Russia lifts ban on import of rice from India

PTI

New Delhi, 10 September 2013: Russia has lifted an eight-month-old ban on the import of Indian rice and peanuts, effective from this month, a move that would help traders regain their lost market.
The Russian federation had imposed the ban due to the presence of khapra beetles pest in rice and aflatoxin contamination of peanuts.

"Russia has cancelled the temporary restriction on import of rice, rice cereals and peanuts from India. Exporters can resume export of these products effective from September 1," a senior government official told PTI.

Russia decided to remove restrictions after its officials visited processing units in India in June. The delegation was convinced about the safety measures that were put in place here while processing these food items, the official said.

The resumption of trade comes as the country seeks to boost exports to address the current account deficit.

India, the world's second-biggest producer of rice, had shipped 61,000 tonne of rice and 3,700 tonne of peanuts in the last financial year, earning $31 million from the export of the two food items.

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Panel recommends complete ban on iron ore exports

Dilip Kumar Jha, Business Standard

Mumbai, 18 September 2013: The parliamentary standing committee on coal and steel has recommended a ban on iron ore exports, arguing mineral reserves would be exhausted within 25 years if exports continued.

The committee, chaired by Kalyan Banerjee, a Trinamool Congress Member of Parliament and comprising 22 other members from both Houses of Parliament, was mandated to give a report on iron ore export policy to the steel ministry. It met on August 26 to overview the status of mining and iron ore exports in the country.

"In view of the free trade of iron ore (up to 64 per cent *Fe* content) and export of higher grade of iron ore, the government should take immediate necessary policy measures not only to ban the export of iron ore reserves of higher grade, but also of the ore with up to 64 per cent *Fe* content, currently allowed freely. In view of the limited benefication agglomeration facilities in the country, the committee feels high grade iron ore with *Fe* content of more than 64 per cent from Bailadila, Chhattisgarh, which can be used by existing steel plants, should not be permitted for export and be made available to meet the requirement of the domestic steel industry," said the panel's report.

R K Sharma, Secretary General of the Federation of Indian Mineral Industries, says the recommendation is one-sided. "The committee has not taken views from all interested parties, including the ministries of commerce and mines, and mining industry representatives. The report is purely based on the one-sided view of the steel ministry. Therefore, the recommendation does not have any meaning."

The committee said against the 28.52 billion tonnes (17.84 billion tonnes of haematite and 10.64 billion tonnes of magnetite) of iron ore resources in the country, 37 per cent of the magnetite resources, of the total iron reserves, weren't available for mining due to the Supreme Court-imposed prohibitions in Western Ghats and other sensitive environmental zones. Also, only about 18 billion tonnes (less than half the proved reserves) are economically exploitable. The committee said currently, steel production in the country was more or less commensurate with the demand, but a working group on the steel industry for the 12th Plan had projected a requirement of 206.2 million tonnes by 2016-17, against the total iron ore requirement of 135.7 million tonnes in 2012-13.

Pointing to the fact that millions of tonnes of iron ore were being exported and iron ore in India wouldn't last more than 25 years and considering the production and demand projections, the committee recommended there was an immediate need to reduce iron ore exports for the sake of India's steel industries.

"When the rupee depreciated, iron ore exports become viable at the current 30 per cent levy and four times the increased railway freight. But now, exports aren't viable. If the ban on exports continues, mining would suffer, leading to immediate repercussions on the steel industry and employment generation, which the committed didn't look into," Sharma said.

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UK watchdog restricts drugs from India's Wockhardt

AFP

Mumbai, 22 October 2013: Britain's health regulator has restricted exports from a factory of Indian pharmaceutical firm Wockhardt, the company said Tuesday, the third such plant to face restrictions.

Britain's Medicines and Healthcare Products Regulatory Agency (MHRA) has cancelled Wockhardt's "good manufacturing practices" certificate for a factory in Kadaiya (Daman) in western India for noncompliance with its manufacturing standards.

The factory will however be allowed to test, make and supply to Britain certain drugs critical to public health, the statement to the stock exchanges said Tuesday.

The fresh blow comes days after the MHRA recalled five drugs made by Wockhardt from a plant in Chikalthana in Maharashtra state.

In recent months both the US and UK watchdogs issued import alerts on drugs made at another Wockhardt manufacturing unit in Waluj, Maharashtra in western India, citing quality concerns.

The firm's shares fell 4.29 percent to 458.2 rupees after Tuesday's setback, and Wockhardt said the impact of the fresh export curbs "will only be known once it receives further communication from MHRA".

It said it did not make any products for the United States market from the Kadaiya plant.

India's government has defended its lucrative generic drug industry, which accounts for nearly $15 billion in annual exports, as safe and tightly regulated.

India's pharma giant Ranbaxy, after facing a lengthy legal battle in the United States, was hit by a new setback last month.

The US Food and Drug Administration (FDA) banned imports from Ranbaxy's "ultra modern" Mohali plant in northern India in September, whose renovation was supposed to mark a turning point for the Indian generics giant after years of run-ins with US regulators.

Now three of Ranbaxy's plants have been hit by an import ban to the United States, its largest market.

In May, Ranbaxy had pleaded guilty to US charges of selling adulterated antibiotic, epilepsy and other drugs, and agreed to a record $500-million fine.

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Mining ban hurting economy, exports: Anand Sharma

PTI

25 December 2013: Ban on mining by the Supreme Court has hit the economy and exports besides increasing India's dependence on imported coal.

"It (mining ban) has hurt our economy. It has hurt exports, (particularly) iron ore exports. It has increased our dependence on coal imports. So both ways we are losers," Commerce and Industry Minister Anand Sharma told PTI in an interview.

But for the ban on mining, he said, India could have earned by exporting around 100 million tonnes of iron ore.

"We have been deprived of the precious foreign exchange, and what we could have mined in India. When it comes to coal, $22 billion plus was the coal import bill," the Minister said adding: "these are the areas which need a serious look."

The Supreme Court had banned iron ore mining in Karnataka in July-August, 2011, and in Goa in October, 2012.

Earlier, Mr. Sharma has raised concerns over judicial activism, and said, "India badly needs judicial reforms.''

Following the ban, shipments of iron ore plunged to 18 million tonnes in 2012-13 from nearly 168 million tonnes in 2010-11. Before the ban, India was exporting iron ore worth over $7 billion.

As regards coal, the environmental restrictions have significantly hampered coal production in the country, leading to increase in dependence on coal imports.

Slowdown in exports has increased the trade deficit as well as the current account deficit.

While the trade deficit soared to a record high of $191 billion in 2012-13, CAD jumped to $88.2 billion, or 4.8 per cent of the GDP during the period.

The mining sector, with a weight of about 14 per cent in Index of Industrial Production (IIP), saw a contraction of 3.5 per cent in October as against a dip of 0.2 per cent in the same month last fiscal.

During April-October, the output shrank by 2.7 per cent as against a contraction of one per cent.

Coal production, with a weight of about 4.5 per cent in the IIP, declined by 3.9 per cent in October.

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EU takes India’s curbs on marble imports to WTO

Amiti Sen, Business Line (The Hindu)

New Delhi, 23 December 2013: The European Union has questioned import restrictions by India on rough marbles and marble products at the World Trade Organisation (WTO) and sought the rationale behind such curbs.

India has in place a quota of six lakh tonne for import of rough marble and travertine blocks and a minimum import price of $325 a tonne for 2013-14, the same as last year.

In a submission to the Import Licensing Committee of WTO last week, the EU’s representative asked India to clarify how unrestricted import of marble and marble products would pose safety issues for the country.

The EU also wants India to state how imposition of quantitative restrictions on import of marbles relates to security concerns.

While WTO rules do not ordinarily allow imposition of import restrictions, it is permitted if a country shows that such imports can result in a safety or security hazard.

India, like most other member countries, at times resorts to the safety and security caveat if it wants to impose import restrictions on certain products.

The EU further asked India to specify how safety and security issues are handled with regards to India’s domestic natural stone and stone processing industry.

Since India had earlier stated that the minimum import price is justified for quality reasons, the EU said the country should indicate measures put in place to ensure commensurate quality for India’s domestic industry.

An important reason for India’s restrictive import policy on marbles is protection of the local industry which employs a large number of poor and vulnerable people. The marble industry in Rajasthan reportedly employs more than two lakh families belonging to backward classes, minorities and tribal groups.

India will now have to provide detailed answers to the EU queries at the WTO.

“We have provided answers to other queries on the same issue earlier posed by other members. We would do the same this time as well,” a Commerce Ministry official told *Business Line*.

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No plans to curb farm exports: Centre

Financial Express

New Delhi, 6 March 2014: The government on Wednesday said it has no plans to curb farm exports despite fears of an impending El Nino that could affect the monsoons this year. “Our granaries are still brimming with stocks,” said a senior official.

"We don't intend to curb farm exports. In fact, the government on Tuesday scrapped the minimum export price of onion to help farmers get better realisation," said the official. "It's too early to say whether El Nino will actually affect the monsoon, and, if yes, to what extent. So we will wait for the forecast by the IMD (Indian Meterological Office)."

The weather office is expected to firm up its first long-range forecast of the monsoon in April.
India is the world's largest exporter of rice and guar gum and second-largest supplier of cotton and also ships wheat in large volumes. The country's farm exports are projected to rise 9.8% to $45 billion in 2013-14, accounting for 13.8% of the total exports of $325 billion targetted for the current fiscal.
The government is fully prepared to tackle any fluctuation in weather this year and states have been asked to keep contingency plans ready, another official said.

Grain stocks with state-run agencies hit 41.1 million tonnes as of February 1, compared to a requirement of 25 million tonnes for various welfare programmes. The projected record harvest of wheat in 2013-14 is likely to boost the stock levels further, giving relief to policymakers in case of a monsoon failure.
El Nino is warming of sea-surface temperature levels in the central and east Pacific and cooling of the West that occurs every four to 12 years. It caused the worst drought in 37 years in the country in 2009, dragging down grain production to 218.11 million tonnes from 234.47 million tonnes the year before.
Fears of widespread dry spells in many parts of Asia, including India, intensified this year after Australia’s Bureau of Meteorology last month said that climate models surveyed by it showed Pacific Ocean temperatures approaching or crossing El Nino thresholds in the austral winter. A report in the PNAS, the official journal of the US National Academy of Sciences, also said there was a 75% chance that El Nino could occur in late 2014.

Agriculture minister Sharad Pawar played down El Nino fears, saying the government was keeping a tight vigil. The June-September monsoon season brings about 70% of annual rains and is crucial to the summer-sown crops as more than 60% of the country's farmland is rain-fed. The showers also boost ground water reserves for winter planting.

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Curbs on gold import norms leading to smuggling: Sharma

PTI

New Delhi, 21 March 2014: Commerce and Industry Minister Anand Sharma has favoured a review of curbs on gold import norms saying the restrictions are leading to smuggling. "I feel for a review. I am not in favour of making it so difficult that it leads to increase in smuggling," Sharma told PTI.

In order to check rising Current Account Deficit (CAD), the government raised import duties and the RBI imposed curbs on import of the metal and also laid down various pre-conditions for inward shipments of the precious metal.

He said there is a need to have a balanced approach on the matter.

Gems and jewellery exporters, which account for about 15 per cent of the country's total shipments, raised concerns over the restrictions on gold imports and demanded easing of norms in this regard.

Gems and jewellery exports dipped 4.18 per cent to $3.59 billion in February. During the 11-month period of the current fiscal, shipments declined by 7.15 per cent to $35.73 billion. Gold and silver imports declined 71.4 per cent to $1.63 billion in February.

Sharma said his ministry is ensuring the exporters get adequate gold to enhance overseas shipments of jewellery.

The enforcement agencies during the first nine months of 2013-14 have seized 1,074.41 kg of gold as against 326.23 kg during the entire 2012-13 fiscal.
According to reports, sleuths of revenue department have seized gold worth about Rs 245 crore being pushed illegally through the country's borders in the past one year. As many as 700 cases of gold smuggling so far have been reported across the country during 2013-14.

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Govt extends ban on pulses export till further orders

PTI

2 April 2014: The government on Tuesday extended the ban on export of pulses till further orders, but allowed outbound shipments of kabuli chana, organic pulses and lentils with some riders.

"Prohibition on export of pulses has been extended till further orders. But, there are two exceptions to this. One is export of kabuli chana. The second is export of organic pulses and lentils; but with a ceiling of 10,000 million tonne (mt) per annum and subject to certain conditions," the Directorate General of Foreign Trade has said in a notification.

Export of pulses was initially prohibited for a period of six months in 2006 which was extended from time-to-time. The last extension was up to Monday. Now, the prohibition is being extended till further orders.

Although India is the largest producer of pulses, it has to import about 3 mt of pulses to meet the domestic demand.

According to the government estimate, the country is expected to produce 19.8 mt of pulses this year, which includes 9.8 mt of chana crop, while trade figures says only 6.5 mt of chana crop this year. Official figures show India imported around 1.4 mt of pulses between April to September 2013.

The other conditions for export of organic pulses and lentils include that it should be duly certified by the Agricultural and Processed Food Products Export Development Authority (APEDA). "Export contracts should be registered with APEDA, Delhi, prior to shipment; exports shall be allowed only from customs electronic data interchange ports," it added.

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RBI relaxes rough diamond import norms

Business Standard

Mumbai, 1 April 2014: In a further liberalizing of the norms for rough diamond imports, the Reserve Bank of India (RBI) has lifted restrictions on a number of mines abroad, to which advance remittances can be extended for such import of roughs.

Banks may use their own discretion to extend advance remittance to Indian importers in favour of global miners. Based on recommendations from the Gems & Jewellery Export Promotion Council (GJEPC), RBI had in 2007 notified five global miners of roughs — including Diamond Trading Company, UK; Rio Tinto, UK and BHP Billiton, Australia — to which an importer was allowed to make advance remittance without any limit and without a bank guarantee or standby letter of credit for import of roughs. The number was later extended to nine, including Al Rosa and Gokharan from Russia and Endiama EP from Angola.

"Henceforth, we will not notify the names of overseas mining companies from whom an importer may import rough diamonds into India, by way of advance payments, without any limit or bank guarantee or standby letter of credit," RBI stated on Monday. At present, banks extend remittances to foreign miners on behalf of importers before the dispatch of consignments.

"RBI's move will help the industry, as we will be able to procure rough diamonds from anywhere. Our hands will be free now," said Shreyas Doshi, chairman, Shrenuj & Co.

Banks are now permitted to decide on the foreign mining companies to which an importer can make advance payments, without any limit or bank guarantee or standby letter of credit, the circular clarified. RBI cautioned that mining company in question should have recommendations from GJEPC and importers, be a recognized processor of roughs and have a good record.

The advance payment should be transferred directly to the account of the company concerned, not through numbered accounts or otherwise. The regulator has ,however, restricted remittances to any mining company without certification from the Kimberly Process Certification Scheme, established in 2003 by the United Nations to prevent diamond sales from financing war or human rights abuses.

For public sector undertakings, banks may permit the advance remittance with a specific waiver of bank guarantee from the ministry of finance, where the advance payment is equivalent to or exceeds $100,000. Banks are to report all such advances or remittances of over $5 million within 15 days of every six months.

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Pakistan ready to lift import ban on items from India, says envoy

Amiti Sen/Aditi Nigam, Business Line (The Hindu)

New Delhi, 23 April 2014: Pakistan has said it will allow imports of all items from India once the on-going election process in the country is over and New Delhi is in a position to implement the "arrangement" of reducing subsidies on some items of export interest to Pakistan.

"Early this year, both the countries had agreed on an arrangement under which India would reduce subsidies on items that can be exported by Pakistan. But it could not be implemented as the model code of conduct came into play," Pakistan High Commissioner to India Abdul Basit said in an interaction with women journalists on Wednesday.

Basit said that once the new Government is in place in India, the whole issue could be reconsidered. Extending India non-discriminatory market access, which basically means allowing all Indian items to be sold in Pakistan, is a key condition that New Delhi has laid down before Islamabad for re-starting the bilateral trade dialogue that has been stalled for the past year.

Although Pakistan has opened its doors to over 85 per cent of items to be exported from India, it still disallows 1,209 items such as automobiles, many pharmaceutical products, agricultural produce and textile items such as polyester. India, on the other hand, allows import of all items from its neighbour, but Pakistan alleges that there were a number of non tariff barriers that impeded imports.

"There are four sectors in Pakistan, which includes pharmaceuticals, agriculture, automobile and textiles which are apprehensive about competing with India," the High Commissioner said.

More opportunity

India needs to reassure Pakistan’s industry that there would be more opportunity for them for doing business in the country by removing some domestic subsidies and giving it a more level playing field, he added.

Islamabad had promised to do away with all import bans by December 31, 2013. It had also promised that it would allow trade of all products through the land route, instead of the expensive sea-route.

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EU to ban Indian mangoes, vegetables

The Hindu

Brussels, 27 March 2014: European Union member states, on Wednesday, decided to ban the import of five types of fruits and vegetables from India, after several batches were found to be contaminated by pests such as fruit flies, the bloc's executive said.

The prohibition, which goes into effect in May, covers mangoes, aubergines, the taro plant and two types of gourd. These represent less than 5 per cent of the bloc's fresh fruit and vegetable imports from India, according to the European Commission.

Pests that are not native to Europe were found in 207 fruit and vegetable consignments from the subcontinent last year, the Commission said, adding that they "could pose a threat to EU agriculture and production." The EU's executive also said there were 'significant shortcomings' in the certification systems that prevent contaminated goods from being exported. The ban, agreed by a committee of experts representing member states, is to be reviewed by the end of 2015.

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EU decision to ban Indian mangoes imports is pre-mature: Rajeev Kher

PTI

New Delhi, 1 May 2014: India today said the European Union's decision to ban import of vegetables and mangoes was "pre-mature" and shocking and asked the 28-nation bloc to lift the restrictions. "EU's action of banning vegetables and mangoes in our view is pre-mature and it shocked us...," Commerce Secretary Rajeev Kher said here.

He said that EU's agency on sanitary and phyto-sanitary, and India's National Plant Protection Organisation and Agricultural and Processed Food Products Export Development Authority (APEDA) were already discussing the quality issues.

Concerned agencies from both the sides had reached at an understanding and India had already initiated the process to put in place the proper mechanism to deal with the matter related with exports of vegetables and mangoes from India to EU, he told reporters. "For all exports, we have specified a procedure which would necessarily have to involve pack-home before the shipments are made and in our estimation that would have taken care of the problem," he added. Kher said that India has urged the EU's director general for trade to arrive at an early solution for the issue.

Commerce Minister Anand Sharma has already written a letter to EU Trade Commissioner Karl De Gucht on the matter saying that the ban has caused considerable apprehensions and alarm in the country. "It is surprising that the EU Commission has chosen to take this unilateral action without any meaningful official consultation," Sharma's letter has said. It has said that India has mandated strong (SPS) sanitary and phyto-sanitary (related with plants and animals) standards and those norms are enforced by state-run regulatory body, which ensures appropriate compliance. The EU's decision is "unfair" and it would potentially jeopardise India-EU agri trade.

On Monday, the EU banned the import of Alphonso mangoes, the king of fruits, and four vegetables from India for the period from May 1 to December 2015 after authorities found consignments infested with fruit flies. The ban was imposed on Alphonso mangoes, eggplants, the taro plant, bitter gourd and snake gourd to tackle "significant shortcomings in the phytosanitary certification system of such products exported to the EU." Imports have been restricted as 207 consignments of mangoes and some vegetables shipped from India in 2013 were found to be contaminated by pests.

The UK imports almost 160 lakh mangoes from India and the market for this fruit is worth almost 6 million pounds a year.

India, the world's largest mango exporter, sells about 65,000-70,000 tonnes of all varieties of the fruit overseas out of its total production of 15-16 lakh tonnes.

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EU mango ban to leave bitter-sweet taste

Sohini Das & Kalpesh Damor, Business Standard

Ahmedabad, 30 April 2014: As the European Union (EU) bans mangoes from this country starting 1 May, it could leave a bitter-sweet taste in Indians' mouths. While mango lovers would have the tastiest alphonso and kesar varieties at more affordable rates, traders and exporters stand to lose a few hundred crores.

Local prices have been down 15 per cent for the last few days. Traders expect a further fall of 25 per cent in 15-20 days, as excess supplies start coming. While the EU is not a major market for Indian mangoes (accounting for less than 10 per cent of total exports), nonetheless, any ban hits traders who have to struggle to find new markets to divert excess stocks. Traders say losses could be Rs 100-120 crore.

The Agricultural and Processed Food Products Export Development Authority (Apeda), however, is not panicking. Sudhanshu, western in-charge, says, "Of the 55,000 tonnes of exports in 2012-13, 3,890 tonnes went to the EU. This year, too, exports were allowed till April 30. The season for alphonso, major part of exports, lasts till mid-May. Already, 50 per cent has been exported." Apeda does not compile export data by categories.

While exporters would have a tough time cracking new markets, exports to the existing markets of the US, West Asia, China and Southeast Asia would increase. West Asia is a traditional market for Indian mangoes. It accounts for 50 per cent of exports.

Abhijeet Bhasale, managing director of Pune-based import-export house Rainbow International that is also into e-tailing through mangowale.com, said, "With the EU banning imports, exporters will not immediately be able to switch to other markets." He added India was likely to double exports to the US to 620 tonnes this year due to the capacity increase of the irradiation unit at Lasalgaon in Maharashtra.

Bhasale said overall export figures were higher than Apeda ones as many exporters were not registered with the latter. "Exports to EU were 6,000 to 7,000 tonnes last year."

Data from the National Horticulture Board show wholesale prices of alphonso having fallen from Rs 68-92 a kg on April 1 to Rs 40-50 a kg on April 30 in Mumbai. A Surat-based exporter said mango prices had come down 15 per cent in a week.

Nanjibhai Patel, a Junagadh-based trader said prices were likely to be down 25 per cent in 15 days as the season began. He added as traders attempted to divert excess supplies to other markets, they might end up getting lesser prices in the export market, too. The kesar variety is likely to take a hit in exports, as the season starts May on. Traders said kesar mango, produced mainly in Gujarat, was the second-most exported after alphonso, followed by the Banganapalli, Rajapuri and Dussehri.

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India threatens to drag EU to WTO on mango

Asian Age

3 May 2014: India on Friday threatened to take European Union (EU) to the World Trade Organisation (WTO), if it did not lift its ban on the import of Indian mangoes and vegetables. “We do hope that the EU will see sense, considering the strength of the economic partnership between India and EU, and not precipitate the situation any further, which leads us to go to the WTO,” said Union commerce and industry minister Anand Sharma.

He termed EU’s move to ban Indian mangoes as an “arbitrary action without any consultation.” The minister said that government has invested in creating world-class laboratories throu-gh the Agricultural and Processed Food Products Export Development Authority (APEDA) and their certification processes are acceptable to the EU, the US and other countries.

Mr Sharma noted that he had already written a letter on the matter to EU trade commissioner Karel De Gucht. “The EU has no justification and I have said in my communication that it will definitely have a very negative fallout in respect of our economic relationship,” Mr Sharma said.

EU has banned the import of Alphonso mangoes and four vegetables from India for the period from May 1 to December 2015 after authorities allegedly found consignments infested with fruit flies.He said APEDA has the mandate of certification of agri produce exports and that is acceptable to all countries. “That is why APEDA and the commerce ministry have taken up this matter," he said, expressing hope that the issue would be resolved. On Thursday, commerce secretary Rajeev Kher said that the issue should be addressed through consultation and not preferably at WTO.

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