Export of goods in first 3 weeks of July rises 45.13% to $22.48 billion

Petroleum, gems & jewellery, engineering goods drive growth; imports up 65%

OUR BUREAU
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Export of goods in the first three weeks of July have shot up by 45.13 per cent (year-on-year) to $22.48 billion propelled by the petroleum, gems & jewellery and engineering goods sectors.

Excluding petroleum, oil and lubricants (POL), export of all other goods increased 34.11 per cent in the July 1-21 period indicating that the spurt in shipments is not just because of rise in petroleum products.

Imports, in the first three weeks of July 2021, posted a sharper increase of 64.82 per cent to $31.77 billion, per provisional weekly estimates released by the Commerce & Industry Ministry on Friday.

Imports, excluding petroleum, increased 53.79 per cent in the period compared to the same period last year.

US exports go up

During the period, exports to the US increased by 51 per cent to $493.24 million, UAE by 127 per cent to $373.36 million, and Brazil by 212 per cent to $144.5 million.

The Commerce Ministry has also compared exports in July 1-21 with exports in the same period of 2019-20 to indicate the increase that may not be attributable to the low base in 2020-21 due to the pandemic-induced slowdown.

Exports of goods in the first three weeks of July 2021 were 25.42 per cent higher than exports over the same period of 2019-20. Exports excluding POL were also 24.81 per cent higher over the same period of 2019-20.

India's goods exports in June 2021 increased 48.34 per cent (year-on-year) to $32.50 billion. In the April-June 2021 period, cumulative value of exports was $95.39 billion, the highest ever merchandise exports in a quarter, posting an increase of 85.88 per cent (year-on-year).

$400-b target

Exports will need to keep up the growth momentum the entire fiscal year to achieve the target of $400 billion set by the government for 2021-22.

In the fiscal year April-March 2021, exports declined by 7.26 per cent to $290.63 billion compared to the previous fiscal as Covid-19 disruptions slowed down production and demand worldwide.

India tops in trade facilitation among Asian nations, shows UNESCAP survey

Score jumps to 90.32% in latest survey from 78.49% in 2019

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Finance Ministry said on Friday that India's score has risen significantly in the United Nation's Global Survey on Digital and Sustainable Trade Facilitation.

"India has scored 90.32 per cent in United Nation's Economic and Social Commission for Asia Pacific's (UNESCAP) latest Global Survey on Digital and Sustainable Trade Facilitation.

"The survey hails this as a remarkable jump from 78.49 per cent in 2019," a statement by the ministry said. The report is published once in two years.

The survey has evaluated 143 economies in terms of trade facilitation reforms covering five indicators — transparency, formalities, institutional arrangement and cooperation, paperless trade and cross-border paperless trade.

Best performer

The survey noted that India is the best performing country when compared to South and South-West Asia region (63.12 per cent) and Asia-Pacific region (65.85 per cent). The overall score of India has also been found to be greater than many OECD countries, including France, UK, Canada, Norway, Finland, etc and the overall score is greater than the average score of EU. India has achieved a 100 per cent score for the transparency index and 66 per cent in the 'Women in trade' component.

The statement mentioned Central Board of Indirect Taxes and Customs (CBIC) introduced reforms under the umbrella of 'Turant' Customs to usher in a faceless, paperless and contactless Customs.

Customs lauded

This has had a direct impact in terms of the improvement in the UNESCAP rankings on digital and sustainable trade facilitation. Further, "during the Covid-19 pandemic, Customs formations have made all efforts to expedite Covid-related imports such as oxygen-related equipments, life-saving medicines, vaccines, etc. A dedicated single window Covid-19 24/7 helpdesk for EXIM trade was created on the CBIC website to facilitate quick resolution of issue(s) faced by importers," the statement said.

M Ajit Kumar, Chairman, CBIC, said that the National Committee on Trade Facilitation (NCTF) headed by the Cabinet Secretary and housed by the CBIC has been overseeing many of the stated reforms and was the primary respondents in the survey.

"This effort in improving facilitation levels is even greater as it has been achieved largely amidst pandemic," he said in his weekly newsletter to all officers and employees of CBIC.

1,096 SEZ units register, 336 exit in last three years, says Goyal

No provision to grant additional fiscal incentives to SEZs at present

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As many as 1,096 units were registered during the last three years in various SEZs across the country, while 336 units exited during the period.

"The reason of such winding of operations includes variations in international market conditions, slowdown of orders, merger of units and Covid-19 pandemic," Commerce & Industry Minister Piyush Goyal said in a written reply in the Rajya Sabha on Friday.

There is no provision to grant additional fiscal incentives at present to SEZs, the Minister clarified, stating that fiscal concessions and duty benefits allowed to SEZs are inbuilt into the SEZ Act, 2005.

Sunset clause

With the sunset clause on income tax exemptions for SEZ units becoming effective last year, the zones have been asking the government for new incentives to retain their attractiveness for investors. Goyal said that SEZs set up under SEZ law had largely met their objectives in terms of performance in exports, investment and employment. Exports valued at ₹22,840 crore in 2005-06 had increased to ₹7,59,524 crore in 2020-21; investment of ₹4,035.51 crore in 2005-06 had increased to ₹6,17,499 crore (cumulative basis) by 2020-21 while employment provided to 1,34,704 persons in 2005-06 had increased to 23,58,136 persons (cumulative basis) in 2020-21, he said.

US Secretary of State to meet PM next week

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US Secretary of State Antony Blinken will discuss a multitude of issues such as co-operation on Covid-19 response, security interests, shared democratic values and the climate crisis with Prime Minister Narendra Modi and External Affairs Minister S Jaishankar, in New Delhi on July 28, the US Department of State has confirmed.

Blinken will travel to New Delhi and Kuwait City, between July 26 and July 29, to reaffirm the US' commitment to strengthening our partnerships and underscore cooperation on our shared priorities, according to Ned Price, Department Spokesperson.

To aid BPCL divestment, Cabinet decides to raise FDI to 100% in oil PSUs up for sale

DPIIT may officially notify the changed FDI rules later

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The Union Cabinet's decision to increase the FDI limit in public sector refineries up for disinvestment to 100 per cent through the direct route, from the existing 49 per cent, is likely to help in divesting the government's stake in public sector oil refiner BPCL.

"The increase in FDI limit to 100 per cent is for oil PSUs that are to be disinvested. For the rest, the FDI limit stays at 49 per cent," a senior

official confirmed. The government, however, did not make any official announcement on this decision taken at the Cabinet meeting on Thursday, probably due to the on-going Parliament session and the sensitivity of the matter.

The Department for Promotion of Industry and Internal Trade (DPIIT), the nodal department for policy on FDI, is likely to officially notify the change in FDI rules at a later date.

Disinvestment plan

The FDI cap of 49 per cent on oil refineries was proving to be a hitch in the government's attempts to sell its near 53 per cent stake in BPCL, which is the country's second-largest refiner.

The planned stake-sale is part of the government's efforts to raise ₹1.75-lakh crore from disinvestment of public sector companies and financial institutions in 2021-22.

"With the decks now cleared for FDI up to 100 per cent in oil PSUs with in-principle approval for disinvestment, it is being hoped that the sale will go through early," another official said.

Apart from BPCL, the government is looking at strategic sale of other PSUs such as IDBI Bank, LIC, BPCL, Shipping Corp, Container Corporation, Neelachal Ispat Nigam Ltd.