

NEWS FLASH –17th March, 2016

SUGAR

Myanmar is surprise bulk buyer of Indian sugar

Shipments estimated close to 9.5 lakh tonnes; trade suspects sweetener flowing to China from Yangon

Even as sugar millers show reluctance to sell their produce overseas on the rising trend in domestic prices, the shipments of the Indian sweetener to Myanmar are seen touching a million tonnes.

Myanmar has emerged the biggest buyer of the Indian sugar in the current 2015-16 season with shipments estimated at close to 9.5 lakh tonnes, so far, as against a mere 1,040 tonnes in the corresponding period last year, according to the Indian Sugar Mills Association (ISMA).

Chinese connection

Trade sources suspect that the final destination for the Indian white sugar finding its way into Yangon could be China, the largest buyer of the sweetener.

China had reportedly imported 5.5 million tonnes of sugar in 2014-15 topping the list of large sugar purchasing nations that include Indonesia and United States among others.

Export prospects

Officials at ISMA said that sugar exports in the current season, so far, have topped 11.5 lakh tonnes against 2 lakh tonnes in the corresponding period last year.

Bulk of the Indian exports were shipped to Myanmar, which has emerged as the largest buyer this year.

Indian millers have so far, contracted about 13.88 lakh tonnes of sugar for exports. "Besides Myanmar, the shipments are happening to the Middle East, Sri Lanka and Egypt among other countries," said MG Joshi, Managing Director of the National Federation of Sugar Co-operatives, the apex body of sugar co-operatives in the country.

Govt subsidy

In a bid to help resolve the sugar sector crisis, the Centre had announced a subsidy of Rs. 45 per tonne to the cane growers and had linked it to the export performance of the sugar mills.

The government had stipulated that mills export at least 80 per cent of the surplus of 40 lakh tonnes for the current season to avail the subsidy.

However, with the sluggish trend in overseas shipments mainly on account of the millers' reluctance to sell their produce overseas due to higher domestic prices, the total exports may not even touch 20 lakh tonnes, trade sources said.

Sugar prices have firmed up in the domestic market even as the crushing has entered the last leg of the current season.

Ex-factory prices in the largest producing state of Maharashtra, which had touched a low of around Rs. 2,000 a quintal at the beginning of the current crushing season in November have firmed up to around Rs. 3,000 levels now.

"Despite the increase in prices, mills are yet to recover the production cost, which currently stands at Rs. 3,200 per quintal," Joshi said.

Sentiment bullish

The market sentiment remains bullish on concerns of a lower output, a trend reflected in the futures prices on the NCDEX.

Production till February end stood at 19.94 million tonnes, marginally higher than corresponding last year's 19.58 million tonnes.

"A new market has opened up in Myanmar," said Abhijit Ghorpade of Ghorpade Agrovet, a merchant exporter in Kolhapur.

"There is export demand at Rs. 2,650, but millers are not interested to sell at a discount," he added.

(Source-<http://www.thehindubusinessline.com/todays-paper/tp-agri-biz-and-commodity/myanmar-is-surprise-bulk-buyer-of-indian-sugar/article8362253.ece>, published in the Business Line Print edition dated March, 2016)

Uptrend in sugar market

Firm trend continued in sugar market on back of tight mill tender rates. On the Vashi spot market, prices rose by ₹ 5-10 a quintal while at naka and mill level it remained stable. Higher festival demand kept volume at mill and market level higher.

Freight rates were unchanged. Arrivals to the Vashi market eased to 60-61 truck loads while local dispatches were at 61-62 loads. The Bombay Sugar Merchants Association's spot rates: S-grade ₹ 3,300-72 and M-grade ₹ 3,372-3,462. Naka delivery rates: S-grade ₹ 3,290-3,340 and M-grade ₹ 3,320-80.

(Source-<http://www.thehindubusinessline.com/markets/commodities/uptrend-in-sugar-market/article8361129.ece>, published on March 16, 2016)

CO-GEN/ POWER

Piyush Goyal wants Africa to join ISA club in clean energy drive

Power Minister Piyush Goyal today called upon African nations to join the International Solar Alliance (ISA) to promote the renewable source of energy across the globe.

"African countries would benefit immensely by joining the ISA that is headquartered in New Delhi," Goyal said while addressing the 11th CII-Exim Bank Conclave on India-Africa Project Partnership here.

Exim Bank, the minister said, would explain the finer aspects of ISA to African governments and also work towards engagement of Indian companies for solar projects in Africa through the line of credit (LoC) route.

He suggested that India and Africa should deepen partnerships for development of micro grids and off grids as part of efforts for realisation of UN's Sustainability Development Goals (SDGs) well before year 2030.

On the occasion, Ghana Trade and Industry Minister Ekwow Spio Garbrah said African governments have their focus on governance systems, regulatory framework, entrepreneurship development and the like, creating highly investment-friendly domestic environment.

Garbrah identified infrastructure development, healthcare and agriculture as three focus areas that call for deeper India-Africa partnerships. He proposed that Ghana could extend expertise in growing cocoa in India.

According to Garbrah, India could play a key part in creating solar energy development capacity across the vast Sahara desert where land is not arable.

On implementation of projects launched by India in Africa, he called for setting up an international coordination mechanism to ensure seamless and timely implementation of projects.

Responding to this, Goyal said he would take up the matter of project coordination with External Affairs Minister Sushma Swaraj.

He also stated that through ISA, they could extend into other renewables like wind energy, geothermal energy and the like.

The Power Trading Corporation and Exim Bank are considering plans to take up capacity building in renewables in Western Africa.

He also came up with the idea of formation of a multi-disciplinary energy team that can partner with individual African countries to take energy to people.

The conclave saw a participation of over 500 delegates from Africa and some 300 B2B meetings

(Source-<http://energy.economictimes.indiatimes.com/news/renewable/piyush-goyal-wants-africa-to-join-isa-club-in-clean-energy-drive/51419580>, published March 16, 2016)

J&K to net Rs 9,800 cr benefit through UDAY

Jammu and Kashmir has joined the Centre's debt recast scheme for power distribution companies and is expected to net benefits worth Rs 9,800 crore through reduction of interest burden on debt and measures like reduction in transmission losses, use of energy efficient appliances and coal reforms. In all nine states have signed an agreement with the Centre for the Ujwal Discom Assurance Yojana (UDAY). The states have a combined debt of about Rs 1.94 lakh crore, which is about 45% of the total outstanding discom debt of Rs 4.3 lakh crore.

(Source-<http://indianpowersector.com/2016/03/jk-to-net-rs-9800-cr-benefit-through-uday/>, published March 16, 2016)

THOUGHT OF THE DAY:

"A moment's insight is sometimes worth a life's experience." - Oliver Wendell Holmes, Sr.