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| |  |  | | --- | --- | |  | | |  |  | |  | **Aluminium News Daily**    9th February 2020  Primary contact [Furkaan Khan](mailto:agr.knowledge@xyz.com?subject=Platts%20AD%20trade%20case)     * **(**[sdfasf]($%7blink%7d)**)** * **(**[Business Standard](https://www.business-standard.com/article/companies/primary-aluminium-exports-jump-21-in-h1-but-producers-hit-by-import-surge-118120300785_1.html)**)**   India’s 1HFY19 aluminium exports total 772Kt (🡩21%YoY)  [sdfasf]($%7blink%7d) **(**[Yicai](https://yicaiglobal.com/news/xinjiang-joinworld-plans-usd831-million-aluminum-oxide-plant-in-guinea)**)**  **Primary aluminium exports jump 21% in H1, but producers hit by import surge (**[Business Standard](https://www.business-standard.com/article/companies/primary-aluminium-exports-jump-21-in-h1-but-producers-hit-by-import-surge-118120300785_1.html)**)**  The country's primary aluminium exports have recorded a 21 per cent spike in H1 (April-September period) of this financial year, fuelled by a surge in aluminium imports of primary and fake semis. Industry data shows that in HI of FY19, exports of aluminium ingots reached 772,000 tonnes in volumes, up from 638,000 tonnes in the corresponding period of the last financial year. Primary producers maintain that exports have been driven by a consistent spate of imports and not by the US-China trade war. Post the trade conflict, the country's aluminium exports have slowed to nine per cent, they claim, disowning the allegations from the Aluminium Secondary Producers Association (ASMA). ASMA opined that the trade war between the US and China has come as a blessing in disguise to primary producers as they are exporting a huge quantity of aluminium billets and ingots. "The trade war and sanctions of Rusal has opened many newer avenues to them to export metal in other countries where premiums are much higher than MJP (Main Japanese Ports) and also better exports benefits. Vedanta, a prominent exporter, has produced and exported 420,000 tonnes of metal in the first six months of the current financial year in their SEZ (Special Economic Zone) plant alone as compared to 666,000 tonnes in the whole of last year," the association said in an e-mailed response to Business Standard. Primary producers -- represented by Vedanta Ltd, National Aluminium Company (Nalco) and Hindalco Industries -- countered ASMA's claims. According to primary producers, an unhindered growth in imports is steadily eroding their market share. While the US-China trade tussle has not impacted premiums for the primary producers, the 10 per cent tariff on all aluminium products imported into the US has hurt the Indian exporters as well. "Overall, in the past seven years, imports have grown at a CAGR (compounded annual growth rate) of 12 per cent; as a result of which, the market share for imports in domestic consumption has increased to 60 per cent compared to 40 per cent in FY11. This has been a serious threat for the domestic industry, which invested heavily into upstream capacity over the last few years. Thus, it is left with no choice but to export its surplus production," an industry source said. Cheaper metal from China is flooding the Indian market in the form of fake semis. Such products are metal exported from China in coil form to claim the VAT (value added tax) rebate incentive offered by the Chinese government for downstream exports. Figures from the primary producers estimate fake semis imports from China at 68,000 tonnes in April-October, soaring 14 times compared to the year-ago period. Primary producers are feeling slighted in the domestic market as imports of fake semis and downstream products from China has vaulted 62 per cent year-on-year (y-o-y) during April-October. Apart from the Chinese imports onslaught, India's FTA (Free Trade Agreement) partners, especially the ASEAN countries, continue to expand their presence in primary aluminium segment, registering 24 per cent y-o-y growth. Overall scrap imports rose 22 per cent y-o-y in this period, with the US clocking the largest growth of 143 per cent after China levied 25 per cent import duty on scraps sourced from the US. Aluminium consumption in the country between April and October 2018 rose 14 per cent y-o-y. Production, too, moved up in line with demand at 14 per cent. But the firm domestic growth story was dented by swelling imports. The incremental domestic demand of 286,000 tonnes was overwhelmingly met by imports of 267,000 tonnes. The import surge stifled the domestic producers who had to be content with a measly two per cent sales growth in this period. | |  | This report is saved at **Aluminium News Daily** | |  | LEGAL INFORMATION © 2018 This email is for internal use only and contains information that is strictly confidential and proprietary to the XYZ Group. The contents of this email are intended only for use within the XYZ Group and any unauthorised access, use, copying or distribution by or to persons outside the XYZ Group is strictly prohibited. | |