

Copper exports plunge 69% in FY19 on Sterlite unit closure: Exporters' body

FE BUREAU
Chennai, April 23

THE EXPORT OF copper and copper products in March 2019 declined sharply by 60.8% to \$127.43 million as compared to the same month in 2018.

Cumulatively for FY19, the export of the metal and its products dropped by whopping 69.4% to \$1.065 billion, against the previous fiscal due to the shutdown of Sterlite Copper smelter plant at Tuticorin in Tamil Nadu, said Engineering Export Promotion Council (EEPC) on Tuesday.

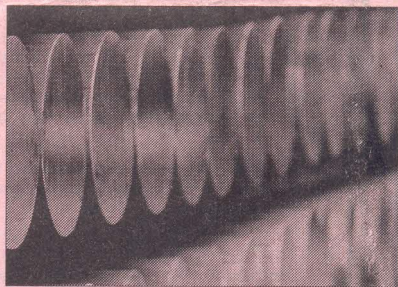
Stressing the marked drop in exports and the need to prevent import of inferior/hazardous quality of copper scraps into India, the Council has urged the Union government to bring in a copper scrap policy immediately.

"In order to prevent the import of inferior quality and hazardous copper scrap, we would like to suggest that the government should develop internationally compatible standards and may bring a copper scrap policy like that of steel scrap," the apex engineering exporters' organisation has said.

India's domestic refined copper production had fallen significantly during the first half of 2018-19 mainly due to the shutdown of the 400-MT Tuticorin smelter of Sterlite which accounted for 40% of the country's copper smelting capacity.

Recently, the Supreme Court refused to allow Vedanta to reopen Sterlite Copper's Tuticorin plant. Therefore, in this context, EEPC India feels that the declining trend in the exports of copper would continue.

Domestic industry relies heavily on imports of copper concentrate from far-off countries, particularly from South Africa, in a big way. This really increases the cost of production. The duty on the copper concentrate is currently 2.5% while the finished goods coming at zero duty. Thus, there is a situation of inverted duty structure. The Union government should consider removal of this duty to help the industry becoming globally competitive," EEPC India chairman Ravi Sehgal said. Another source of copper concentrate was Indonesia which, according to



Stressing the marked drop in exports and the need to prevent import of inferior/hazardous quality of copper scraps into India, the Council has urged the Union government to bring in a copper scrap policy immediately

industry, has imposed an export tax. This in turn is making our imports expensive. Indonesia is a FTA partner of India under the ASEAN agreement and the government should take up this issue at government-to-government level, he said, adding that import of inferior quality/hazardous copper scrap should be curbed.

The EEPC India chief, while expressing concern over the recent announcement by the US president Donald Trump to withdraw India's name from the Generalised System of Preferences (GSP) programme recently, said: "Withdrawal of GSP will definitely have adverse impact on the products (833 engineering products out of 1,900 total products) exported from India which are mostly manufactured by Indian MSMEs."

It said the Indian engineering export had been going through a tough time because of high input cost, issues with GST, lack of finance for MSMEs and sluggish global economies. In this context, the sudden withdrawal of GSP by the US will be detrimental for Indian exporting community. The government should provide some fiscal support for affected products especially for the labour intensive MSME sector, the council chairman said.