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Swiss Steel offers 'green' branded stainless product

The Lucerne, Switzerland-based Swiss Steel Group is now offering Green Steel Stainless+, which it calls a "new variant of completely stainless steel [that] demonstrates our commitment to sustainability and the protection of our environment."

The company says its branded product is "characterized by its outstanding properties." Continues the metals producer, "Depending on the requirement profile, it is corrosion and heat resistant, offers excellent mechanical properties or is non-magnetic. It also scores with its visual and architectural advantages, which makes it particularly attractive for a wide range of applications."

Potential applications, according to Swiss Steel, include use in the construction industry, in the automotive sector, for household appliances and in medical and aerospace technology.

Although the production of corrosion-resistant steel requires the use of ferroalloys at specific chemistries, Swiss Steel says its use of electric arc furnace (EAF) technology allows it to use recycled metal as its "main input material."

The production of stainless steel from scrap, adds the company, "requires strict sorting." Swiss Steel says metal produced at its Ugitech facility in France averaged a recycled-content percentage in 2023 of 77.4 percent. "This is made up of new scrap (internal scrap and production scrap) and old scrap (postconsumer)," states the company.

Now, Green Steel Stainless+ is produced in accordance with ISO 14021 and contains more than 95 recycled material, according to the firm.

"Our scrap is carefully sourced and sorted mainly from Europe," says Swiss Steel. "These measures have enabled us to reduce Scope 3 emissions [of] Stainless+ by over 75 percent, and the CO2 footprint is around 1.0 tons of CO2 equivalent per ton of steel supplied."

Swiss Steel calls the introduction of Green Steel Stainless+ "a significant step in our efforts to offer more environmentally friendly and sustainable products. We are proud to meet the needs of our customers while protecting our planet."

Source : https://www.recyclingtoday.com

Indian steel exports struggle against China's ultra-cheap shipments

Indian steel exports are struggling and are likely to face continued challenges, as overcapacity and weak domestic demand in China prompt the world's second-largest economy to flood the global market with ultra-cheap steel.

India's steel exports in May 2024 were recorded at 0.5 million tonnes (mt), nearly 25% lower month-on-month (m-o-m) from around 0.66mt in April, per provisional data available with BigMint, a market research and consultancy firm.

"The steel export market is currently distorted and lacks attractiveness due to China's continued strategy of flooding the global market with low-priced steel. Low domestic demand in China is leading to substantial exports at prices below the cost of production," Ranjan Dhar, director and vice-president, sales & marketing, ArcelorMittal Nippon Steel India (AM/NS India), told Mint.

According to a report by BigMint, export prices of hot-rolled coil coming from China have fallen to $520 per tonne from $525 per tonne within a week, leading to a continued pressure on global steel prices. In comparison, Indian export prices hovered in a range of $650-$660 (₹54,500-₹55,000) per tonne, higher than China's rates.

China's crude steel production rose 8.1% m-o-m to 92.86mt in May, from 85.94mt in April. In May last year, China's crude steel production stood at 90.4mt.

China exported around 94mt of iron and steel products globally in the calendar year 2023, a 38% increase over 2022, according to a recent Crisil report. "This number may likely rise to more than 100mt this calendar year," said Dhar.

This also means an uptick in exports from China to India. According to a steel ministry report, value of Chinese steel exports to India rose from $391.67 million in March to $434.01 million in April this year.

Balancing Act Amid Global Challenges

According to provisional government data, India's finished steel imports stood at 8.3mt in FY24, up 38%. China, South Korea, Japan and Vietnam were the major contributors, the Crisil's report on the sector said.

Weak global demand and falling input costs have weighed on steel prices. Coking coal prices fell 7% week-on-week to $239 per tonne FOB (free on board) on 21 June, according to BigMint.

This has prompted Indian steel mills to focus on domestic demand, as exports remain a margin-dampening prospect. While competitive prices in West Asia and Southeast Asia remain a concern, the situation in Europe is deteriorating due to weak demand and a rigorous regulatory environment in play.

"Major competition for Indian steel exports is evident in the Middle Eastern and Southeast Asian markets, where China continues to flood the market with cheap exports, putting pressure on Indian mills. With European demand also remaining weak, Indian producers are increasingly focusing on the domestic demand," said Dhruv Goel, chief executive officer of BigMint.

However, domestic demand environment is not particularly strong, either, as monsoon rains and budget-related uncertainties weigh on prices. India exported steel worth ₹98,117 crore in FY24, down from ₹1.07 trillion in FY23.

"India stands out as a bright spot in the global steel market. Although domestic demand is currently sluggish, it is expected to rise with a renewed focus on capital expenditure by both the government and the private sector," added Dhar. "However, India must remain vigilant in its growth efforts, as cheap Chinese imports pose a serious threat."

Source : https://www.livemint.com/

Indian exporters may face higher costs once EU's ecodesign norms kick in

The European Union's ecodesign norms, which kick in from January 2026, and mandate a QR or bar code that outlines the environmental sustainability of a product, could spell trouble for the developing world, including India's small businesses.

The Ecodesign for Sustainable Products Regulation or ESPR warrants that imported products meet EU's stringent sustainability standards, including a Digital Product Passport for traceability. This aims to ensure that all products entering the common market meet the bloc's high environmental standards.

ESPR will push up costs of products because of changes needed in production processes. This could hurt exports from developing countries as the competitiveness products from these economies enjoyed would be eroded due to the compliance cost involved in meeting high EU standards, Global Trade Research Initiative (GTRI) said in a report on June 19.

The report listed exporters of iron, steel, aluminium, textiles, furniture, mattresses, tyres, detergents, paints and lubricants as among the first to be affected by the new rules.

The EU will roll out these standards beginning with select products in January 2026 and then extend it to all by 2030.

What is ESPR?

Proposed in March 2022, will replace the EU's existing Ecodesign Directive, introducing more norms for a broader range of products.

ESPR is a part of the EU's Green Deal that proposes a bunch of legislations aiming to make the EU carbon neutral by 2050.

Officially adopted by both the European Parliament and the Council in April and May 2024, respectively, the ecodesign regulation itself is now in place, but product-specific requirements will be defined in separate delegated acts and are expected to be rolled out by 2030.

Textile troubles?

This could mean that companies within the EU will scale back imports so that the likelihood of surplus stocks reduces. And given that almost all textiles in global trade originate in Asia, the result could be a drop in orders.

However, according to Ajay Sahai, the director-general and CEO of the Federation of Indian Export Organisations, ascertaining the impact on Indian exports would be premature given that the norms kick in only after two years. He added that challenges, if at all, will depend on whether there are broad rules or specific ones for these items.

"If there are generic rules to be followed, India is already largely meeting them, be it recyclability or ensuring minimum impact on the environment," he said.

Specifically, on the ban on destruction of certain goods, Sahai said that seemingly only pertains to exceptional situations.

D. K .Singh, vice president, Textile Association (India), agrees that the impact on Indian exports of textiles should be limited.

"Textile exports are largely on garments. And India itself is a very large country of 1.4 billion and, therefore, the domestic market consumption is huge. Exports are requirement-based alone, so the impact should not be large on account of the EU rules. If you are doing a straight business, there is no problem. Restrictions come in if consignments that reach have an issue," Singh added.

Some challenges

According to Ajay Srivastava, founder of GTRI, one potential challenge for Indian exporters once the ecodesign norms come into play would be to ensure that a product is sustainable as well as of high quality.

A product can be of high quality without being sustainable if, for example, it uses non-renewable resources or cannot be recycled. Conversely, a sustainable product aims to minimise its environmental footprint while maintaining acceptable quality standards, he added.

India's exports to European countries stood at $98.88 billion in FY24, registering an on-year growth of 1.46. This includes exports to 38 countries or territories across 31 commodities.

Ready-made garments of all textiles are among the top 10 exported products from India to Europe, comprising 6 percent of the total share of outbound shipments to this region. In the top three are engineering goods, petroleum products and electronic goods.

GTRI suggested some key steps for Indian exporters to prepare for the upcoming ecodesign regulations, including conducting assessments to evaluate the environmental impact of their products throughout their lifecycle, developing compliance plans to create strategies to meet the ESPR requirements for affected categories, and engaging with suppliers to ensure that necessary sustainability data s provided for Digital Product Passports.

These rules comes at a time when Indian exports are already struggling with the EU's Carbon Border Adjustment Mechanism, deforestation and supply chain regulations, GTRI said, adding that Indian firms exporting to the European markets must proactively prepare to comply with ESPR requirements to maintain their market presence and leverage the shift towards sustainability for competitive advantage.

It is still early days to ascertain the full impact of the ecodesign norms, but given that the bloc has issued over 50 major legislative proposals and initiatives as part of the European Green Deal, the adverse implications on trade could be expansive and real.

Source: https://www.moneycontrol.com

Rs 76,000-cr Vadhavan Port project in Maharashtra gets Cabinet approval

The Union Cabinet, in its second meeting under the Narendra Modi government’s third term, on Wednesday approved the Rs 76,220 crore Vadhavan Port project in Maharashtra after months of deliberations.

This will be one of the largest port projects in India and is expected to serve as a gateway port for the upcoming India-Middle East-Europe Corridor (IMEC) and International North-South Transportation Corridor (INSTC).

The Cabinet also initiated the plan for the country’s first set of offshore wind power projects by approving a viability gap funding (VGF) scheme of Rs 7,453 crore. Other decisions include increasing the minimum support price for kharif crops in the range of 5 to 12.7 per cent.

“The Cabinet decision on developing a major port at Vadhavan in Maharashtra will boost economic progress and also create employment opportunities on a large scale,” Modi said in a post on X.

The port will be constructed by Vadhavan Port Project Limited (VPPL), a special purpose vehicle formed by the Jawaharlal Nehru Port Authority (JNPA) and Maharashtra Maritime Board (MMB) with a shareholding of 74 per cent and 26 per cent, respectively.

Vadhavan Port will be developed as an all-weather greenfield deep draft major port.

The project’s cost will include the development of core infrastructure, terminals, and other commercial infrastructure in a public-private partnership (PPP) mode, a government statement said.

To establish connectivity to the upcoming port, the Cabinet also approved the establishment of road connectivity between the port and national highways by the Ministry of Road Transport & Highways and rail linkage to the existing rail network and the upcoming Dedicated Rail Freight

Corridor by the Ministry of Railways.

"The world-class maritime terminal facilities will promote PPP and leverage efficiencies and modern technologies to create state-of-the-art terminals capable of handling mainline mega vessels plying on international shipping lines between the Far East, Europe, the West Asia, Africa, and the Americas. Vadhavan Port, on completion, will be one of the top 10 ports in the world," the Cabinet said in a press release.

According to the port's proposal, the entire project will see the government invest Rs 38,000 crore, with a broadly equal amount sought from private-sector players who win the bids for the nine terminals.

The current cost of the project is a Rs 11,000 crore increase from 2020 when it first received in-principle approval from the Union Cabinet. Earlier, the project encountered delays due to environmental concerns. The Centre has planned initiatives to address the concerns of local communities, which had been protesting against the clearance granted by the Dahanu Taluka Environmental Protection Authority in August 2023, citing the potential for major environmental damage and loss of livelihood for local communities.

Offshore wind projects get wings

The Union Cabinet approved a viability gap funding (VGF) of Rs 7,453 crore to initiate the country's first set of offshore wind power projects. The VGF amount for offshore wind power projects includes an outlay of Rs 6,853 crore for the installation and commissioning of 1 gigawatt (Gw) of offshore wind energy projects (500 Mw each off the coast of Gujarat and Tamil Nadu), and a grant of Rs 600 crore for the upgradation of two ports to meet logistics requirements for offshore wind energy projects.

"The VGF support from the government will reduce the cost of power from offshore wind projects and make them viable for purchase by power distribution utilities. While the projects will be established by private developers selected through a transparent bidding process, the power evacuation infrastructure, including the offshore substations, will be constructed by Power Grid Corporation of India Ltd," a government statement said.

Under the scheme, two ports in the country will be supported by the Ministry of Ports, Shipping & Waterways to meet the requirements of offshore wind development.

Last September, the MNRE issued a tender for the development of offshore wind projects off the coast of Tamil Nadu with a cumulative capacity of 7 Gw. The high cost of offshore projects was a deterrent for investors, along with a lack of clarity on transmission infrastructure.

Source: Business Standard

The UK overtakes China as India's fourth largest export market In May.

The United Kingdom (UK) has overtaken China to become India's fourth-largest export market in May. The UK was India's sixth-largest export destination in May last year. While exports to the UK grew by a third to $1.37 billion in May, the shipments to China saw 3 per cent growth at $1.33 billion last month. The disaggregated data for May wasn't immediately available, but trends over the past few months showed that exports to the UK were dominated by items such as machinery, food items, pharmaceutical products, textiles, jewelry, iron, and steel, among other items. Commerce department data showed that India's top 10 key export markets witnessed positive growth in May, reversing the trend when exports to some of these countries contracted for more than a year.

These 10 countries comprise 52 per cent of the country's total value of goods exported in May. India's merchandise exports grew 9.13 per cent in May to $38 billion. This came in after several months of tepid growth in outbound shipments, amid volatile global demand and uneven economic recovery. The United States (US) continued to remain India's largest export destination, with 13 per cent growth, followed by the United Arab Emirates (UAE), which saw 19 per cent jump. Export to the Netherlands, which is also India's third-largest export market, soared to $2.19 billion with nearly 44 per cent growth in May. Other countries that showed positive growth include Saudi Arabia (8.46 per cent), Singapore (4.64 per cent), Bangladesh (13.47 per cent), Germany (6.74 per cent), France (36.94 per cent).

Out of India's top 10 import markets, inbound shipments from only Saudi Arabia and Switzerland in May contracted 4.11 per cent and 32.33 per cent, respectively. The remaining eight witnessed growth in May, in line with the overall merchandise imports that rose 7.7 per cent to $61.91 billion. Imports from Russia grew 18 per cent to $7.1 billion, mainly due to India's dependency on crude oil. The country continued to remain India's second-largest import destination, after China. In the case of China, the rise was 2.81 per cent at $8.48 billion. Imports from Switzerland, which is mainly driven by gold imports, contracted by nearly a third to $1.52 billion.

Growth in inbound shipments were seen in the case of the US (0.4 per cent), the UAE (18 per cent), Iraq (58.68 per cent), Indonesia (-23.36 per cent), South Korea (13 per cent), and Singapore (8.78 per cent). These 10 countries account for over 61 per cent of India's merchandise imports.

Souce : https://www.smeconnect.in

Record high ocean freight rates amidst Red Sea crisis

Ocean freight rates are heading to record high levels with global events like the Red Sea crisis; port congestion especially in the Middle East and Asia regions; container repositioning imbalance – with there being higher number of empty containers in Colombo and the Gulf region instead of China; and strong container demand being seen as prime causes.

Freight rates are up. And the Drewry index is up 2 times y-o-y in year-to-date CY24.

For the week-ended June 6, the (Drewry's) composite index increased 12 per cent to $4,716 per 40 ft container and has increased 181 per cent when compared with the same week last year. As per estimate, the current composite index of $4,716 per 40 ft container is 232 per cent more than average 2019 (pre-pandemic) rates of $1,420.

Benchmark freight rates, from Shanghai to Genoa increased 17 per cent or $971 to $6,664 per 40 ft container for the period under review, while rates from Shanghai to Rotterdam increased 14 per cent or $762 to $6,032 per 40 ft equivalent unit. Likewise, Shanghai to Los Angeles rates is up 11 per cent; while Shanghai to New York rates is up 6 per cent.

Drewry expects freight rates ex-China to continue rising next week due to the onset of the early peak season.

Also read: Sarbananda Sonowal takes charge as Minister of Ports, Shipping and Waterways

According to Indian research firm, Prabhudas Lilladher, June 2024 spot rates have already crossed 3-4x levels ($6000 - 10000/40ft).

Shipping companies such as Maersk (AP Moller) have raised their annual EBITDA guidance for CY24 by 50-75 per cent, or to $7 – 9 billion. In a statement, Maersk said, there was continued strong container market demand, "and the disruption caused by the ongoing crisis in the Red Sea" show signs of "further port congestion," especially in Asia and the Middle East and additional increase in container freight rates.

"This development is gradually building up and is expected to contribute to a stronger financial performance in the second half of 2024. Based on these developments, Maersk upgrades its full-year 2024 guidance... underlying EBITDA of $7 – 9 billion (previously $4 – 6 billion)," it said earlier this month.

Indian Ports

In India – the 12 major ports - saw its cargo traffic increase by over 2.5 per cent to 139.3 million tonnes (mt) in till May. Four ports - Kolkata & Haldia ports, Ennore, New Mangalore and Mormugao - saw a decline in cargo traffic. Vizag port saw the highest increase in traffic at nearly 14 per cent y-o-y growth.

JNPT will begin expansion at the port around April next year and it will increase capacity from 6.5 million twenty-foot equivalent units (TEUs) to 10 millionTEUs.

Navigating Red Sea crisis

“JNPT has been operating at nearly 100 per cent utilisation (FY24 volume at 6.4 million TEUs). Expected DFC connectivity by FY26 would require much higher port capacity. Thus, the planned port expansion will handle the projected near-to-medium term growth in cargo volumes,” Prabhudas Lilladher said in its report.

Chabahar connectivity could lead to an alternate East-West route and thus help India navigate the Red Sea crisis, the research firm further added.

Over the past three years, private ports in India have significantly outpaced major ports in growth, with APSEZ growing 18 per cent and JSW Infra at 32 per cent. “This highlights their increasing importance in the maritime logistics sector. APSEZ has begun FY25 with a 5 per cent volume growth,” the research firm said.

Source : https://www.thehindubusinessline.com

DGFT wants interest equalisation scheme for exporters to continue

In a move set to bring relief to exporters, the Directorate General of Foreign Trade (DGFT) has concluded that there is merit in continuing the interest equalisation scheme for the export sector and is in discussions with the Finance Ministry on the terms of its extension beyond the month-end, sources have said.

India in trade deficit with 9 of top 10 trading partners in 2023-24: Data

India has recorded a trade deficit, the difference between imports and exports, with nine of its top 10 trading partners, including China, Russia, Singapore, and Korea, in 2023-24, according to official data.

The data also showed that the deficit with China, Russia, Korea, and Hong Kong increased in the last fiscal compared to 2022-23, while the trade gap with the UAE, Saudi Arabia, Russia, Indonesia, and Iraq narrowed.

The trade deficit with China rose to $ 85 billion, Russia to $ 57.2 billion, Korea to $ 14.71 billion and Hong Kong to $ 12.2 billion in 2023-24 against $ 83.2 billion, $ 43 billion, $ 14.57 billion and $ 8.38 billion, respectively, in 2022-23.

China has emerged as India's largest trading partner with $ 118.4 billion of two-way commerce in 2023-24, edging past the US.

The bilateral trade between India and the US stood at $ 118.28 billion in 2023-24. Washington was the top trading partner of New Delhi during 2021-22 and 2022-23.

India has a free trade agreement with four of its top trading partners - Singapore, the UAE, Korea and Indonesia (as part of the Asian bloc).

India has a trade surplus of $ 36.74 billion with the US in 2023-24. America is one of the few countries with which India has a trade surplus. The surplus is also there with the UK, Belgium, Italy, France and Bangladesh.

India's total trade deficit in the last fiscal narrowed to $ 238.3 billion as against $ 264.9 billion in the previous fiscal.

According to trade experts, a deficit is not always bad, if a country is importing raw materials or intermediary products to boost manufacturing and exports. However, it puts pressure on the domestic currency.

Economic think tank Global Trade Research Initiative (GTRI) said that a bilateral trade deficit with a country isn't a major issue unless it makes us overly reliant on that country's critical supplies. However, a rising overall trade deficit is harmful to the economy.

"A rising trade deficit, even from importing raw materials and intermediates, can cause the country's currency to depreciate because more foreign currency is needed for imports. This depreciation makes imports more expensive, worsening the deficit," GTRI Founder Ajay Srivastava said.

He said that to cover the growing deficit, the country might need to borrow more from foreign lenders, increasing external debt and this can deplete foreign exchange reserves and signal economic instability to investors, leading to reduced foreign investment.

"Cutting trade deficit requires boosting exports, reducing unnecessary imports, developing domestic industries, and managing currency and debt levels effectively," Srivastava added.

Source : https://www.business-standard.com

No of hours' one should work per week for maximum output

The optimal number of working hours per week for maximum productivity can vary depending on the nature of the work, the individual's personal characteristics, and the work environment. However, there are some general findings and recommendations from research:

1. **Standard Recommendations:** Many studies suggest that the standard 40-hour workweek is a good balance for most people. Working beyond this can lead to diminishing returns in productivity and increased burnout.
2. **Four-Day Workweek:** Some research indicates that a four-day workweek (around 32 hours) can boost productivity. Studies from companies that have implemented this model often report higher efficiency, better work-life balance, and increased employee satisfaction.
3. **Cognitive and Creative Work:** For tasks that require a high level of cognitive function or creativity, working fewer hours can be more effective. Some experts recommend around 25-35 hours per week for such tasks.
4. **Breaks and Rest:** Regardless of the total number of hours worked, taking regular breaks and ensuring sufficient rest is crucial. The Pomodoro Technique, which involves working in short bursts with frequent breaks, is one example of this principle in action.
5. **Individual Variation:** It's important to recognize that optimal working hours can vary widely between individuals. Factors such as personal energy levels, work habits, and job demands play a significant role.

In summary, while the traditional 40-hour workweek is a common standard, many people and organizations find that fewer hours can lead to higher productivity and well-being. Experimenting with different schedules and monitoring productivity can help determine the best approach for each individual or team.

Source : the article is generated online using AI.

AI for small businesses:

AI offers several key benefits that can significantly help small businesses:

- Improved customer service - AI-powered chatbots and automation can provide 24/7 customer support, respond to inquiries quickly, and deliver a more personalized experience.
- Enhanced marketing and sales - AI can analyze customer data to enable highly targeted and personalized marketing campaigns, as well as generate content to support marketing efforts.
- Increased efficiency and productivity - AI can automate repetitive tasks, freeing up employees to focus on higher-value work, while also processing large amounts of data much faster than humans.
- Better decision-making - AI can uncover

insights from data to help small businesses make more informed, data-driven decisions rather than relying on intuition alone.

- Reduced errors and improved quality - AI can execute tasks with high accuracy and consistency, reducing human errors and improving the overall quality of work.
- By adopting AI strategically, small businesses can gain a competitive edge, streamline operations, enhance the customer experience, and drive growth

Source : Article is generated online.

Congestion at ports of Singapore, Shanghai / Ningbo escalates disruption in global shipping

While there is no respite in the Middle East for the shipping industry that continues to face hardship due to the Red Sea route suspension, there is now tension in the South East due to severe congestion at Singapore port and China's Shanghai/Ningbo ports has only aggravated the disruptions.

Data by Linerlytica show that 51 ships are at the Singapore port while 40 more are waiting at the anchorage. Similarly, at Shanghai/Ningbo port, 92 ships are at the port while 81 are waiting at the anchorage. Cumulatively, there are nearly 8 lakh TEUs (twenty foot equivalent units) on board the ships at the two ports while another 6.50 lakh boxes are on board the vessels waiting at the anchorage of the two ports.

Key factor

Bunching of vessels has led to major disruptions in the region and affecting the ship rotation. Ships with containers are waiting outside the two ports for over a week as against the usual availability of berth on arrival or waiting of just a day or two, said sources.

Indian trade uses the Singapore port as a major transshipment hub to supply goods in the region and connect the large 'mother' vessels to take the goods to Europe.

Due to the delay, many container ships are skipping the Singapore port. "We are unable to plan the exact date of supply of the cargo at the destination," said P Mathan of Thaipan Global Trading, Chennai, which exports red chilli and onion to South East Asian countries using Singapore port as the transshipment hub.

Israr Ahmed, Vice-President, FIEO, said major disruption at Singapore is having a spill over neighbouring ports like Port Klang, which is also a major transshipment port being used by Indian trade. It is estimated that nearly 7 per cent of the global ships are now caught up in this congestion. There are bound to be delays and cost implications for exporters, he said.

German shipping research firm Container xChange said due to the demand and supply situation, the average prices for 20-ft dry containers are rising at a similar pace in Singapore - from $950 in September 2023 to over $1,200 now.

Alternative ports

Several shipping lines have started omitting Singapore in favour of other regional ports. For instance, Mediterranean Shipping Company has diverted some transshipment operations to Indian ports, while carriers like ONE and OOCL are discharging Singapore-bound cargo at Port Klang in Malaysia. This shift is putting additional pressure on these alternative ports, exacerbating regional congestion and delays, the firm said.

The persistent congestion at a key hub like Singapore can impact global trade flows, affecting the movement of goods between Asia, Europe, and the Americas, said Christian Roeloffs, Co-founder and CEO of Container xChange.

Source : https://www.thehindubusinessline.com/

How to scale business

Here are some of the best ways for small businesses to hedge against currency volatility:

Natural Hedging

One of the most effective ways to mitigate currency risk is through natural hedging. This involves matching currency inflows and outflows, such as generating revenues in a foreign currency and using that to pay for costs incurred in the same currency. If the majority of sales are in USD, seeking financing in USD can also provide a natural hedge.

Forward Contracts

Forward contracts allow businesses to lock in an exchange rate for a specific period of time, protecting against adverse currency movements. By entering into a forward contract to sell a foreign currency at a predetermined rate in the future, companies can hedge against the risk of that currency depreciating.

Dynamic Hedging

Dynamic hedging strategies use rules-based methodologies and quantitative indicators to determine the optimal times to be hedged or unhedged, automatically adjusting currency exposure based on factors like momentum, interest rate differentials, and market trends. This can help capitalize on favorable currency moves while avoiding unfavorable ones.

Currency Swaps

Currency swaps enable the exchange of interest payments in one currency for the same in another currency, effectively hedging against currency risk. Companies can swap cash flows in a foreign currency for domestic currency at a pre-determined rate, securing foreign currency receipts.

Partial Hedging

Rather than fully hedging all currency exposure, which can be costly and limit upside if the currency moves favorably, many businesses opt for partial hedging. This involves hedging only a portion of the exposure to strike a balance between risk and reward. The goal is to determine the minimal amount of hedging necessary to achieve a target risk level while keeping costs down.By implementing a combination of these strategies, small businesses can effectively manage currency volatility, protect profit margins, and gain more certainty in their financial forecasts. However, it's critical to regularly review exposures and the effectiveness of the hedging program as market conditions change

Source : Generated using chat gpt.

India Businesses Vs Chinese counterparts.

Comparing Indian and Chinese businesses involves analyzing various aspects, including economic policies, business environments, market structures, and cultural factors. Here's an overview of some key differences and similarities:

Economic Policies and Business Environment

China:

- Economic System: Socialist market economy with significant government intervention.
- Government Role: The Chinese government plays a substantial role in the economy, with state-owned enterprises (SOEs) dominating key industries like energy, telecommunications, and banking.
- Regulation: The regulatory environment is tightly controlled, with strict regulations on foreign investments and operations. However, China has also created Special Economic Zones (SEZs) to attract foreign investments.
- Infrastructure: China has heavily invested in infrastructure, which supports business operations and logistics.
- Ease of Doing Business: China has improved its ranking in the World Bank's Ease of Doing Business Index, reflecting reforms aimed at streamlining business processes and reducing bureaucratic hurdles.

India:

- Economic System: Mixed economy with a significant private sector presence and a growing emphasis on liberalization and privatization.
- Government Role: The Indian government is less involved in direct business operations compared to China, with a focus on creating a favorable environment for private businesses.
- Regulation: India has made strides in improving the regulatory environment, but challenges remain, including bureaucratic red tape and complex tax structures.
- Infrastructure: While improving, India's infrastructure development lags behind China's, posing challenges for businesses, especially in logistics and transportation.
- Ease of Doing Business: India has also improved its ranking, but still faces challenges related to starting a business, enforcing contracts, and dealing with construction permits.

Market Structure and Industries

China:

- Manufacturing Powerhouse: China is known as the "world's factory," with a strong emphasis on manufacturing and export-oriented industries.
- Technology and Innovation: Significant investments in technology and innovation have positioned China as a leader in industries like electronics, telecommunications, and artificial intelligence.
- Domestic Market: China's large and growing middle class provides a substantial domestic market for consumer goods and services.
- International Presence: Chinese companies are increasingly expanding their global footprint through investments and acquisitions.

India:

- Service Sector Dominance: India's economy is heavily driven by the service sector, particularly IT and software services, which contribute significantly to GDP.
- Manufacturing Potential: India is working to enhance its manufacturing capabilities through initiatives like "Make in India," aiming to become a global manufacturing hub.
- Start-up Ecosystem: India has a vibrant start-up ecosystem, particularly in technology and e-commerce, supported by a growing number of incubators, accelerators, and venture capital investments.
- Domestic Market: Similar to China, India has a large and growing middle class, offering significant opportunities for consumer-oriented businesses.

Cultural Factors and Business Practices

China:

- Business Culture: Emphasizes hierarchy, respect for authority, and the importance of building long-term relationships (guanxi).
- Negotiation Style: Often involves patience, indirect communication, and a focus on building trust before closing deals.
- Work Ethic: High emphasis on discipline, hard work, and achieving targets, often leading to long working hours.

India:

- Business Culture: More flexible and adaptable, with a strong emphasis on entrepreneurship and innovation.
- Negotiation Style: Tends to be more direct and flexible, with a focus on finding mutually beneficial solutions.
- Work Ethic: Diverse work ethic influenced by cultural and regional differences, with a strong emphasis on education and skill development.

Challenges

China:

- Regulatory Risks: Businesses face risks related to sudden regulatory changes and government interventions.
- Intellectual Property: Concerns about intellectual property protection remain a significant issue.
- Debt Levels: High levels of corporate and local government debt pose economic risks.

India:

- Bureaucracy: Bureaucratic red tape and corruption can hinder business operations and investments.
- Infrastructure: Inadequate infrastructure in certain areas continues to be a barrier for businesses.
- Policy Uncertainty: Frequent changes in policies and regulations can create uncertainty for businesses.

Conclusion

Both India and China offer unique opportunities and challenges for businesses. China's strengths lie in its manufacturing capabilities, infrastructure, and government support for key industries, while India excels in the service sector, start-up ecosystem, and entrepreneurial culture. Businesses looking to enter these markets must navigate the distinct regulatory environments, cultural practices, and economic landscapes to succeed.

Source : AI

Why Do We Ignore Insurance in India?

Lack of awareness

Indian culture is rich in a lot of things, but financial consciousness is not one of them. Children and young adults are educated in social do's and don'ts, but not in matters of financial planning. All of us have seen examples around us when risk planning is discussed on the hind side.

But when life is running smoothly, we believe this party is going to last forever, and so we never plan for bad times.

We believe that our health is abundant and here to stay forever, but then we realize it's not the case. It is not until we see a family ruined by the bypassing of a breadwinner that we put our responsibilities in perspective and plan for a term or life cover. But the sad truth is that not every person gets that timely wake-up call, that firm nudge in the right direction.

Even when we buy an insurance policy, we only spend as much as others do or sometimes even lesser, all the while viewing insurance as an expense and not as the only dependable asset in the time of utmost need.

Affordability

Insurance costs money, and many people cannot afford to buy sufficient cover. However, things are changing now. With a lot of insurance plans available online, people can choose what suits their needs.

Poor marketing

Insurance is an intangible product; it is a promise that the insurance provider will provide compensation if a loss occurs. And selling a promise is no mean feat. Most people don't read the policy document or don't understand what they read in it. They rely on what is advertised about the product. But advertisements or marketing campaigns conducted by insurance sellers often adopt narratives that mislead customers. They provide incomplete or incorrect information to the customers, leaving them at the risk of being inadequately insured.

Apart from this, people in the rural and semi-urban parts of India still rely on age-old investment tools such as gold, cash deposits, etc. They believe that if ever a loss occurs, they can use financial borrowing methods to make good the loss rather than spend on insurance where they feel that there is an expenditure even without the occurrence of loss. However, what they fail to realise is that the loss amount coupled with the cost of borrowing could be very huge whereas the premium for an insurance policy is a meagre amount, in comparison. Such awareness and education need to form the basis of marketing insurance products so that people in every part of the country understand the importance of insurance.

Lack of clarity regarding returns on the policy

Many understand the need for insurance but still look at it primarily as a money-making investment option if not tax saving. They feel that they are compensated only if the policy offers returns. But insurance is not an investment tool and should not be treated as one. Those looking for insurance products that provide investment options need to understand that such products may provide neither good investment returns nor adequate insurance protection. Hence, it is important for the buyers to educate themselves and take such mixed instruments only over and above a core Health or life/term plan.

Conclusion:

Insurance is a safe and reliable tool to manage unexpected financial losses in life, which in most cases tend to be huge amounts. However, looking at insurance as only a recurring expense or a tool that can provide returns is diluting the purpose of insurance. Hence, it is important to understand how essential insurance is for you. While making choices regarding your insurance or insurance-linked product your priority should be to secure sufficient risk cover, and everything else can be an add-on. Otherwise, you run the risk of being left with only cream and no cake!

Source: https://www.ethika.co.in

□ □ □

New Membership

a) Name of the Firm : M/s. Jyoti Kitchen Industries Pvt. Ltd.
Address : Office No 114, 1st Floor, Plot No.8 Wadala Udyog Bhavan, Sewree Wadala Road No. 26, Wadala (West), Mumbai 400 031
Representative : –
Proprietor : Mr. Sarang B,. Gada, 9833140221
Email Id : gadasarang@niralibg.com / gadasarang@gmail.com
Nature of Business : Manufacturer, Export of S.S. Kitchen Sinks, & Import of S.S. Sheet / Coil / Accessories /Finished Products
The Firm Proposed by : Direct

b) Name of the Firm : M/s. Daga Steels and Utensils Pvt. Ltd.
Address : SPL-2, RIICO (Entre Phase 2, Maual Abu Road, Sirohi - 3070026
Representative : -
Proprietor : Mr. Pratik K. Jain 9369963950
Email Id : dagasupl@gmail.com
Nature of Business : Merchant, Import of S.S. Coil
The Firm Proposed by : Direct

AISSIA MUMBAI
ESTD. 1956

All India Stainless Steel Industries Association

302, Arun Chambers, Madan Mohan Malavia Road, Mumbai 400034.
Telefax : 022 23523764 • Tel.: 022 66576050 • Mob.: 98690 43764
Email Id. : aissiamumbai@gmail.com • Website : www.aissia.org

MEMBERSHIP APPLICATION

(Please fill in this form in block letters only)

Dear Sir,

I / We desire to be admitted as a Member of your Association.

Types of Membership : Life Member ☐ Associate Membership ☐

Name of the Firm : ____________________

Address : ____________________

____

City : ____________ Pin : ____________ State : ____________

Estd. Year : ________ E-mail : ____________ Website : ____________

Phone (with STD Code) Office : ____________ Mobile : ____________

Fax (with STD Code) : ____________ Factory : ____________

Branch Office Address : (if any) ____________________

____

Name(s) of Proprietor / Partners / Directors : ____________________

1) ____________________

2) ____________________

3) ____________________

Please include passport size photos of Proprietor or any 2 Partners / Directors

Name of person nominated to represent in the Association : ____________________

Designation : ____________ Telephone : ____________

Nature of Business :

Manufacturer ☐ Merchant ☐ Manufacturer & Merchants ☐ Services ☐ Consultancy Sector ☐ Others ☐ (Specify)

Category :

If registered as Export House, type of Certificate

Export Products :

Stainless Steel (1) Utensils ☐ (2) Cutlery ☐ (3) Others ☐ (Specify)

Import Products :

Stainless Steel (1) Sheets ☐ (2) Coils ☐ (3) Accessories ☐ (4) Finished Products ☐

(5) Others (Specify) ☐

Details of Registration :

(a) Pan Registration No.:____________ (b) GSTIN No. ____

(d) Member of any other Association : ____

(e) Bankers & Branch : ____

We wish to become an **Associate / Life Member** of the association and are enclosing a Cheque / Bank Draft in Favour of "**All India Stainless Steel Industries Association**"

Sr.No.	Type of Membership	Entrance Fee	Membership Fee	Annual Charge
1	Life membership	Rs. 500	Rs. 15,000	Rs. 2,500/-* year. Payable only after 5 yrs.
2	Associate Membership	Rs. 500	Nil	Rs. 4,000/-* year

*** +GST Tax Extra**

- Each Member has an option to pay Annual Charge of 5 years together.
- As an incentive to member and also for association's better fund management and less paperwork for all, any member intending to pay together the Annual Charge for 5 years will be charged for 4 years only. For example: Life Member will pay Rs. 10,000/- but his membership fees will be considered paid for 5 years.

We agree to abide by the Memorandum And Article of Association as may be inforce from time to time.

Proposed By : ____

Seconded By : ____

(The Proposer and the Seconder should be members of the Association)

Your Sincerely,

Signature

(Name : ______________________________)

(Designation : ______________________________)

Place : ______________ Date : ______________

(FOR OFFICE USE ONLY)

LIFE / ASSOCIATE

Source : Direct / Member / Other

Application Received on ______________________ by ______________________

Application Verified on ______________________ by ______________________

Payment : Rs. ______________________ Cheque / Draft No. ______________________

Drawn on Bank ______________________ Receipt No. ______________________

Applicant enrolled as a **Life Member / Associate Member** (accepted / refused) as decided in the Executive Committee Meeting held on ______________

Membership Enrolment No.: ______________

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