

India gauging impact of Ukraine conflict on its foreign trade: Finance Minister Nirmala Sitharaman

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The government is worried about the impact on its exports due to the Russia-Ukraine crisis, finance minister Nirmala Sitharaman said on Monday, and asked for feedback from the industry and trade on any difficulties on the payments front. Noting that the areas of concern include pharmaceutical exports and imports of fertilisers from the region, she said the government was seized of the matter and discussions were on among various for a complete assessment of the situation.

Interacting with industry stakeholders at an event in Chennai, she said: “As regards what is going (to be the immediate impact on) our imports from and on our exports to Ukraine, we are rightly concerned. I am more worried about what is going to happen to our exporters who are doing very well, particularly to the farming-sector (exporters).” Sitharaman, however, assured industry representatives that the government was fairly seized of the matter in its granular form, as it is going to have an impact on the essentials like edible oil coming from Ukraine. “On the larger issue of the situation prevailing in Ukraine and about India’s position in the UN Security Council... I went through the press releases and press commentaries which the external affairs ministry is making,” she said.

According to the finance minister, consultations will be held with the railway and transport ministries to find a solution to the cement transportation issues. Responding to the points made by N Srinivasan, vice-chairman & MD, India Cements, the FM said, “We will ensure that we will organise a meeting with the surface transport ministry and rail ministry.”

Srinivasan, who is also president of the South Indian Cement Manufacturers’ Association, told the FM that most of the limestone is in the south. “Unless this cement moves north, we will always have a problem of shortage in the north. The cement industry will be blamed for cartelising, but what can we do, as cement cannot be stored? Projects are being held up. Therefore, we have a real problem. The government will have to find a solution,” he said.

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After that comes America with about 60 mt. Srinivasan said logistics is a big problem in view of the huge volume of cement that is required in the north.

Speaking on the Budget proposals, Sitharaman said the government is taking various measures to revive the economy from the adverse impact of the Covid-19 pandemic. The government wanted to provide stability for revival from the pandemic, and is putting more money into infrastructure building.

On the Tea Board and the regulation issue, Sitharaman said, “I was getting deeply involved in getting the tea industry far more easily regulated. I think there is a clear roadmap wanting to strengthen the industry. I will have a detailed discussion with the commerce ministry.”