



## **MARKET INTELLIGENCE UPDATES FOR BASMATI RICE**

### **CORONAVIRUS IN IRAN TAKES A TOLL ON BASMATI EXPORTS, DOMESTIC PRICES FALL**

Due to outbreak of COVID-19, Nowruz festival has been cancelled in Iran, Iraq and Pakistan, which has been a big blow to the Indian Basmati Rice Exporters in addition to the losses faced due to the US-Iran standoff. In this scenario of decreased number of Middle East Importers, Brazil can be seen as an alternative for the Indian Exporters.

Indian exports have also been hit by lack of container availability in India, delayed payments for shipments to Iran and decrease in Iranian buyers' deposits in Indian banks, due to decrease in Oil purchases by India from Iran. Shift of Indian focus from Basmati Rice to Medicines, masks and medical supplies in the wake of Coronavirus Outbreak has been speculated by the Iranian Importers.

### **IRAN LOOKING FOR LIFTING SANCTIONS**

Lowering of Iran's GDP by 9.5 percent, inflation nearing 40 percent and drastic decrease in Oil Exports of Iran by 80 percent has been observed due to US Sanctions. Efforts are being made by Iran to get these Sanctions lifted, so as to increase its revenue and enable itself to combat the Global Pandemic outbreak, which is estimated to last till June 2020. Efforts to remove restricted access of Iran to its financial assets, bank transfers and deprivation of export earnings are being made by Iran. Financial aid from IMF worth USD 5 billion has been made. Risk of Iran's failure to contain the Pandemic and repercussions in the Middle East Countries is well known by the USA.

Hence, the Indian Basmati Rice exports can be affected by the impending US-Iran negotiations to lift sanction on Iran.

## **EUROPE BASMATI RICE MARKET ATTAIN A MARKET SIZE OF \$615 MILLION BY 2023**

Indian Basmati Rice Exports has been increased in European countries like Germany, Poland by the increased rice consumption. However, the exports may be restrained by the European Union's stringent Pesticide norms. The alternative markets of the UK and Netherlands can also be considered by the Indian Exporters.

<https://www.openpr.com/news/1953345/europe-basmati-rice-market-attain-a-market-size-of-615-million>

[https://www.business-standard.com/article/economy-policy/coronavirus-in-iran-takes-a-toll-on-basmati-exports-domestic-prices-fall-120022900444\\_1.html](https://www.business-standard.com/article/economy-policy/coronavirus-in-iran-takes-a-toll-on-basmati-exports-domestic-prices-fall-120022900444_1.html)

<https://www.al-monitor.com/pulse/originals/2020/03/iran-pakistan-support-sanctions-coronavirus.html>