## Consistency in Imports Despite Currency Depreciation



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Import by consuming countries such as China, Turkey, Japan & the EU has been increasing yearly despite the currency depreciation. What has led to this increase in imports?

Yes, if we look at the data table below, combined imports to China, Japan, Turkey & the EU countries have increased by almost 300k MT which appears to be a CAGR of 13.2%. Having said this, it's all very detailed and the above simplistic inference can point to an increase in demand. Let us look at each destination market to understand this trend.

Year/Importer	China	Japan	Turkey	Europe	Total
2019	812,387	186,161	161,110	129,120	1,288,778
2020	1,016,067	204,864	180,896	132,835	1,534,662
2021	1,174,329	150,975	197,054	128,807	1,651,165
CAGR	20.23%	-9.94%	10.59%	-0.12%	13.19%
Average	1,000,928	180,667	179,687	130,254	1,491,535

China's imports of sesame are also dependent on its local crop and the border trade from Myanmar and Vietnam. The local sesame crop in China has lost acreage to other remunerative crops and schemes by the Chinese government (direct and indirect subsidy programs). This is one of the major contributors to China's increase in dependence on imports. This can be almost 150k MT. Another variable is border trade which was largely unaccounted by trade and was routed through the ports owing to COVID restrictions. In 2021 almost 70k MT came to ports. This can be an additional 100-120k MT. If we combine the loss of local crop supply with border trade rerouting to main ports, it is almost similar to the increase in China's import number.

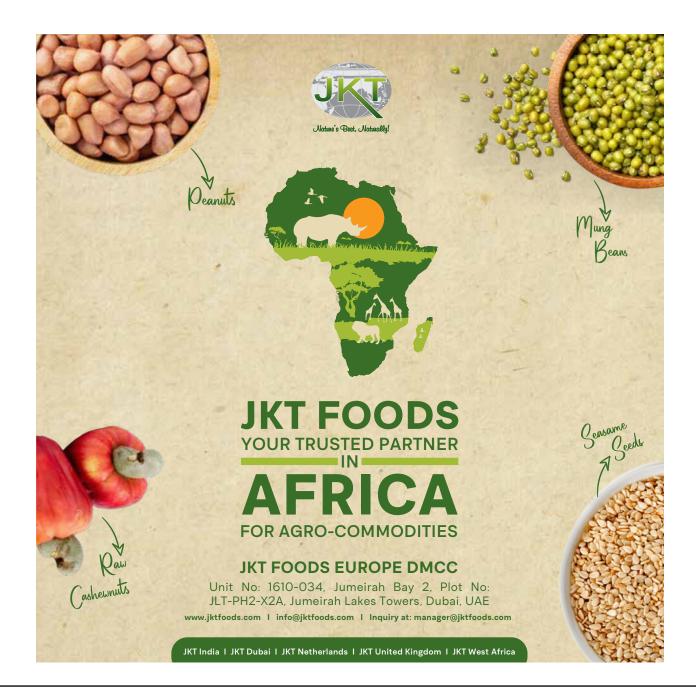
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The right way to look at Japan's demand estimate is the average over the last three years. The carrying cost for a Japanese importer is less when compared to the volatility in sesame prices. In 2020, when the prices came under pressure, Japan took advantage of this situation and did some stocking. Overall, we can say that there has been some demand increase in the exports of sesame oil in Japan, but at the same time last year, edible demand witnessed some downward pressure because of lockdowns.

Turkey is also a gateway to Europe. The Mediterranean region's historical use of sesame remains similar to date. A large part of Turkey's imports is for import and re-export. We estimate

almost 30-35 percent gets exported as Tahini, Hulled, and processed sesame seeds. A part of the gain comes from India's loss of hulled exports into Europe. Last but not least, the EU's demand has been the most stable and so is their buying pattern. Greece remains the major importer with tahini, halwa, and sesame bars in major use.

To sum up, for the foreseeable future the total demand from China, Japan, Turkey, and the EU can be 1.5 million MT or more and will remain key destinations in the sesame world.



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