

Gloom in the air as exports plunge



While the contraction in exports is a source of worry, we are also concerned about the decline in non-oil imports for three successive months.

— HARSH PATI SINGHANIA
President, FICCI



This underlines the importance of stimulating domestic demand through fiscal and monetary measures to offset contraction in external demand.

— CHANDRASEKHAR JANERJEE
Director general, CII



Exports will pick up from July. The inventories of buyers in Europe will be over by August and (they) have started visiting India for procurement.

— A SAKTIVEL
President, FIEO



Though it is a cause for concern, it is in line with expectations. Markets are shrinking all around the world and naturally our exports have also declined.

— O P LONBA
CMD, Indo Rama Synthetics

Hope rides on new government

HT Correspondent
New Delhi, May 1

EVEN AS domestic economy is showing early signs of recovery, India's exports that fell 33.3 per cent in March, are unlikely to gather steam in the current year. How can they, when the global trade is expected a contraction of 11 per cent in 2009, as International Monetary Fund in its latest projections said.

The good news, however, is that the foreign trade policy to be announced by the

next government would spell out concrete steps to ensure that the situation does not go out of control, said a senior official.

That apart, the Reserve Bank of India too is keeping a close watch on how exports are behaving, the official said.

Sectors like gems and jewellery, garments and handicrafts are the worst impacted by the slowdown.

Exporters have already started looking for newer markets to offset the loss. According to Apparel Export Promotion Council (AEPCC), exporters have identi-

fied other markets like South Africa, Japan, China, Russia and Brazil.

"Garment exports from India have fallen 14 per cent and have not been able to meet the target of \$11.6 billion for 2008-09 because hundreds of retail stores have shut down in the US

and European Union," Rakesh Vaid, chairman, AEPCC said.

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'Contraction for 5-6 mths more'

The fall in exports is primarily due to shrinking demand in world markets, Commerce Secretary GK Pillai told Mahua Venkatesh. Excerpts:

On the contraction over the past six months

Our exports are linked to world trade. There has been a significant contraction in world trade. There are no buyers at this point. How can we sell our products if there are no buyers?

On when exports will pick up

Contraction in exports is likely to continue for the next five to six months. Demand in the global markets is shrinking.

On export targets for the current year

We expect to maintain a flat growth in the current financial year. World trade is likely to go down by

over 9 per cent. Considering that, if we maintain a flat growth, I'd say it is commendable.

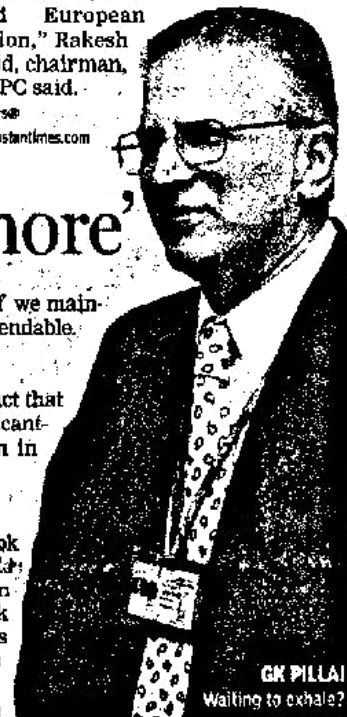
On fall in imports

One of the major reasons is the fact that petrol prices have come down significantly but there has been a slowdown in domestic demand as well.

On what needs to be done

The new government will have to look into the issue. Several measures would be taken to ensure that the situation remains under control. We have to look at new markets to ensure that exports pick up at the earliest. We must also bring down transaction costs.

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GK PILLAI
Waiting to exhale?