

Indian Express

Exports rise for tenth straight month in July

Date: 18-08-2010 | Edition: Mumbai | Page: 17 | Source: Bureau | Clip size (cm): W: 9 H: 20

Clip: 1 of 2

Markets at 1830 hours IST

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IMPROVING EXPORTS

	08-09	09-10	10-11
April	18.46	12.4	16.9
May	18.69	12	16.1
June	19.19	13.5	17.15
July	19.03	14.2	16.24
Aug	17.76	13.5	
Sept	17.89	14.5	
Oct	14.13	14.6	
Nov	11.16	14.5	
Dec	13.37	16.1	
Jan	12.9	15.3	
Feb	11.94	16.1	
March	12.9	19.9	
TOTAL	187.42	176.6	<i>(Figures in \$ bn)</i>

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INDIA'S exports rose for the tenth month in a row in July, growing by 13.2 per cent to \$16.24 billion. So far this fiscal, monthly export numbers have floated about \$2 billion to \$3 billion shy of pre-recessionary levels, when exports topped out at \$19.7 billion in June 2008.

Although the figure has been fluctuating between \$16 billion and \$17.5 billion since December, imports have been posting month-on-month gains since March, contributing to India's trade deficit which has grown from \$10 billion to almost \$13 billion. Imports increased by 34.3 per cent to \$29.17 billion in July.

Commerce secretary Rahul Khullar urged market monitors to temper their expectations for export growth over the rest of the fiscal, explaining that targets of 25-30 per cent are far-fetched, considering the climate in the global marketplace. "We'll stay in the neighborhood of 14 to 15 per cent this year," Khullar told reporters.

"Even if we post 15 per cent for the rest of the year, we will reach our target of \$200 billion by the end of the fiscal."

Through the first quarter of the new fiscal, exports have totaled \$66.4 billion while imports have passed \$112 billion.

Overseas shipments in April-July this fiscal aggregated at \$68.63 billion, up 30.1 per cent over the same period last year. Imports during the April-July period this fiscal were at \$112 billion, up by 33.3 per cent over the year-ago period.

Sectors which did not perform well in July include leather, electronic goods, man-made fibre, textiles and tea, Khullar said. Struggling sectors continue to wait for government sops to spur growth.

However, dialogue between the commerce and finance ministries has apparently come to a standstill while trade officials try gauge the impact of the economic downturn in the euro-zone. O P Lohia, CMD of textile manufacturer Indorama, said he continued to urge the ministry to supply financial support as his company's sales fell from Rs 93 crore to Rs 60 crore in the first quarter while the overall turnover fell from Rs 700 crore to Rs 622 crore.

"We can't compete with the likes of Bangladesh who have enjoyed special exemptions from duties with the US and EU," Lohia said. "Until there is progress in the WTO's Doha round or we get help from the government, we will continue to get clobbered by these 12 to 28 per cent duties while our inventories rise; until either of those happen, garment exporters need to be compensated."