



FEDERATION OF INDIAN EXPORT ORGANISATIONS

(Set up by Ministry of Commerce, Government of India)

HEAD OFFICE

Niryat Bhawan
Rao Tula Ram Marg, Opp. Army Hospital R & R
New Delhi-110057
Phone: 011-26150101-04, 46042222
Fax: 011-26148194
E-mail: fieo@nda.vsnl.net.in; fieo@airtelmail.in
Website: www.fieo.org

REGIONAL OFFICES

Northern Region
Niryat Bhawan
Rao Tula Ram Marg, Opp. Army Hospital R & R
New Delhi-110057
Phone: 011-26150118, 46042222
Fax: 011-26148194
E-mail: fieo@nda.vsnl.net.in; fieonr@airtelmail.in

Kanpur Chapter

C/o Merchant Chamber of Uttar Pradesh
14/76, Civil Lines, Kanpur-208001
Ph: 0512-3014855, 09235401118
Telefax: 0512-3014824
E-mail: fiokanpur@gmail.com;
fiokanpur@fieo.org

Western Region

Vinmar Hous, Plot No.A-41, Road No. 2,
MIDC, Andheri(East), Mumbai-400093
Ph: 022-40572222 / 40572201
Fax: 022-28392334
E-mail: fiowr@vsnl.com; fiowr@fieo.org

Ahmedabad Chapter

408/A, Akshar Complex, Shivranjani Cross
Road, Vastrapur, Ahmedabad - 380015
Ph: 09998063322 / 09974040606 /
079-40050406; Fax: 079-40050406
Email: fieoahd@fieo.org; fieoahd@airtelmail.in

Southern Region

Spencer Plaza, Unit No. 706, 7th Floor,
769, Anna Salai, Chennai-600002
Ph: 044-28497766, 28497755, 27497777
Fax: 044-28496666
E-mail: fieosr@fieo.org; fieosouth@airtelmail.in

Karnataka Chapter

VITC Building, 1st Floor, Kasturba Road,
Bangalore-560001
Ph: 080-22864854; Fax: 080-22864855
E-mail: fiobl@dataone.in

Andhra Pradesh Chapter

Shakar Bhawan, 5/10/174,
Fateh Maidan Road, Hyderabad-500004
Ph: 040-23210380; Fax: 040-23210381
E-mail: fieoap@fieo.org

Eastern Region

Express Tower, 6th Floor,
42-A, Shakespeare sarani, Kolkata-700071
Ph: 033-40084890-99; Fax: 033-22805781
E-mail: fieoer@airtelmail.in

Orissa Chapter

Ashoka Market Complex, Second Floor,
Station Square, Bhubaneswar-751009,
Ph: 0674-2536674 Telefax: 0674-2536675
E-mail: fiobbbsr@fieo.org

Northeast Chapter

Upland Road, Laitumkhrh, Shillong-793003
Email: milanryan@gmail.com;
fieonortheast@fieo.org
Mob: 0364-2504810

FROM THE PRESIDENT'S DESK ▶▶▶



My Dear fellow Exporters,

First of all I would like to offer a huge thanks to our exporting community for achieving the \$303.75 billion export mark. This is commendable particularly in view of the fact that global trade took a huge hit in 2011, as compared to 2010 when it grew at a fast clip. Our exporters have shown their resilience by surviving in difficult market conditions.

I also want to take the opportunity to compliment our Commerce & Industry Minister, Mr Anand Sharma, on India crossing the \$300 billion export target for 2011-12, because achieving such a stupendous target is due to the Commerce Ministry's market diversification strategy and deeper penetration through various free trade and comprehensive economic partnership agreements.

Export growth has been possible due to the acceleration of the right mix of sunrise and traditional sectors. While on the one hand electronics, engineering, chemicals and pharmaceutical contributed to such growth, it was equally supported by gems and jewellery, textiles, leather and handicrafts.

On the other hand, the growing trade deficit of \$185 billion – which is the highest in the history of India's trade – is clearly a cause of concern, and it will further increase our current account deficit. I suggest the Government should form a committee to evaluate import trends and augment domestic production to ease pressure on imports.

In this backdrop, I would like to add that the downward revision of world trade forecast to just 3.7% in 2012 by WTO recently points to challenging times ahead. Since our exporters have performed commendably in such a tight market and under a restrictive interest rate regime, the RBI should now ease the squeeze by lowering interest rates, at least for exporters. At the very minimum, there should be immediate re-introduction of interest subvention and availability of pre and post shipment credit in foreign currency to exporters on a priority basis.

The Reserve Bank of India's cut in interest rate from 8.5% to 8%, the first such cut in three years, offers some respite but more needs to be done.

On the Empowered Committee's statement that GST will roll out on April 1, 2013, we are of the belief that it will significantly benefit exports by adding to competitiveness through lower incidence of taxation and reducing cost of compliance by simplifying the tax administration. Hopefully, the majority of State assemblies would ratify GST.

Sections of the media and some international observers have described international rating agency Standard & Poor's downgrading of India's credit outlook as catastrophic. This is over reaction. Firstly, it is not a downgrade, S&P's case is that India's is experiencing a slow-down in investment and economic growth and a widening current account deficit. Plus, it says reforms are on hold.

However, the economy should grow at 7% and will be able to control fiscal deficit at 5.1%. In fact, the Finance Minister has said he will work for achieving higher economic growth. Our fundamentals are strong. We have survived bigger storms in the past and we will survive as well.

Also, S&P's move is to be taken with a pinch of salt. Credit rating agencies have often been late or wrong in their assessment of market situations.

On an interesting note, the first 'Lifestyle Pakistan' exhibition that was held in New Delhi attracted over 100 Pakistani brands names and 650 Pakistani businessmen. The exhibition is one of the steps taken by both India and Pakistan to enhance bilateral commerce and open new channels for shipment of goods. Bilateral trade between the two countries is \$2.8 billion, although the informal trade, mainly via countries like Dubai and Singapore, is estimated to be \$10 billion. Informal trade is many times more than the formal one between India and Pakistan. We have to ensure that the gap between formal and informal trade disappears. The relaxation in Visa Rules and opening of branches of Banks of India and Pakistan in each other territory will further facilitate the process. The opening on FDI front will further boost the sentiments and will augur well for manufacturing and trade.



M. Rafeeqe Ahmed
PRESIDENT