

Retail exporters get eBay, PayPal advantage



Mr M. Rafeeqe Ahmed, President, FIEO receiving bouquet from Mr Nath Parameshwaran, Head, Corporate Affairs, PayPal India.

With the objective of encouraging exporters to use e-Commerce, FIEO, eBay and PayPal launched a partnership programme to promote retail exports via e-Commerce from India. FIEO sees huge opportunities in retail exports which will benefit the MSME segment and help the members to understand the best practices in e-Commerce.

With this objective, FIEO organized an "Awareness and Training Session on eBay and PayPal" at Chennai on May 24, 2012. More than 100 exporters participated in the programme, which was inaugurated by Mr M. Rafeeqe Ahmed, President, FIEO.

Mr Navin Mistry of eBay and Mr Milind Sanghavi of PayPal made presentations on how to make use of e-

commerce and beat the recessionary trend being faced by the exporters. Mr Unnikrishnan K., Director FIEO (Southern Region) welcomed the participants.

Mr Ahmed in his inaugural address congratulated FIEO Members for touching the new milestone of \$300 billion in exports during the year 2011-12. However, he pointed out that during the year 2011 global trade declined to 6.3% and is projected to grow at around 3.7% during the year 2012.

Appreciating the efforts of the Government of India in helping market diversification, the FIEO President said increased awareness of "Brand India" coupled with diversification of product market mix helped India achieve the targeted growth.

While referring to the importance of FIEO's tie-up with eBay and PayPal, Mr Ahmed said the partnership would give FIEO members access to an international market of over 100 million active eBay users. Plus they could set up e-stores, list export items, get visibility in the global market and accept payment in 25 currencies.

While highlighting the need for changing various policy issues for facilitating e-commerce export in retail, the FIEO Chief said the Federation has taken several issues, including simplified documentation procedures, faster custom clearance etc for promoting this high-potential new channel of exports.

Earlier, while welcoming the participants, Mr Unnikrishnan K. high-

lighted various initiatives taken by FIEO for helping members to diversify their market which included set up of an office and warehouse in the UAE, participation in various trade fairs and exhibitions in emerging markets etc.

FIEO's tie-up with eBay and PayPal will also help FIEO members to set up free stores on the eBay website with unlimited product listing facility for a period of six months. (The normal rate is approximately \$50 per month.) Hence, FIEO members upon production of their FIEO RCMC is entitled for an immediate upfront benefit of around Rs 18,000 through this tie-up.

The tie-up also provides PayPal's e-payment gateway integration with the member's bank free of cost and enables members to accept payment in multiple currencies. According to the process, the buyer makes the payment against the order which will be credited to the exporter's account immediately and the orders are shipped by the exporters after securing the payment. Hence, 100% payment is ensured.

Apart from this, eBay has negoti-



A view of the participants at Delhi.

ated substantially reduced price for the services of Fedex and DHL. This will help the exporters to ship their order relatively at a very competitive price. There is no need for making payment upfront by the exporter to the courier company and the bill will be raised by eBay on a monthly basis. Creating a store in eBay and listing the products, 10 additional sales channels to FIEO members will be opened. Currently eBay is having

a presence in 39 markets and this will open a new window for members.

One of the highlights was the FIEO President inaugurating his own store on eBay. The participants observed that during this short period the store registered more than 20 views and a sale.

Mr Unnikrishnan K proposed the vote of thanks. ■

Global conditions start impacting exports, tough times lies ahead: FIEO

Reacting to the trade data for the month of April 2012 showing a miniscule growth of about 3%, coming on the heels of negative growth in March 2012, Mr M. Rafeeqe Ahmed, President, FIEO, said the impact of global contraction in trade is now being felt by India as well. The situation is grimmer now as in the past periods of slowdown, the emerging and developing economies exhibited positive growth, helping us to increase our exports through market diversification strategy focusing on Latin America, Africa and Asia. The slowdown in new markets will be more obvious in the next few months, added the FIEO Chief.

The more disturbing news, observed Mr Ahmed, is the sharp decline in exports of labour intensive sectors like gems & jewellery (-25.7%), readymade garments (-9%), leather (+3.2%), electronics (+5.4%) and plastics (+2.7%). This will have serious implications on employment and may lead to a sharp reduction in additional job creation and even layoffs. These figures also underline the fact that there is no direct relationship between exports growth and depreciation, and a stable exchange regime is more beneficial for exports rather than high volatility in the exchange market.

Mr Ahmed asked the Government to devise suitable strategy to counter the export slowdown in the revised edition of the Foreign Trade Policy. He asked for continuance of export benefits with increased entitlement and immediate re-introduction of Interest Subvention. He, however, expressed satisfaction with the decline in gold and silver imports (-33%) which will help in managing the increasing trade deficit.