

Export Consultants of Noida Up in the Air

Global turmoil has taken a toll on export levels, impacting demand for export consultancies in this NCR township. Even falling rupee fails to excite the exporters, reports **J Srikant**

EXPORT consultancies based in the national capital region (NCR) are going through a tough phase as export houses have turned risk averse, files in the government maizé are moving slowly and export houses shifting base to other cities.

Export consultancies, as the name suggests, help export-oriented businesses to start-up, expand and take existing businesses to foreign shores. It is considered to be the toughest task because one has to be very accurate and well-aware about the business environment in one's own country and the target country.

Adding to the complexities is the innumerable documentation work which, as many exporters say, is definitely one of the toughest parts of export business. That's where services of an export consultant come for the rescue.

CONSIGNMENT LOAD

Until recently, many businesses started to take help of these consultants to expand their businesses. However, with the exports deteriorating, the consultants in NCR are finding it tough to keep their business ticking.

their product outside the country," said Mukesh Kumar Arora, owner of MK Arora & Associates. "If I look at last 5 to 7 years, there easily has been a fall of 20 to 25 percent in the number of queries that we used to get for export consultancy," he added.

Based out of Noida, Mr Arora gives his opinion about the region saying that in NCR, Noida probably is the hardest hit. "There are hardly any major units operating out of Noida at present. Only a handful of big companies like UFlex, DS Group are now present here. Rest all have shifted their operations to other cities," he said.

Although many reasons are attributed to the fall in the number of people who are willing to take the plunge into exports, government lethargy and policy stagnation towards promoting exports is seen as the biggest impediment. "The government seems more willing to promote imports through various policy measures like FTAs (free trade agreements) and sops in various industries instead of exports," said a Gurgaon-based export consultant who did not wish to be named. "The increasing fiscal deficit is hurting the entire economy. FTAs that India signs should also have

in exports," he added.

India's trade deficit touched \$180 billion in 2011-12. However, there have been reports stating that foreign trade policy for 2012-13, to be announced on June 5, may offer some sops for exporters of textiles, handloom and leather products and items which are labour-intensive.

RISING INPUT COST

Other major reason bothering export units is the rising cost of production.



have shot up manifold, starting from the procurement of labour to raw material," said Sheel Tripathi of Sheel Export Import Consultancy and Classes. Ms Tripathi recently started her export and import consultancy and said that she has been receiving more queries related to imports than for exports.

"Policies like MNREGA have hurt the industries across the country for reasons now known to everyone," added Mr Arora. "With such situations prevailing, companies, especially SMEs, prefer

to confine themselves to safe grounds and operate in known markets." He further added, "I have been giving export consultancy since 1997 and for me, the best time for business was between 2001 and 2004," said Mr Arora. "This was the time when we saw a huge spurt in the demand for our services." He added that from 2004 to 2008, things were normal after which there has been a constant slide.

» Continued on Page 3

Exporters Not Excited By Falling ₹

Continued from Page 1

EXPORT consultants say that market fluctuations, 2008 slowdown and now the Euro zone crisis have not boded well for the export sector.

"People find it safer to stay put in Indian market rather than going for western markets. Risk is on the higher side," said Mr Arora.

Even the depreciating rupee has not been able to push the number of people coming for export consultations. "The fall of rupee should have excited more people to go for exports but that hasn't

happened," said Mr Arora. "I think the negativity and uncertainty is still too high in the market."

Players say that the major demand that they get is for help in documentation. "There are hundreds of documents that need to be filled before you can start exporting a product," said Mr Arora. "A slight mistake anywhere in any of the form and one has to repeat the entire process again. Most people work on tight deadlines and they cannot afford losing time in documentation itself."

Assistance for custom clearance is the next big demand generator for export consultants.

Although the demand is mostly for documentation help, there are also some people who come for consultation for export strategy.

"These are people who are getting into export business for the first time and would like expert opinion for financial matters.

The price a consultant charges depends on the kind of requirement that the client has. "If it is just the documentation part, it might be a few thousands, but for strategy consultation, there are extra charges which again depends on the complexities of the project," said Mr Arora.

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