

Chairman's Pen

My dear fellow exporters,

On February 11, 2009, the Southern Region Annual Award Presentation for the year 2006-07 will be held and the Awards will be presented by Shri Elamaram Kareem, Hon'ble Minister for Industries, Government of Kerala. 2006-07 was one of the best years for engineering exports when our exports grew by over 35% to US\$ 26 billion. During this year, the exchange rate was much conducive for export growth, raw material prices were stable and world trade was growing at a healthy rate. Thus, 2006-07 is an indication of how the enabling environment can be conducive for the growth of exports.

Unfortunately, the situation is now quite the reverse. Apart from the contagion effects of the global financial crisis in the USA, there is increasing evidence that protectionism is making a come back in the developed markets. Already US is planning to use Buy America Act with respect to iron and steel sector, while direct subsidies are being given to prop up companies.

I do hope that our Government is looking at the international situation and will take whatever steps feasible to prevent protectionism in the world markets.

Yours sincerely,

(AMAN CHADHA)