

Chairman's Pen

My dear fellow exporters,

The impact of Global Economic Slowdown is now affecting the Indian manufacturing sector in a big way. Industrial production become negative for the first time in the last 15 years while our foreign exchange reserve fell to US\$ 250 billion as of the second week of December 2008. I do believe that a big push is now required without bothering too much of the size of the fiscal deficit at this stage. It is our belief that if a big push can be given worth Rs. 150,000 crores, this will go a long way in reviving industrial growth and enhancing Government revenues, both Excise and Customs, which have particularly seen a dip in recent months. On the other hand if nothing is done, I am afraid tax revenues are going to fall drastically increasing the fiscal deficit.

I do also believe that out of the Rs.150,000 crores stimulus package, Rs.50,000 crores should be directed exclusively for the exporting community. This amount should be spent by offering better credit terms to exporters, supporting ECGC and EXIM Bank to give covers to exports to various countries as well as helping Export Promotion Councils with larger budgets to enable them to promote Indian goods in various countries of the world.

We do hope that the second package of measures that the Government is expected to come out this week will go a long way with meeting some of these urgent economic necessities.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Aman Chadha'. The signature is fluid and cursive.

(AMAN CHADHA)