

Chairman's Pen



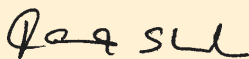
My dear fellow exporters,

It is now clear that the Indian economy is on the down swing with the industrial growth falling to just below 3% as per latest data given out by the Government. The major impact for exporters in particular relates to the menace of inflation in the economy. The Government and the RBI have tightened the monetary policy as a result of which credit cost has gone up substantially with the worst of the sharp increase in credit costs being borne most by the small and medium scale exporters.

In these trying circumstances, there are no easy solutions. Further, the political uncertainty has added to the economic uncertainty in the country. We do hope that this would a temporary phase and the present inflationary situation will be brought under control within next 6 months. During this period our member-exporters will have to do all they can to enhance productivity to stay competitive in world markets. The Council has been receiving some complaints with regard to the lack of availability of certain engineering raw materials like steel etc. We have requested the steel majors to supply raw materials to the member companies so that export commitments of our member companies can be made.

Moreover, the Council is also taking up with the Government other procedural handicaps and we hope that it will be possible to sort out procedural issues in present conditions.

Yours sincerely,



(RAKESH SHAH)