

## Chairman's Pen



*My dear fellow exporters,*

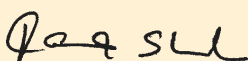
*On sustained pressure from the Council and from other manufacturers organisation, the steel companies have agreed to lower the price of steel on TMT bars by Rs. 1000/- per tonne and HR Coil by Rs. 500/- per tonne in their discussions with the Hon'ble Steel Minister Shri Ram Vilas Paswan.*

*While this is, indeed, a good news, it is rather insufficient in the context of the fact that steel prices were hiked by an average Rs. 3,000/- per tonne on February 01, 2008 immediately after the steel prices were increased by an average of Rs. 1500/- per tonne in the month of January 2008. The Government has to realise that the engineering exports have witnessed considerable slowdown in the current fiscal and as per the latest April-December 2007 figures, exports have grown by a mere 15% in dollar terms and 2.5% in rupee terms. Further, industrial production for the month of December 2007 has grown by a mere 7.6% indicating that the present climate is not supportive either for production or exports.*

*The Council is now looking at the possibility of bulk purchase of engineering raw materials for its members which would done through the formation of a consortium that will engage an organisation or a consultant on commercial terms for supplying engineering raw materials to its members. Accordingly, the Council has requested for feedbacks from all its members and based on the total demand, the Council will take the next steps in this respect.*

*From the media reports, one notices that the Hon'ble Commerce & Industry Minister, Shri Kamal Nath has requested the 12th Finance Commission to look at how refund to exporters of State levies can be factored in and the payment thereafter released from the central grants to the States. We do hope that the Finance Commission will consider this aspect. It may be mentioned that it was the Council which had first suggested such a policy in the middle of 2007 when Rupee appreciation had begun to rear its ugly head. It is also heartening to note that other export promotion organisations like FIEO have recommended to the Government that need for an Exchange Rate Neutralization Scheme, something the Council has demanding for some time now.*

*Yours sincerely,*



(RAKESH SHAH)