

Chairman's Pen



My dear fellow exporters,

I am very glad to share with all of you that the first India Engineering Meet & Exhibition (IEME) organised by the Council in Greater Noida from 22nd to 24th January has received a very positive response.

The event was jointly inaugurated by Shri Rajeev Kher, Joint Secretary, Ministry of Commerce, Govt. of India and Mrs. Deidre Penfold, Executive President, South Africa Chamber of Business. All the overseas buyers and more than 200 representatives of Indian companies were present who participated in the event.

The Buyer-Seller Meets during IEME were attended by more than 300 foreign buyers from Africa, USA and Canada, Europe, Latin America, ASEAN, Australia, New Zealand and CIS countries. Based on the information and feedback provided by them, US\$ 20 million worth orders have been booked for outsourcing engineering goods from India and US\$ 70 million enquiries have been generated. They also established 819 new contacts with their Indian counterparts and revived 68 old contacts for closer business interaction.

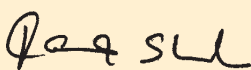
Nearly 180 Indian companies participated in the Buyer-Seller Meets and displayed their products in the Exhibition. They have also reported to have received a positive response while establishing 734 new contacts and 33 old contacts.

Being the Council's first show of its kind in India, there were some snags in the beginning and we hope to rectify them when we put up this kind of event again next year with continued support from all of you.

Friends, the third quarter review of the Annual Credit Policy for 2006-07 by the RBI Governor Dr. Y. V. Reddy is a calibrated review of the monetary situation in the country. The 25 basis point increase in the fixed repo rate will amount to slight belt tightening leading to increase in cost of money which has to be juxtaposed. After a period of slow growth, the Indian manufacturing sector is once again on the upswing with double digit growth (11.5 per cent) continuing to be the key driver of industrial activity. Accordingly, it is critical that this growth momentum be sustained and price inflation be tackled by enhancing capacity creation and supply of more goods to meet the increased demand.

The review could have taken some initiatives to move forward towards bringing about full convertibility and exporters with EEFC accounts could be allowed to open short term fixed deposits with their foreign exchange earnings and interest be paid on such fixed deposits at Libor rates.

Yours sincerely,



(RAKESH SHAH)