

Consul praised for boosting trade ties with Romania



Mr. S. K. Saraf, Vice President , FIEO (3rd from right) offering floral greetings to Mr. J.P. Dange, Chief Secretary, Government of Maharashtra (centre); and to Mr. Casandu Paparoiu Consul & Trade Commissioner, Romania (3rd from left); Others standing from L TO R: Mr. Shrikar Dole, Jt. DDG. (WR), FIEO; Mr. M F Vora, Regional Chairman, CAPEXIL; Mr. B H Patel, Chairman, CAPEXIL; Mr.Rajesh Bhatia, Director (WR), FIEO.

FIEO (WR) organized a networking meeting of all the European Consul Generals and Trade Commissioners based in Mumbai on 18th May, 2010. The occasion was also used to bid farewell to Mr Casandu Paparoiu, the Consul & Trade Commissioner of Romania who is moving to Korea after a three and a half year stint in Mumbai.

Mr S.K. Saraf, Vice President welcomed the gathering and stated that the networking meeting is organized with the objective of apprising the representative of all European countries in Mumbai about the activities of FIEO in general and highlighting trade promotional activities in particular. He also informed that the occasion provided an opportunity to the Consul General and Trade Commissioners to meet each other, which otherwise is very difficult due to extremely busy schedules.



Mr. S. K. Saraf, Vice President, FIEO (2nd from right) in discussion with Mr. Casandu Paparoiu, Consul & Trade Commissioner, Romania (2nd from left) and leading exporters.

Mr Saraf also informed the gathering about the impending departure of Mr Paparoiu. He told the gathering about the invaluable support extended by Mr

Paparoiu's office in various trade promotion endeavors undertaken by FIEO.

Mr J.P. Dange, Chief Secretary,

Government of Maharashtra, attended the function as the Guest of Honour. He expressed his happiness at FIEO initiatives and relived his memories of association with Mr Paparoiu and wished him greater success in his future endeavours.

Mr Paparoiu thanked all present

for their support and affection and stated that he will not forget the opportunities and the people he came across during his tenure in Mumbai. He specially thanked FIEO for strengthening Indo Romania trade ties through various trade promotion events organised during his tenure.

Mr Shrikar Dole, Jt Dy. Director General (WR) presented a memento to Mr Paparoiu as a token of appreciation of the services and support provided during his tenure.

The meeting was attended by leading exporters and senior Government officials. ■

Higher interest rates, inflation worrying: FIEO Chief

Mr A. Sakthivel, President, the Federation of Indian Export Organisations (FIEO), while commenting on the latest RBI update dated 21st May, 2010 stated that credit off-take has been stagnant partly because there is a general lull around this time of the financial year but more so because of the 'wait and watch' situation arising due to conditions in the global market because of which several okayed IPO / Commercial Papers / ECB / FCCBs are still kept 'on hold' by the corporate sector.

Mr Sakthivel elaborated that the debt to GDP ratio of most countries in Europe is alarming (Ireland's debt is 4 times that of GDP; the UK's 1.5

times) indicating that exports to the Eurozone market may be difficult to sustain in the short/medium term.

In such circumstances, where the markets of the Western countries are heavily under sovereign debt and the policy stance is more naturally focused on domestic demand rather than exports, deregulation of interest rates for the export sector by the RBI at this juncture will imply that the SME sector will be left at the mercy of the profit bottom-lines of the banks. Bank may arbitrarily increase or decrease the cost of credit, further impacting exports and once the low base effect wears out, export statistics may be quite contrary to the existing figures.

The FIEO President explained that given the stagnant credit off-take, the policy rate hike of 20th April, 2010 would translate into higher rates of interest since inflation has shown little sign of waning. Revival of industry with manufacturing indices showing an increase of 15.07% in February and 13.5% in March, 2010 indicate that the manufacturing sector is fairly robust but actual figures will emerge when the low base effect wears out and the July/August data may reveal sustainability/underlying strength of fundamentals as per experts. Added to this is the fear of eroding profit margins due to higher input costs and the impact of imposition of higher MAT making manufacturing a less viable option. ■

Exports surpass expectations: FIEO President

Responding to the trade data released by the Department of Commerce, Mr A. Sakthivel, President, Federation of Indian Export Organisations (FIEO), said the export figures for 2009-10 are better than generally expected. Looking at the sluggish demand, FIEO had estimated exports to be within the \$165 billion to \$170 billion range. However, the figure of

\$176.5 billion shows that the initiative taken by the Government has yielded positive results.

Mr Sakthivel said there is a need to look for sector specific measures for sectors which are still not doing well like handicrafts, readymade garments, cotton textiles, engineering goods, carpets, electronics etc, as these sectors

are vital both for overall exports growth and employment generation

The FIEO chief agreed with the Commerce & Industry Minister that looking at the spectacular performance made by Indian exporters last fiscal, the export target of \$200 billion fixed for the current financial year will be easily achievable. ■

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