

EXPORTS SHRINKS IN OCTOBER

Preliminary data suggests that India's exports have shrunk 15% in October 2008 the first time exports have contracted since 2003. Apart from oil products & couple of small sectors exports from all other areas are going down. This downfall is due to weak demand from United States & European Union which together accounts 35% of India's total exports.

The coming months are likely to be crucial as Indian exports will continue to take a hit because of global financial crisis. Both buyers & sellers are facing liquidity crunch. RBI intervention by lowering CRR & SLR is not helping the small exporters. The government is discussing possible measures for exporters. Analysts predict the growth in exports to be around 19% against the target of over 23% & the India's Trade Deficit to cross \$110.00 billion

The Textile / Carpet Sectors exports is severely hit & profitability going southwards unless some bailout packages are announced by the government immediately there is a risk of large scale unemployment in this industry which is the 2nd largest employment generation industry after Agriculture.

Under the bailout package Eupea is demanding from the government;

1. The government should provide a moratorium of one year for the repayment of principal amount of term loans taken by Textile / Carpet Industry.
2. The Drawback rates reduced since September 1st. 2008 should be revived.
3. Focus Market / Focus Products Policy should be reviewed again by the government.
4. Facility of Income Tax Exemption enjoyed by EOU under clause 10B of Income Tax Act should be extended to the Textile / Carpets Exporters exporting 100% of their products based on the fact that these industries should not be considered as only the Foreign Exchange Earner for the country but also as the largest employment generation industry after Agriculture

For Eastern UP Exporters' Association

(Mukesh Agrawal)

President