

# Exporters meet Goyal, flag demand concerns

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Exporters and industry associations on Friday flagged a slew of concerns with the government. They include moderation in external demand as export orders from Western nations have been put on hold due to piled up inventory, people aware of the matter said.

In a meeting with commerce and industry minister Piyush Goyal, they called for some other fiscal or non-fiscal support to help exports, as exporters are not gaining much from depreciation of the domestic currency.

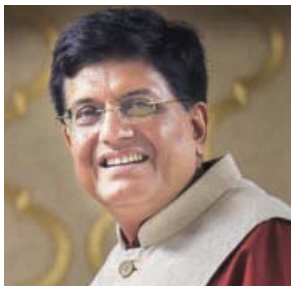
“Contrary to general perception, rupee depreciation is not providing much competitiveness as currencies of most

other countries are depreciating more steeply.

Today, rupee is the second-best performing currency in Asia. So, the competitiveness provided by the exchange rate is no longer with us,” one of the persons cited above said.

Goyal was reviewing the export scenario in his interaction with Export Promotion Councils (EPCs) and representatives of industry associations in the capital.

According to preliminary data released by the commerce ministry on Tuesday, merchandise exports declined to a five-month low of \$35.2 billion in July. Seven of the top 10 export items — comprising 80 per cent of the total exports — saw contraction during the month. These included engineering



**Union Minister Piyush Goyal reviewed the export scenario in his interaction with representatives of industry associations**

goods, petroleum products, gems and jewellery, pharmaceuticals, readymade garments, cotton yarn and plastic.

Trade deficit also widened to a record high of \$31 billion

in July.

Exporters fear a further slowdown in exports, especially from November.

Commerce secretary B V R Subramanyam said that with fears of recession looming in some of India’s largest export markets — the US and Europe — India should be “worried”.

However, India will be able to compensate for the hit from these two regions, with the recently-signed trade deals with the United Arab Emirates (UAE) and Australia.

Apart from that, the rupee-denominated trade arrangements announced by the Reserve Bank of India (RBI) will boost trade with Russia and Sri Lanka, he had said.

With headwinds clearly visible in merchandise trade,

another official said there is a need to push India’s services exports in the current fiscal. This will give India the necessary cushion both on trade deficit and current account deficit.

An official statement from the commerce and industry ministry said that India is on track to meet the expectations of Prime Minister Narendra Modi.

“The country touched the highest ever merchandise exports of \$422 billion and all-time total exports of \$667 billion — an increase of 34.5 per cent over FY21. By July 2022, exports had reached \$156 billion (19 per cent higher). Engineering goods exports were \$38 billion (8 per cent higher) and readymade garments (22 per cent higher),” the statement said.