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Hand tool exports may fall 20% this year

Vijay C Roy, Business Standard

Chandigarh, August 7, 2012: The slowdown in the United States and Europe is likely to cast its shadow over Punjab's hand tool exports. They may decline by 20 per cent in 2012-13, compared to the year-ago level, according to exporters.

Most of Punjab's hand tool manufacturers are located in Jalandhar and Ludhiana. The state's hand tool industry accounts for 70-80 per cent of India's total hand tool exports, with small and medium enterprises (SMEs) playing a dominant role.

Final export data for 2011-12 is yet to be compiled but according to the Engineering Export Promotion Council, exports will be around 20 per cent higher than in 2010-11, when they amounted to $252.61 million (Rs 1150.76 crore).

S C Ralhan, a hand tool manufacturer, said, "Exports of hand tools from India will be impacted by the current slowdown and since Punjab is one of the major exporters of hand tools, the impact of the slowdown will be apparent. It is premature to state the quantum of impact but it would be around 20 per
cent."

Echoing similar sentiments, the deputy director of the Engineering Export Promotion Council, Opinder Singh, said, "Exporters managed to get some new orders this year but the quantum of new orders was not on a par with what they got last year, as buyers were still hesitant to place new orders. Going by the trend and considering the slowdown in some of the major economies of the world, we expect the impact to be 15-20 per cent."

Punjab's hand tool industry employs nearly 60,000 people and consists of about 350 units, a majority of them SMEs. The major export markets are the US and the European Union, which account for 50 per cent of total exports from the state. The buyers are major retail chains like Wal-Mart, B & Q and Home Depot. There are factors other than the slowdown which are also hurting the industry. The president of the Northern Chamber of Medium and Small Industries, Sharad Aggarwal, said, "We are not in a position to deliver orders in time due to the erratic power supply, as we are facing scheduled as well as unscheduled power cuts."

Ralhan said the apathy of the state government is also responsible for negative growth. "The pollution control department has shifted the hand tool industry from the green category to the red category, which is not good for the industry. The hand tool industry is not a polluting industry, as a lot of manufacturers are switching over to gas and the rest are running on electricity," he added.

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Engineering exporters train focus on Africa

Express news service

New Delhi, 16 July 2013: Engineering exporters are trying to tap African countries to beat slowdown in the West Asian and European markets.

The meeting on Tuesday will be expected to provide opportunities to make up for dip in India's engineering exports to Europe that has been shaved off by five per cent.

An assessment by EEPC India (formerly Engineering Export Promotion Council) shows geo-political trouble in Sudan, Egypt, Syria, Iran and Iraq are coming in the way of finding new markets in the West Asian regions too.

The meeting with the diplomats of key African missions will also bring together senior officials of ministries of commerce, external affairs, power and steel. Engineering exports to Africa has moved up to 16 per cent in the same period, coming close to the EU figure.

EEPC India chairman Aman Chadha said exports to EU dipped to 19 per cent last fiscal. "A fall in 5 per cent is a substantial loss of market share. This is more so for engineering goods that has long gestation periods works on long term contracts and it takes time to develop markets and credibility. The same is the case in North America, where our share is 11-13 per cent."

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