

the worst may be behind us, sustained recovery is likely to take some time. The recovery is reassuring, but it is not uniform as many economies continue to register weak growth. Much will depend on the ability of nations to act in concert to reform global architecture to make it more inclusive and representative in tune with contemporary global realities.”

On the question of crisis in Europe, Sharma warned of the fragility of the global economic architecture and the risks associated with unsustainable lending patterns. Expressing cautious optimism about the near term, Sharma urged more global co-operation beyond the already successful economic stimulus strategies. He added, “Much will depend on the ability of nations to act in concert to reform the global architecture to make it more inclusive and representative in tune with contemporary global realities.”

### Handicraft Exporters Want Changes In Labour Laws

Though the demand for Indian handicrafts in Western countries has picked up, the exporters are hamstrung to export the handicrafts due to shortage of labour. In fact, the exporters are finding it very difficult to get the labour for manufacture of handicrafts. Said an exporter “At this hour, we are facing crisis of labour. If today, we have orders, we do not have labour” said Export Promotion Council for Handicrafts Chairman, Raj Kumar Malhotra. “As a matter of fact, the demand for artisans has picked up in almost all the handicraft hubs like Moradabad, Jodhpur, Panipat and Aligarh. The Government should change the labour laws, allowing it work overtimes. As per the existing laws, a worker cannot be asked for work extra, even if he wants.



### Apparel Exports Decline In 2009-10

India's apparel exports declined marginally by 2.6% to \$ 10.64 billion in 2009-10 as compared to the previous fiscal due to decline in demand from the US as well as European countries. The garment exports stood at \$10.93 billion during 2008-09. The US and the EU, which are recovering from impact of global recession together account for 60% of India's total garment export. According to Premal Udani, Chairman, Apparel Export Promotion Council, “There has been a weak recovery in the Western markets like the US and the EU.”



However, the garment exporters have had another additional reason for slowdown of garment exports. They are unhappy as they have been affected due to the rising fabric prices, which have made them uncompetitive in the global market. High fabric prices have made Indian apparel export uncompetitive, as a result major buyers in the US and the Europe are sourcing garments from other countries like China, Vietnam and Bangladesh.

### Indian Exports to EU Would be Adversely Affected, Says EICC

Readers of The Stitch Times will recall that we had analysed the impact of European crisis on Indian exports in general and garment exports in particular. The current debt crisis in some European Union member states will have a negative impact on Indian exports and the Indian stock market, a top official of EICC said. At least 27 percent of India's trade is with Europe and the crisis will impact India's export to the region, Sunil Prasad, the Europe India Chamber of Commerce (EICC) Secretary General said.



The Chamber has become the “first port of call” for those doing or wanting to do business with India, Prasad said, adding that the EICC will help anyone “looking to build business in India or Indian companies in Europe”, EuAsiaNews reported.

Recently, an analysis carried out by the Assocham had also warned that nearly 10-12 percent slump is foreseen in export proceeds of India in European markets particularly that of Greece, Portugal and even Spain in the first quarter of current fiscal. Global rating agency Moody's had downgraded the Greece's debt to junk status, resulting in a crisis of confidence in the European markets.

The European crisis comes at a time when Indian exports emerged out of the crisis following recession in leading world markets. Exports, which account for about 17 percent of the country's total economic activities, had contracted by over 39

percent in May 2009. Meanwhile, a news agency reported that the Board of Trade, headed by Commerce and Industry Minister Anand Sharma, will review the impact of European debt crisis on the Indian exports. The Board of Trade (BoT), which also comprises leading industrialists, business chambers and trade bodies, would discuss the changing rupee-euro equation, as the euro zone currency has been hit by the Greek crisis.

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