

FICCI COMMENTS ON TRADE DATA

New Delhi, December 11, 2013: Welcoming the continued rise in exports for the fifth month in a row, **FICCI President Ms Naina Lal Kidwai said** " the continued rise in exports for the fifth month in a row is noteworthy . Even though the growth in exports has decelerated in November, the good news is the narrowing of the trade deficit by over 46%. In fact, the first eight months of this fiscal has witnessed a nearly 23% decline in the cumulative trade deficit, which will considerably ease the pressure on the current account deficit and in turn make the Rupee more stable".

These are positive developments for the economy as we have already seen the current account deficit (CAD) reducing sharply to 1.2% of GDP in Q2 primarily on account of a decline in the merchandize trade gap, FICCI President observed. This reduction from 4.8percent should mean we will see below 3percent for the year .

"Sustained improvements in our trade balance and effective management of the external sector risks will depend on continuation of policy interventions to curb non-essential imports, greater domestic production of commodities like coal, steady recovery in our trading partners' economies, and our ability to finance CAD through long-term capital inflows, among others", **Ms Kidwai pointed out.** "There is no room for complacency as we continue to work on improving the quality of the CAD".

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