

Exports up 4.25 per cent in Feb; Govt to announce sops in FTP

NEW DELHI: Reflecting some recovery in the global markets, India's exports for the second straight month in February grew by 4.25 per cent to \$ 26.26 billion.

With a view to boost exports, the government will announce incentives for exporters in the forthcoming foreign trade policy (FTP). Exports had entered positive zone after a gap of eight months, recording a 0.82 per cent growth in January.

"Europe is performing better now. The decline has been arrested. Sectors which have large weightage especially engineering has started performing better and refined oil too. There is also a marginal improvement in textiles exports," Commerce Secretary S R Rao told reporters here.

Other sectors which performed well include rice, oil meals, pharmaceutical and chemicals.

Rao said the Ministry is intensely engaged with stakeholders for the forthcoming FTP, expected to be announced by end of this month.

"We are actively involved in consultations with chambers, export promotion councils, various departments and state governments and trying to arrive at a package of incentives which would be announced shortly," he said.

Special economic zones (SEZ), which are export hubs of the country, may also get incentives along with the FTP.

Imports rose by 2.6 per cent to \$ 41.18 billion in February, leaving a trade deficit of \$ 14.92 billion from \$ 14.93 in February 2012. Last month trade deficit had widened to around \$ 20 billion, the second highest figure ever in a month.

"We certainly expect that trade deficit to narrow as exports are picking up," Rao said.

However, during the April-February period, exports declined by 4 per cent to \$ 265.95 billion. Imports during the 11-month period grew by a mere 0.25 per cent to \$ 448 billion, leaving a trade deficit of \$ 182.1 billion.

(Economic Times)