

Exports turning corner: Govt official

PRESS TRUST OF INDIA

New Delhi, 13 September

India's exports are turning the corner and it would start showing healthy growth in the coming months on account of gradual strengthening of global demand and hardening commodity prices.

"We are turning the corner for sure. The rate of decline was slowing. Now margins (of decline) are narrowing. We will be able to maintain and slightly improve that and over the period of time, we will see the upward rise in exports," a senior official in the commerce ministry said.

The world demand is slowly picking up and the commodity prices are also hardening, the official said, adding "this will give a push to our exports".

However, manufacturing also has to pick up to give a boost to export's growth.

Industrial production contracted 2.4 per cent in July registering the worst performance in eight months mainly on account of declining output in manufacturing and capital goods sectors.

Exporters body Federation of Indian Export Organisations (Fieo) said the country's outbound shipments will show growth modestly in 2016-17. "This year, exports will reach at around \$280 billion. Exports are expected to post better results from October," Fieo director general Ajay Sahai said.

After rising for the first time since December 2014 in June, exports shrank again in July, contracting 6.84 per cent due to decline in shipments of engineering goods and petroleum products.