

Chinese cost push to boost Indian fan industry

India optimistic of better sales growth, says Bajaj

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The Indian fan industry has started tasting the benefits of cost push of Chinese fans which squeezed the competitiveness gap to 15-20 per cent against 35 per cent in the past.

“The Chinese are facing rise in costs due to their currency hardening. Earlier, cost difference of Indian fans with the Chinese was 35 per cent, but now it had reduced to 15-20 per cent,” Indian Fan Manufacturers Association Chairman Shekhar Bajaj said at the AGM here on Monday.

Import cost

He said with 10 per cent import duty and other logistics, the import cost from China has already reduced to about 20 per cent from 60 per cent in the table fans segment and that the industry was expecting further reduction in imports.

The Chinese onslaught on the organised fan makers of India was in the table fans segment, which comprises about

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20 per cent of the 40 million fan market of the country, the association said.

Bajaj said the Indian fan industry is optimistic of better domestic sales growth during the current fiscal against the 2.47 per cent jump in 2013-14.

Exports

Moreover, exports had also shown sharp jump of 23 per cent in volume in the first four months of FY15 against just 6.33 per cent expansion in 2013-14.

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“Despite a Pakistani fan makers’ delegation visiting India, it is not viable to export directly to Pakistan unless the MFN status or via the Dubai route,” Bajaj added.