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NO.CLE/ED/DBK/2010

September 3, 2010

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Airports Economic Regulatory Authority of India
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Sub : Consultation Paper No.05/2010-11 - Economic Regulation of Services Provided for Cargo Facility, Ground Handling and Supply of Fuel to the Aircraft

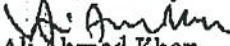
Dear Sir

With regard to the afore-mentioned Consultation Paper, we wish to submit the following.

The Leather Sector is one of the major foreign exchange earners for the country. Indian Leather Sector has shown consistent growth in exports in the last 5 year period from 2005-06 to 2008-09 with exports increasing from US\$ 2752.50 million in 2005-06 to US\$ 3599.46 million in 2008-09. However, during 2009-10, the leather sector was affected by the adverse effect of the global financial crisis, on account of which the exports decreased to US \$ 3400.97 million during 2009-10, showing a decline of -5.51%.

As the global leather market is recovering slowly, the industry is fighting hard to re-gain the export momentum achieved during 2007-08. Further, the global leather market is highly competitive and hence any increase in transaction cost, will have an adverse effect on the export of leather and leather products from India. The Government of India too is taking a number of measures to reduce the transaction costs of the exporters, to enhance the price competitiveness of the Indian export sector.

Hence, it is our request that AERA may kindly consider maintaining the current tariff for various terminal services at air cargo including cargo facility, ground handling etc., at least for a period of one year, so as to avoid the increase in transaction costs to the exporters. Such a measure will be of immense help to the exporters at a time when they are facing the adverse effect of the global financial crisis.

With kind regards
Yours sincerely

Ali Ahmed Khan
Executive Director