

GOVERNMENT OF INDIA  
MINISTRY OF COMMERCE & INDUSTRY  
(DEPARTMENT OF COMMERCE)

**RAJYA SABHA**  
**UNSTARRED QUESTION NO. 840**  
ANSWERED ON 09/02/2024

**NATIONAL EXPORT INSURANCE ACCOUNT**

840. SHRI AYODHYA RAMI REDDY ALLA:

Will the Minister of COMMERCE & INDUSTRY be pleased to state:

- (a) the specific measures and risk assessment strategies employed by National Export Insurance Account to encourage and support businesses in exploring new markets and mitigating potential financial risks associated with exports;
- (b) in what manner the Ministry ensures that the National Export Insurance Account aligns with evolving needs of diverse industries, providing tailored and effective insurance solutions for various export scenarios; and
- (c) the steps being taken by the Ministry to expand the coverage and reach of National Export Insurance Account, offering comprehensive protection for businesses engaged in international trade in the face of global economic uncertainties?

**ANSWER**

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY  
(SMT. ANUPRIYA PATEL)

(a) The National Export Insurance Account (NEIA) Trust is administered and managed by ECGC Ltd. (formerly Export Credit Guarantee Corporation of India Ltd.). Before providing insurance covers, ECGC Ltd. does thorough due diligence on buyers and countries in new markets to assess financial stability, political risks, credit worthiness, standing and financial position of Sovereign Borrower and general economic conditions of the Buyer's country. The Export Import Bank of India which provides credit facility under the NEIA supported projects also carry out risk assessment on its part. The Ministry of External Affairs is also closely involved in these projects from diplomatic and international relations angle. The insurance covers are considered only for those countries which are in 'Positive List' and inclusion in 'Positive List' is based on comprehensive evaluation of country risk profile taking into account the economic and political situation in the country, experience of India's EXIM Bank under Lines of Credit (LoC), IMF's Debt Sustainability Framework (DSF), etc. Sovereign Guarantee is also taken from Borrowing Country for NEIA supported projects where the Buyer is other than Ministry of Finance of the borrowing country.

(b) The Government of India has set up a High-Powered Committee viz. the Committee of Directions (COD) under the Department of Commerce to ensure proper and effective utilization of the NEIA scheme, monitoring of its operations and to provide guidance, supervision and necessary approvals for the projects to be brought under the scheme. The Government ensures that projects supported by NEIA Trust align with the evolving needs of diverse industries such as roadways, railways, power, water supply, housing etc. The projects are supported in countries which are of strategic importance to India and need deferred credit on medium or long term basis. These projects also help Indian Project Exporters to diversify to new markets and also increasing project exports from India.

(c) In the current scenario of global economic uncertainties, the NEIA Trust continues to support projects based on financial viability of projects, credit worthiness of borrowers and credit rating of Buyers' country.

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