

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

RAJYA SABHA
STARRED QUESTION NO. *204
ANSWERED ON 09.08.2024

CREDIT RISK COVER UNDER NEIA

*204. SHRI BEEDHA MASTHAN RAO YADAV:

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

- (a) the details of the National Export Insurance Account (NEIA) administered by Export Credit and Guarantee Corporation of India (ECGCI) to ensure availability of credit risk cover for promoting project exports of national/strategic importance;
- (b) the projected impact of the same;
- (c) the projects supported under the same; and
- (d) the details of other such measures taken to promote exports?

ANSWER

THE MINISTER OF COMMERCE AND INDUSTRY
(SHRI PIYUSH GOYAL)

(a) to (d): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF RAJYA SABHA STARRED QUESTION NO. 204 FOR ANSWER ON 9th AUGUST, 2024 REGARDING “CREDIT RISK COVER UNDER NEIA”

(a) The Government of India established National Export Insurance Account (NEIA) Trust in 2006 to promote project exports from India that are of strategic and national importance. The trust was set up with an initial corpus of ₹66 crore. Government has contributed ₹4,741 crore into the Trust over the years. The total corpus available with the Trust as on 30.6.2024, was ₹1,276.56 crore.

The Trust facilitates project exports by way of extending guarantee support to Export Credit and Guarantee Corporation of India (ECGC) for its export credit insurance schemes for the Medium- and Long-Term export transactions and to extend cover to India Exim Bank for Buyer’s Credit tied to the project exports from India given to the sovereign borrower.

(b) The NEIA Trust has helped exporters over the years to develop overseas markets for the project exports.

Buyer’s Credit National Export Insurance Account (BC-NEIA) contracts include clause for minimum Indian content of 75% in the projects. These have given significant boost to manufacturing and employment generation in India.

The NEIA through its cover for project exports helps make Indian project exporters more competitive and gain a stronger foothold in regions of national strategic interest.

(c) As on 30.6.2024, 241 projects of value ₹61,578 crore executed by 81 Indian Project exporters in 58 countries have been supported by the NEIA Trust under 359 covers.

(d) Apart from NEIA Scheme, ECGC provides export credit insurance services on short term (ST) and Medium and Long Term (MLT) basis to exporters and banks to promote exports from India. ECGC also provides insurance covers to Indian Project Exporters (IPEs) as well as to the Indian Banks which extend credit for enabling project exports on deferred payment terms from India in respect of those overseas projects usually funded by Multinational development agencies like World Bank Group, AfDB, etc.

The Exim Bank provides medium to long-term export financing to exporters.
