

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE AND INDUSTRY
DEPARTMENT OF COMMERCE

RAJYA SABHA
UNSTARRED QUESTION NO. 724
ANSWERED ON 05/12/2025

**EXPORTS OF INDIAN MSME's IN THE FACE OF GLOBAL TRADE
DISRUPTIONS**

724. SHRI JOSE K. MANI:

Will the Minister of **COMMERCE AND INDUSTRY** be pleased to state:

- (a) steps being taken to increase exports of Indian MSMEs in the face of global trade disruptions;
- (b) whether the Government is working on expanding India's presence in emerging markets like Africa and Latin America; and
- (c) the incentives provided to industries engaged in value-added exports of traditional products such as spices, coir, or handlooms?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY
(SHRI JITIN PRASADA)

- a) Global logistics disruptions have led to delays, cost increases, and supply chain challenges impacting exporters. To address this, the Government is actively enhancing logistics infrastructure and streamlining procedures to improve export efficiency. Key initiatives include: the Export Promotion Mission (EPM), Bharat Trade Net (BTN), grassroots programs like Districts as Export Hubs and E-Commerce Export Hubs,

National Logistics Policy and PM Gati Shakti. These initiatives are outlined in detail below:

- i. The Central Government has introduced Credit Guarantee Scheme for Exporters (CGSE) for providing 100% credit guarantee coverage by National Credit Guarantee Trustee Company Limited (NCGTC) to Member Lending Institutions (MLIs) for extending additional credit facilities upto Rs.20,000 crore to eligible exporters, including MSMEs. It will strengthen liquidity, ensure smooth business operations, reinforce India's progress towards Aatmanirbhar Bharat.
- ii. The Central Government has also approved Export Promotion Mission (EPM) a flagship initiative announced in the Union Budget 2025-26 to strengthen India's export competitiveness, particularly for MSMEs, first-time exporters, and labour-intensive sectors. The Mission will provide a comprehensive, flexible, and digitally driven framework for export promotion, with a total outlay of Rs.25,060 crore for FY 2025-26 to FY 2030-31. EPM marks a strategic shift from multiple fragmented schemes to a single, outcome-based, and adaptive mechanism that can respond swiftly to global trade challenges and evolving exporter needs.
- iii. Under the International Cooperation Scheme being implemented by the Ministry of Micro Small and Medium Enterprises, financial assistance is provided on reimbursement basis to the eligible Central/State Government organizations and Industry Associations to facilitate visits/participation of MSMEs in international exhibitions/fairs/buyer-seller meets held abroad and for organizing international conferences/seminar/workshops in India with the aim of technology upgradation, modernization, joint venture etc. Further, reimbursement is provided to the first-time Micro & Small Exporters on export shipments for costs incurred on Registration-cum-Membership Certification (RCMC) with Export Promotion Councils (EPCs), Export Insurance Premium and Testing & Quality Certification for export. The Ministry of MSME has signed MoUs with 21 EPCs, Export Credit Guarantee Corporation Ltd. (ECGC) and National Small Industries Corporation Ltd. (NSIC) as implementing agencies for reimbursement of these interventions.

- iv. Under the National Industrial Corridor Development Programme (NICDP), implemented by the DPIIT, the state SPVs allot land as per land allotment policy by following conducive fiscal and policy measures being extended to investors including MSMEs. Several relaxations are also offered to potential investors (including MSMEs) by SPVs, including discount to anchor/early-bird investors; lease premium payment flexibility; option for Differential Lease period, etc.
- v. The Marine Products Export Development Authority (MPEDA) supports MSME exporters through Technology Development for Specific Value-added Marine Products (TDSVMP) scheme to assist investment in seafood value addition infrastructure which provides financial assistance with priority to MSME units. This promotes inclusive growth, strengthens the seafood processing ecosystem and encourages the export of value-added marine products from India.
- vi. Bharat Trade Net (BTN), announced in the Union Budget 2025, is a flagship digital public infrastructure developed by DGFT under the Ministry of Commerce & Industry. It aims to digitize trade documents, improve access to export finance, and integrate India's trade ecosystem with global standards. Anchored in India's G20 advocacy and aligned with international frameworks like UNCITRAL's MLETR and MLIT, BTN complements platforms such as ULIP and RBI's ULI to support cost-effective, interoperable, and MSME-friendly trade operations. The initiative enhances MSME competitiveness by enabling simpler, paperless documentation, reducing compliance burdens, and facilitating faster, secure trade transactions recognized globally. BTN also aims to digitize 30 key trade documents for global recognition, enable seamless data exchange across domestic and international agencies, and reduce transaction costs by eliminating data duplication and manual checks. This creates easier access to export finance and supports MSMEs in overcoming trade barriers efficiently, boosting export efficiency and cutting freight costs significantly.
- vii. The introduction of grassroots programs like Districts as Export Hubs (DEH) and E-Commerce Export Hubs (ECEHs) enables MSMEs, start-ups, and artisans to access international markets with lower costs and simplified export processes.

- viii. Strengthening infrastructure through the National Logistics Policy and PM Gati Shakti enhances multimodal connectivity and reduces logistics costs, directly benefiting MSME exporters by easing supply chain bottlenecks.
- ix. Additionally, Export Credit Guarantee Corporation of India (ECGC) has introduced several measures to support MSME exporters amidst global trade challenges including:
1. **Collateral-Free Cover under WT-ECIB:** In order to stimulate export credit among MSE exporters, who are not in a position to offer any collaterals or third-party guarantee, a scheme offering 'Collateral-Free Cover' has been introduced by ECGC w.e.f. July 1, 2025. The scheme aims to support collateral-free export credit lending by Banks under its WT-ECIB, for export credit working capital limits up to ₹10 crore, without any additional premium. This will enable the banks to offer liberal credit to MSEs.
 2. **Enhanced Cover without additional premium under WT-ECIB:** In order to compensate banks to a larger extent and to bring down the insurance cost and ease of doing business, the Company is offering enhanced cover of 90% to the eligible banks and accounts for their export credit loans up to ₹50 crore, as against earlier limit of up to ₹20 crore, without any incremental cost, w.e.f. October 1, 2025.
 3. **Enhanced cover for Banks (for MSMEs):** ECGC is offering enhanced cover of 90% to the banks availing WT-ECIB covers, as against 70% earlier, in respect of small exporter accounts having aggregate export credit working capital limit up to ₹80 crore, with a condition that they pass on this benefit through lower interest rate applicable to accounts with 'AA' and equivalent rating, thus facilitating availability of adequate credit at cost effective rates, particularly for MSME exporters.
 4. **Enhanced cover for directly sourced business:** ECGC is providing enhanced percentage of up to 100% cover to exporters who take policy directly from the Company without involving any alternate channels/brokers. This also acts as a collateral to banks for export credit lending, particularly to MSMEs, who mostly

avail policy directly from the Company as generally brokers do not deal with insurance covers with small ticket size, thereby reducing collateral requirement for export credit sanctioned by banks.

5. **Simplified procedure for settlement of claims:** In order to provide better service and improve the turnaround time for settlement of claims under Short Term (ST)- ECIB, the Company has simplified the procedure for settlement of ECIB Claims for net principal outstanding up to ₹10 crore irrespective of the limits sanctioned.
 6. **MoU with Ministry of Micro, Small and Medium Enterprises (MoMSME):** ECGC has signed an MoU with the Ministry of MSME for implementing the 'Capacity Building of First Time MSE Exporters' (CBFTE) component of International Cooperation (IC) Scheme. Under the CBFTE scheme, refund of premium up to ₹10,000 in a financial year, is allowed to the eligible exporters holding 'Small Exporter's Policy' and having a valid Udyam registration under 'Micro' or 'Small' Enterprise category.
 7. The Company is also encouraging MSMEs to enter export markets through various awareness programmes and targeted outreach in collaboration with trade bodies and Export Promotion Councils (EPCs).
- b) The Government of India actively promotes expanding India's presence in emerging markets like Africa and Latin America. The India-Africa Conclave, organized annually by the Confederation of Indian Industries (CII) with support from the Ministry of Commerce & Industry and the Ministry of External Affairs, facilitates dialogue and cooperation. Additionally, the Government regularly engages with trading partners through institutional mechanisms such as Joint Commission Meetings and Joint Trade Committees to strengthen bilateral trade ties and address trade bottlenecks.

Further, in response to global trade disruptions and tariff challenges, the ECGC has upgraded country ratings for 24 countries across Latin America, Africa, the Middle East, East Asia, and other emerging markets since September 2025. It aims to reduce insurance costs for exports to these regions, encouraging Indian exporters to diversify markets and lessen dependence on restrictive markets.

- c) The Government provides various incentives to industries engaged in value-added exports of traditional products such as spices, coir, and handlooms. For spices, the Spices Board under the Ministry of Commerce & Industry implements the SPICED scheme, which enhances export competitiveness through support for value addition, technology adoption, quality assurance, marketing, and participation in international trade fairs. The scheme also fosters entrepreneurship via Spice Incubation Centres and supports farmers' groups, SMEs, and exporters from regions like the Northeast and SC/ST communities.

Ministry of Micro, Small & Medium Enterprises, through Coir Board (a statutory body), is implementing the Coir Vikas Yojana (CVY) with the objective of overall and sustainable development of the coir industry in India. The Board extends support to entrepreneurs for participation in international trade fairs and exhibitions, supporting entrepreneurs for quality certification through accredited certification bodies, and organising seminars and workshops on processing technology, packaging, export procedures, foreign trade policies and market development in collaboration with institutions such as DGFT, Customs, IIFT, IIP, IIPM, CPCRI, TNAU, CFTRI and NIFTEM.

The Government of India, Ministry of Textiles is implementing schemes such as the National Handloom Development Programme (NHDP) and the Raw Material Supply Scheme for the development of handlooms across the country. Under these schemes, financial assistance is provided to eligible handloom agencies and weavers for raw materials, looms and accessories, infrastructure development, design and product development, marketing of handloom products in domestic and overseas markets, as well as Weavers MUDRA loans.

Additionally, with a view to making traditional industries more productive, competitive and facilitating their sustainable development, the Government of India has been implementing the Central Sector Scheme titled the "Scheme of Fund for Regeneration of Traditional Industries (SFURTI)". Under this scheme, 90% financial grant is given to projects which include Common Facility Centres, Raw Material Banks etc. The main objective of the Scheme is to make the traditional industrial clusters more competitive,

market driven, productive, profitable and capable of providing sustainable employment for traditional industry artisans and rural entrepreneurs. The Coir Clusters under this scheme build up innovative and traditional skills, improved technologies, advanced processes, market intelligence and new models of public-private partnerships.
