

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

LOK SABHA
UNSTARRED QUESTION NO. 1889
TO BE ANSWERED ON 3rd JULY, 2019

RISK OF NON-REALISATION OF EXPORT PROCEEDS

1889. DR. NISHIKANT DUBEY

Will the Minister of **COMMERCE & INDUSTRY** (वाणिज्य एवं उद्योग मंत्री) be pleased to state:

- (a) whether the Government has implemented any mechanism to protect the interests of exporters against the risk of non-realisation of export proceeds;
- (b) if so, the details thereof and if not, the reasons therefor;
- (c) whether the Government proposes for any financial allocation for this purpose; and
- (d) if so, the details thereof?

ANSWER

वाणिज्य एवं उद्योग मंत्री (श्री पीयूष गोयल)
THE MINISTER OF COMMERCE AND INDUSTRY
(SHRI PIYUSH GOYAL)

- a) Yes, the Central Government has an undertaking known as “ECGC Limited” under the control of Department of Commerce, Ministry of Commerce & Industry to support the Indian exporters and bankers by providing cost-effective insurance and trade related services against the risk of non-realisation of export proceeds.

Additionally, the Government has set up the National Export Insurance Account (NEIA) operated by ECGC to provide adequate credit insurance cover to protect long and medium term exporters against both, political and commercial risks of the overseas country and the buyer/bank concerned. The NEIA trust also provides covers to banks for Buyer's Credit transactions, which facilitates foreign buyer to pay for project exports from India.

- b) ECGC provides the following services:
 - i. Credit insurance schemes (popularly known as ‘Policies’) to exporters to protect them against losses due to non-payment of export dues by overseas buyers due to political and/ or commercial risks on short-term basis.
 - ii. Export Credit Insurance covers for Banks (ECIB) to cover the banks’ lending risks involved in extending ‘pre-shipment’ and ‘post-shipment’ finance to exporters on short-term basis.
 - iii. ECGC also provides Policy and ECIB covers to promote medium and long term exports (MLT), otherwise called Project exports, that are made on credit period exceeding 360 days.

c) Yes,

d) The Government has recently approved ₹2000 crore towards the capital infusion of ECGC during Financial Year FY 2017-18 to FY 2019-20 to enhance its capital base to augment its underwriting capacity. Additionally, this will support in boosting India's exports to emerging markets like Africa, CIS and Latin American countries.
