

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

LOK SABHA
UNSTARRED QUESTION NO. 660
TO BE ANSWERED ON 16th SEPTEMBER, 2020

EXPORT CREDIT

660. SHRI RAJESHBHAI CHUDASAMA:

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

- (a) whether Ministry is aware that there is a sharp decline in export credit given by banks during the last four years;
- (b) if so, whether Ministry has ever tried to find out the reasons behind this;
- (c) the short and long-term measures that have so far been taken to correct the situation and how the above decline has impacted the exports;
- (d) whether any consultations have been held with RBI to provide some credit from its currency reserves; and
- (e) if so, the details thereof?

ANSWER

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

(a): As reported by Reserve Bank of India (RBI), the data on "Export Credit-Balance outstanding" as at the end of FY 2016-17 to FY 2019-20 for Scheduled Commercial Banks, as submitted by the Banks to RBI is shown below:

(Amount in ₹ Crore)

Bank Group Name	Export Credit – Balance Outstanding as on			
	31.03.2017	31.03.2018	31.03.2019	31.03.2020
Foreign Bank Group	71,009	66,162	61,249	55,095
Private Sector Banks	48,297	57,235	54,633	62,347
Public Sector banks	1,24,198	1,20,493	1,10,945	1,02,215
Small Finance Bank Group-Scheduled	-	-	-	-
Scheduled Commercial Banks	2,43,505	2,43,890	2,26,826	2,19,656

(a) & (c): Review of these issues and suitable policy steps are an ongoing part of Governmental actions. Some of the measures undertaken to address export credit related issues in India are, inter-alia, as follows:-

- (i) On 1st April 2020, RBI has extended the time period for realization and repatriation of export proceeds for exports made up to or on 31st July 2020 from 9 months to 15 months from the date of export.
- (ii) On 22nd May 2020, RBI has extended the time period for completion of remittances against normal imports into India (except in cases where amounts are withheld towards guarantee of performance) from 6 months to 12 months from the date of shipment for such imports made on or before 31st July 2020.
- (iii) On 23rd May 2020, RBI has increased the maximum permissible period of pre-shipment and post-shipment export credit sanctioned by banks from the existing one year to 15 months, for disbursements made up to 31st July 2020.
- (iv) RBI vide its circular dated 20.09.2019, has enhanced the sanctioned limit for classification of export credit under PSL from ₹25 crore to ₹40 crore per borrower.

(a) & (e): Consultations on export credit are regularly held with RBI and they are sensitive to the concerns of exporters.
