

**MEASURES TO MITIGATE RISKS FOR EXPORTERS**

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Will the Minister of TEXTILES वस्त्र मंत्री  
be pleased to state :

- (a) the details of objectives and outcomes of the collaboration between the Ministry of Textiles and MODIFI India;
- (b) the manner in which the collaboration particularly benefit Small and Medium-sized Enterprises (SMEs) in the textile and handloom sectors which often struggle with accessing financial resources for international trade;
- (c) whether there are any measures put in place to mitigate risks for exporters especially in terms of currency fluctuation, political instability in export markets or payment defaults; and
- (d) if so, the details thereof?

उत्तर

ANSWER

वस्त्र राज्य मंत्री (श्री पबित्र मार्घेरिता)  
THE MINISTER OF STATE FOR TEXTILES  
(SHRI PABITRA MARGHERITA)

**(a) & (b):** There is no such collaboration between Ministry of Textiles and MODIFI India.

**(c) & (d):** For promotion of exports and mitigation of risks for export, Ministry of Textiles is continuously monitoring export performance of textiles and taking various measures to boost production and exports in consultation with Textiles Export Promotion Councils and Industry Associations.

As per Para 2.55 of Foreign Trade Policy, 2023

- (i) Export Credit Agencies (ECAs) are policy instruments for Government to support exports. ECAs support exports by insurance, guarantee and also direct lending. Export Credit Agencies (ECAs) like Export Credit Guarantee Corporation of India Ltd. (ECGC) provides credit insurance support to exports and export credit lending. Covers issued by ECGC to exporters, protect against losses arising out of payment failures due to insolvency or default of the buyers or due to political risks. Exporters can diversify their markets in addition to protecting existing markets through such covers. ECGC also supports Medium and Long term (MLT) exports including project exports. Exim Bank is the other ECA in the business of lending for MLT exports and fronting the government's line of credit.
- (ii) ECGC indemnifies losses of exporters in export trade due to insolvency or default of the buyer. Additionally, losses due to political risk like war, sudden import restriction, promulgation of law or decree after the shipment has been affected are also covered. Some of the anti-dumping measures or non-tariff barriers introduced after a shipment has been made will come under the purview of the political risk. In such cases exporter's interest are protected by ECGC.

Further, the Government also provides financial support to various Export Promotion Councils and Trade Bodies under Market Access Initiative Scheme implemented by Department of Commerce for organising and participating in trade fairs, exhibitions, buyer-seller meets etc at national and international levels to boost export.