

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
LOK SABHA

UNSTARRED QUESTION NO. 1251

ANSWERED ON MONDAY, 8th DECEMBER, 2025/Agrahayana 17, 1947 (Saka)

Trade Deficiency affecting MSMEs

1251. Sh. ARUP CHAKRABORTY:

Will the Minister of FINANCE be pleased to state:

- (a) whether the country faces a trade finance gap adversely affecting its MSME exporters, especially in comparison with emerging markets, if so, the details thereof;
- (b) the total value of export credit disbursed during the last five years by SIDBI, EXIM Bank and PSU banks;
- (c) whether the RBI has recommended measures to improve credit flow through non-collateralised and concessional instruments, if so, the details thereof; and
- (d) whether the Government proposes to establish a sovereign-backed export guarantee facility to support high-risk exporters; if so, the details thereof?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) to (b) Banks and Financial Institutions have traditionally been the primary source of export finance in India. The total export credit disbursed by Public Sector Banks, SIDBI and Exim Bank in last five years (FY 20-21 to FY 24-25) stood at Rs 21.71 lakh crores.

(c) Reserve Bank of India (RBI) has taken several measures for improving credit flow to MSMEs (including exporters) including regulations issued by RBI which stipulate (i) collateral free lending for loans upto Rs 10 lakhs, (ii) allows relaxed capital requirement for such lending, (iii) transparency in interest rates by linking to external benchmarks, etc. Additionally, RBI issued Reserve Bank of India (Trade Relief Measures), 2025 on 14.11.2025 providing various relief to exporters including deferment in repayment of interest and principal instalments, extending export proceeds realisation period, flexibility in packing credit liquidation, etc.

(d) As informed by Department of Commerce, Government has approved the Scheme for Export Promotion Mission (EPM) on 12.11.2025 for the period FY 2025-26 to FY 2030-31, aimed at strengthening India's export competitiveness – particularly for MSMEs. The EPM operates through two integrated sub-schemes viz. NIRYAT PROTSAHAN and NIRYAT DISHA. Under NIRYAT PROTSAHAN, while not amounting to a formal sovereign-backed export guarantee facility, two interventions are proposed to strengthen export credit flow through supported risk-mitigation mechanisms. These are intended to improve MSME access to export finance:

- Support for Collateral for Export Credit – provides partial credit-risk coverage to lending institutions, with the objective of enabling exporters with inadequate collateral to access export credit channels.
- Support for Emerging Export Opportunities – proposes credit-enhancement support to facilitate MSME expansion into new and less-served international markets.
