

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

LOK SABHA
UNSTARRED QUESTION NO. 2314
TO BE ANSWERED ON 1st AUGUST, 2016

LOAN FOR EXPORTERS

2314. DR. P. VENUGOPAL:

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

- (a) whether the Ministry of Commerce and Industry wants the Central Bank of the country to use a part of its foreign exchange reserves to give long-term loans at low interest rate to the Exim Bank of India, which can pass on to exporters at lower rates than bank credits;
- (b) if so, whether the Ministry of Commerce has taken up this issue with the Minister of Finance and if so, the details thereof and the response of the Finance Ministry thereto; and
- (c) whether it is likely to help reduce the costs and enhance the competitiveness of exporters at a time of global trade slowdown and weak demand overseas and if so, the details thereof?

ANSWER

वाणिज्य एवं उद्योग राज्य मंत्री (श्रीमती निर्मला सीतारमण) (स्वतंत्र प्रभार)

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY
(INDEPENDENT CHARGE)
(SMT. NIRMALA SITHARAMAN)

- (a) to (c): Reserve Bank of India(RBI) was requested to earmark a portion of its foreign exchange reserves to Exim Bank for project export finance. At the request of Department of Commerce, Ministry of Finance also took up the matter with RBI. RBI offered that a portion of the unutilised amount sanctioned to India Infrastructure Finance Company Limited (IIFCL) could be utilised as a long term loan to Exim Bank. However, IIFCL indicated that it had committed the entire funds to its borrowers and that there would not be any residual or unutilised amount which could be offered to Exim Bank.
