

Government of India
Ministry of Finance
Department of Financial Services

LOK SABHA

UNSTARRED QUESTION No. 923

TO BE ANSWERED ON 8th FEBRUARY, 2019/ MAGHA 19, 1940 (SAKA)

“EXPORT CREDIT”

923 : SHRI ASADUDDIN OWAISI.:

Will the Minister of FINANCE be pleased to state:

- (a) whether the export credit has declined 26 per cent during the last financial year which was followed by 21 percent fall during the first quarter of the current financial year;
- (b) if so, the extent to which recent frauds are responsible for low credit to small exporters;
- (c) whether Federation of Indian Exports Organizations has urged Government to increase credit flow to exporters which are already reeling under high oil prices and repeated delays of Goods and Services Tax reforms; and
- (d) if so, the steps taken or being taken by the Government to rescue the small exporters and increase credit inflow and timely reforms in GST etc.?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI SHIV PRATAP SHUKLA)

(a) & (b) Export Credit extended by scheduled commercial banks has continued to reflect a steady increase. As per data compiled by Reserve Bank of India (RBI), the Export Credit – Balance Outstanding in respect of all Scheduled Commercial Banks at the end of financial year 2016-17 & 2017-18 stood at Rs. 2,43,505 Cr. and Rs. 2,43,890 Cr. respectively. It declined marginally by 0.56% to Rs. 2,42,523 Cr. in the first quarter of current financial year before registering an increase of 4.59% to Rs. 2,53,676 Cr. in second quarter ending Sept. 30th, 2018.

(c) & (d) Federation of Indian Export Organisation (FIEO) has urged the Government to increase the flow of credit to Micro, Small & Medium Enterprise (MSME) exporters. Government has taken various steps in this regard. These, inter-alia, include raising interest equalization rate under Interest Equalisation Scheme (IES) from 3% to 5% for MSME exports; including Merchant exporters under IES for Pre and Post Shipment Rupee Export Credit; facilitating export under GST by permitting Letter of Undertaking in place of bond with no bank guarantee for exporting goods or service or both; allowing Merchant exporters to procure goods, from domestic suppliers, for export, with nominal GST of 0.1%; Provisional sanction of 90% refund amount within 7 days in case of exports etc.