

**Cabinet okays Rs. 2,000-cr. capital infusion for export guarantor across FY2017-20**

The Cabinet Committee on Economic Affairs on Wednesday approved a capital infusion of Rs. 2,000 crore into the Export Credit Guarantee Corporation (ECGC) to be infused over the three financial years 2017-20.

The break-up of the infusion would be Rs. 50 crore in 2017-18, Rs. 1,450 crore in 2018-19, and Rs. 500 crore in 2019-20.

**MSME exports**

“The infusion would enhance insurance coverage to MSME exports and strengthen India’s exports to emerging and challenging markets like Africa, CIS and Latin American countries,” the government said in a release. “With enhanced capital, ECGC’s underwriting capacity and risk to capital ratio will improve considerably. With a stronger underwriting capacity, ECGC will be in a better position to support Indian exporters to tap new and unexplored markets.”

The increased capital infusion would also help ECGC to diversify its product portfolio and provide cost-effective credit insurance to exporters, the government said.

“Covers from ECGC will help in improving competitive position of India exporters in international markets,” the government said. “More than 85% of customers benefited by ECGC’s covers are MSMEs. ECGC covers exports to around 200 countries in the world.”

Separately, the Cabinet Committee on Economic Affairs also approved the contribution of grant-in-aid of Rs. 1,040 crore to the National Export Insurance Account Trust (NEIA). “The corpus is to be utilised during three years from 2017-18 to 2019-20,” the government said.

“An amount of Rs. 440 crore has already been received for the year 2017-18. Rs. 300 crore each will be given to NEIA for the years 2018-19 and 2019-20. The corpus would strengthen NEIA to support project exports from the country that are of strategic and national importance,” the Centre added.

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