

## 'NIRVIK SCHEME MAY GIVE FILLIP TO EXPORT CREDIT'

Relevant for: Indian Economy | Topic: Issues relating to Growth & Development - Foreign Capital, Foreign Trade & BOP

The Export Credit Guarantee Corporation of India (ECGC) is optimistic that the Nirvik scheme announced by the Union Government recently would give a fillip to export lending and insurance cover for export credit.

Geetha Muralidhar, Chairman and Managing Director of ECGC, told *The Hindu* recently that the scheme announced by the Minister for Commerce and Industry was expected to get government approval soon. Currently, the average cover given to banks by the ECGC is 60%.

In the last four to five years, the Corporation has paid nearly Rs. 1,000 crore a year towards claims to various banks and subsequently, it gradually decreased the cover.

Under the Nirvik scheme, ECGC will provide 90% cover. The additional outgo, if any, due to the enhanced cover would be supported by the government and the scheme would be valid for five years.

Though there has been a fall in claims in the last six months, the ECGC is optimistic that business and lending would pick up soon and the scheme would give a fillip to it.

ECGC also provides various direct covers and has live data and credit profile information.

It provides details of nearly 1.5 lakh overseas buyers and 20,000 exporters, she said.

***Under the Nirvik scheme, the ECGC will provide 90% cover, as against 60% being given to banks at present***

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