



Indian exporters need to tap African countries more, says Exim Bank MD

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The dark continent has an almost 'unlimited market,' says David Rasquinha

- Indian exporters need to increasingly tap African countries that have an almost “unlimited market,” said David Rasquinha, MD, Export Import Bank of India.
- Pointing out that expanding geographical range and product diversification were critical for Indian exporters, EXIM bank MD said in 2018-19, exports were expected to surpass the \$304-billion figure of 2017-18.
- Delivering the keynote address at an international trade conclave arranged by the Bengal Chamber of Commerce and Industry here, MD also highlighted the rising concerns of the Indian textile exporters and the challenges being faced by exporters.

Facing competition

- On the issue of the competition being faced by Indian textile exporters from Bangladesh and Vietnam, MD highlighted the need to scale up business to combat cost pressures.
- On the changing role of finance, MD said that the banking sector's health was now improving through various measures, especially through the Insolvency and Bankruptcy Code and shared his concern on LIBOR as a benchmark rate, noting that its trustworthiness had now come under the scanner.
- While a new benchmark dollar interest rate had been created (Secured Overnight Financing Rate), the change from LIBOR is not easy as it is tied to all kinds of financial instruments

Add Info:

EXIM Bank

- The Export-Import Bank (Exim bank) was set up on January 1, 1982 to take over the operations of international finance wing of the IDBI and to provide financial assistance to exporters and importers and to function as a head financial institution for coordinating the working of other institutions engaged in financing of exports and imports of goods and services.
- The authorised capital of Exim bank is Rs. 200 crore and paid-up-capital is Rs. 100 crore wholly subscribed by the Central Government.

Organisation and Management:

- The Exim Bank is managed by a Board consisting of a Managing Director who is the Chairman and 17 Directors representing different areas.
- They are Secretary to the Department of Industrial Board, Commerce Secretary, Finance Secretary, Secretary to Banking, Secretary IDBI, Secretary ECGC Secretary RBI, 3 directors representing other scheduled commercial banks, 4 Directors chosen from export community and 3 others representing ministries and departments.

Functions of Exim Bank:

The important functions of Exim Bank are as follows:

- (i) It provides direct financial assistance to exporters of plant, machinery and related service in the form of medium-term credit.
- (ii) Underwriting the issue of shares, stocks, bonds, debentures of any company engaged in exports.
- (iii) It provides rediscount of export bills for a period not exceeding 90 days against short-term usance export bills discounted by commercial banks.
- (iv) The bank gives overseas buyers credit to foreign importers for import of Indian capital goods and related services.
- (v) Developing and financing export oriented industries.
- (vi) Collecting and compiling the market and credit information about foreign trade.

Activities of Exim Bank:

- The bank can raise additional resources through borrowing from Government of India, from RBI and from the market through the issue of bonds and debentures.
- Exam bank also provides refinance facilities to the commercial bank and financial institutions against their export-import financing activities.

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