

Export Credit Guarantee Corporation (ECGC)

March 4, 2022

In news– In view of the prevailing situation, ECGC recently carried out a review of the country risk rating of Russia as per its extant underwriting policy.

Key updates-

- With effect from 25.02.2022, the **cover category of Russia has been modified from Open Cover to Restricted Cover Category – I (RCC-I)** for which revolving limits (normally valid for a year) are approved specifically on a case-to-case basis.
- Open cover categories enable policyholders to obtain cover on a more liberalized basis.
- The corporation also clarified that coverage on export to Russia had not been withdrawn.
- This measure would also enable exporters and banks in India in assessing the export payment realization prospects from buyers and/or banks in Russia.
- India's exports to Russia stood at \$2.65 billion in 2020-21 and Exports to Ukraine during the same period were \$451 million.

About Export Credit Guarantee Corporation (ECGC)-

- ECGC Ltd. (Formerly known as Export Credit Guarantee Corporation of India Ltd.) is **wholly owned by the Government of India.**
- Based in Mumbai, it works under the **Ministry of Commerce and Industry.**
- It was **set up in 1957** with the objective of promoting exports from the country by providing credit risk insurance and related services for exports.
- ECGC is essentially an export promotion organization,

seeking to improve the competitiveness of the Indian exports by providing them with credit insurance covers.

- The Corporation has introduced various export credit insurance schemes to meet the requirements of commercial banks extending export credit.
- ECGC provides a range of insurance covers to Indian exporters against the risk of non – realization of export proceeds due to commercial or political risks.
- It also provides export Factoring facility for MSME sector which is a package of financial products consisting of-
 - Working capital financing.
 - Credit risk protection.
 - Maintenance of sales ledger and collection of export receivables from the buyer located in an overseas country.