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Comparative Analysis Of ECGC And EXIM Bank Of India

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Abstract-

Exports financing is considered as an essential element for the growth of an economy. There is immense potential for India's export's sector as India's total exports have increased manifold in the last 10 decades and currently India contributes a major share to the GDP of the world. Export financing is essential for the exporters as the export businesses with high value that depend on financing. Exports are helpful for the development of an economy. The export trade is facilitated with the availability of export finance at different stages in the form of the Pre-shipment finance and Post-shipment finance provided by export financing institutions in India. The Indian economy opened up in the early 1990's with the introduction of a series of economic reforms in India, which facilitated the growth of international trade. The establishment of two major export financing institutions that accelerate the growth of trade from India are ECGC and EXIM Bank of India.

This paper presents a comparative analysis of two major export financing institutions in India's: the Export Credit Guarantee Corporation of India (ECGC) and the Export-Import Bank of India (EXIM Bank). Both institutions play crucial roles in promoting exports from India by providing credit risk insurance and export financing, to the Indian exporter in the international market. This study explores their historical development, objectives, functions, services, and their impact on India's export sector. Through this analysis, we aim to highlight their contributions, operational mechanisms, and the synergies between them.

This research paper is based on exploratory research, in which we explore the recommendations for trade policy reforms in India and their impact for achieving the targets in the international market. The paper elaborated policy reforms in India. An intensive literature review was conducted and the major findings of the work were included in the conclusion. Through this paper, the various transformations, which were introduced for the achievements of the defined targets were discussed. These transformations were to promote and safeguard exporters in the international market, with intend to align with global standards for trade.

Keywords: ECGC, EXIM bank, Empowerment, Export financing, Pre-shipment financing and Post-shipment financing

Introduction-

India's export sector is an essential component of its economic growth and development. The institutions like ECGC and EXIM Bank have been established to support and enhance the country's export performance. ECGC provides credit risk insurance to exporters, safeguarding them from losses arising due to non-payment by overseas buyers or by being defaulter for the payments. Whereas, the other institution, the EXIM Bank, offers a range of financial products and services to support Indian exporters in the international market. This research paper compares the roles, products and services offered, and impacts of these two institutions.

Literature Review-

The Review of literature provides new insights towards the topic, suggests new interpretations or clarifying conflicts within previously published research works. The Review of Literature helps to develop a good understanding and insight into relevant previously published researched materials and the trends that have emerged recently. The reviews of literature are the collection of all the reviews obtained.

In the year 2016, Ahmed and Ansari have conducted research and discussed the export financing strategy in his work 'EXIM Bank of India's Export Financing Strategy: An Analysis' which reflects that the export credit plays a vital role in strengthening export performance. The studies reflected that the financial extension by institutions like Export Import Bank of India play a significant role in strengthening the capacity to enter in the international market and capturing the market by grabbing competitiveness. Lack of capital has been a constant issue with the industrial prosperity in India along with several other reasons. The capital availability certainly imparts a sense of strength among the businesses which kept themselves restrained from entering into the international market. Therefore, the study tries to enquire and validate whether the export financing activities by EXIM Bank in India.

In the year 2015, Ghose has conducted research work on 'An analysis of the growth of EXIM bank as India's premier export financing institution' has discussed export financing and other factors contributing to the growth of export considering the role, functions, and objectives of the EXIM Bank of India. Developing countries like India concentrate more on increasing the value and volume of the export turnover to attain economic developments to provide employment opportunities to utilize all the available resources and to finance for exports.

In 2020, Mudugal has conducted a research study on the 'Role of EXIM Bank for Development of International Business - A Study' examined the performance of export rendered by the EXIM Bank of India'. On the basis of which he revealed that if export financing services are provided in the Developing countries like India concentrates more on increasing the value and volume of the export turnover to attain economic developments, to provide employment opportunities, to Utilize all the available resources and to finance for exports.

ECGC Annual Report 2021-22 - The organisation reported a gross premium of ₹1106.62 crores as against ₹1062.28 crores, registering a growth of 4.17% as compared to the previous financial year. The organisation posted an operating profit of ₹684.88 Crores as compared to an Operating profit of ₹159.10 crores during previous financial year 2020-21. Profit before tax (PBT) has shown a significant growth amounted to ₹1160.86 crores, as against ₹588.10 crores in FY 2020-21. ECGC maintained a profit after tax (PAT) available for appropriation in the FY 2021-22 of ₹875.16 crores as against ₹460.31 crores in the previous financial year.

The organisation also revealed improvements in its investment and other income, which shows a significant growth. The total income from investment and income from other sources reflected a growth of 7.97% to ₹1100.46 crore in the FY 2021-22 from ₹1019.22 crore in the previous financial year 2020-21. The total claims paid by the organisation has decreased from ₹1046.74 crores in FY 2020-21 to ₹687.20 crores in FY 2021-22. ECGC's solvency ratio remains notably strong at 30.05 times, exceeding regulatory requirements. The board of directors of the organisation recommended a final dividend of ₹7 per equity share, on the total amount of ₹395.00 crores, with a payout ratio of 31.59% of the profits after tax of ₹875.16 crores.

ECGC Annual Report 2022-23 - The organisation reported a gross premium of ₹1197.53 crores as against ₹1106.62 crores, registering a growth of 8.22% as compared to the previous financial year. The organisation posted an operating profit of ₹2207.40 Crores as compared to an Operating profit of ₹684.88 crores during previous financial year 2021-22. Profit before tax (PBT) has shown a significant growth amounted to ₹2761.17 crores, as against ₹1160.86 crores in FY 2021-22. ECGC maintained a profit after tax (PAT) available for appropriation in the FY 2022-23 of ₹2164.25 crores as against ₹875.16 crores in the previous financial year.

The organisation also revealed improvements in its investment and other income, which shows a significant growth. The total income from investment and income from other sources reflected a growth of 3.95% to ₹1133.85 crore in the FY 2022-23 from ₹1090.80 crore in the previous financial year 2021-22. The total claims paid by the organisation, has increased from ₹687.20 crores in FY 2021-22 to ₹763.05 crores in FY 2022-23. ECGC's solvency ratio remains notably strong at 47.93 times, exceeding regulatory requirements. The board of directors of the organisation recommended a final dividend of ₹10 per equity share, on the total amount of ₹433.80 crores, with a payout ratio of 20.04% of the profits after tax of ₹2164.25 crores.

ECGC Annual Report 2023-24 - The organisation reported a gross premium of ₹1270.77 crores as against ₹1197.53 crores, registering a growth of 6.12% as compared to the previous financial year. The organisation posted an operating profit of ₹2162.01 Crores as compared to an Operating profit of ₹2215.33 crores during previous financial year 2022-23. Profit before tax (PBT) has shown a significant growth amounted to ₹2858.95 crores, as against ₹2761.17 crores in FY 2022-23. ECGC maintained a profit after tax (PAT) available for appropriation in the FY 2023-24 of ₹2159.05 crores as against ₹2164.25 crores in the previous financial year.

The organisation also revealed improvements in its investment and other income, which shows a significant growth. The total income from investment and income from other sources reflected a growth of 5.73% to ₹1204.89 crore in the FY 2023-24 from ₹1139.61 crore in the previous financial year 2022-23. The total claims paid by the organisation has decreased from ₹763.05 crores in FY 2022-23 to ₹450.31 crores in FY 2023-24. ECGC's solvency ratio remains notably strong at 47.87 times, exceeding regulatory requirements. The board of directors of the organisation recommended a final dividend of ₹10 per equity share, on the total amount of ₹433.80 crores, with a payout ratio of 20.09% of the profits after tax of ₹2159.05 crores.

EXIM Bank Annual Report 2021-22- The EXIM Bank of India has revealed strong financial performance for FY 2021-22. The bank's profit after tax increased by 190.55%, reaching ₹7.38 billion, compared to ₹2.54 billion in the previous fiscal year. This was driven by a slight growth of 13.19% in its loan portfolio, which reached ₹1176 billion as compared to ₹1039 billion during previous financial year 2019-20.

The bank improved its asset quality notably, with gross non-performing assets (NPAs) at ₹43.47 billion worked out to 3.56% of the total loans and advances and net non-performing assets NPAs is zero. EXIM Bank's loan book grew contributing to the growth in its total business, which stood at ₹46.67 billion as compared to ₹46.09 billion, an increase of 1.26% from the previous year.

EXIM Bank Annual Report 2022-23- The EXIM Bank of India has revealed strong financial performance for FY 2022-23. The bank's profit after tax increased by 110.84%, reaching ₹15.56 billion, compared to ₹7.38 billion in the previous fiscal year. This was driven by a growth of 14.37% in its loan portfolio, which reached ₹1345 billion as compared to ₹1176 billion during previous financial year 2021-22.

The bank improved its asset quality notably, with gross non-performing assets (NPAs) at ₹56.97 billion worked out to 4.09% of the total loans and advances and net non-performing assets NPAs is ₹9.48 billion were at 0.71% of loans and advances (net of provision). EXIM Bank's loan book grew contributing to the growth in its total business, which stood at ₹77.69 billion as compared to ₹46.67 billion, an increase of 66.47% from the previous year.

EXIM Bank Annual Report 2023-24- The EXIM Bank of India has revealed strong financial performance for FY 2023-24. The bank's profit after tax increased by 61.89%, reaching ₹25.19 billion, compared to ₹15.56 billion in the previous fiscal year. This was driven by a growth of 17.175% in its loan portfolio, which reached ₹1576 billion as compared to ₹1345 billion during previous financial year 2022-23.

The bank improved its asset quality notably, with gross non-performing assets (NPAs) at ₹31.01 billion worked out to 1.94% of the total loans and advances and net non-performing assets NPAs is ₹4.57 billion were at 0.29% of loans and advances (net of provision). EXIM Bank's loan book grew contributing to the growth in its total business, which stood at ₹114.50 billion as compared to ₹77.69 billion, an increase of 47.38% from the previous year.

EXIM bank has expanded its developmental role through Lines of Credit (LOCs), supporting socio-economic projects with other countries, while providing its support for Indian exports.

The studies highlight the critical role of export financing in economic development and empowerment. However, the obstacles faced by entrepreneurs, particularly for export financing. The export financing tools support exporters. The export targeted policies and programs are designed for export promotion and development.

Historical Background of Export Financing Institutions in India- The historical background of export financing institutions in India mainly focuses on the establishment of the Export Credit Guarantee Corporation of India (ECGC) and Export-Import Bank of India (EXIM) Bank. An overview of the export financing institutions of India is here.

ECGC (Export Credit Guarantee Corporation of India)-

The Export Credit Guarantee Corporation of India was established in 1957 by the Government of India. The main objective of ECGC is to promote exports by providing credit risk insurance and other exports related services. Initially, the organisation was known as the Export Risks Insurance Corporation (ERIC), it was renamed as Export Credit Guarantee Corporation of India (ECGC) in 1964. The corporation is managed by the administrative control of the Ministry of Commerce and Industry.

Vision of the ECGC (Export Credit Guarantee Corporation of India)- To excel in providing export credit insurance and trade-related services.

Mission ECGC (Export Credit Guarantee Corporation of India)- To support the Indian export industry by providing cost-effective insurance and trade related services to meet the growing needs of the Indian export market through the optimal utilization of available resources.

EXIM Bank (Export-Import Bank of India)-

The EXIM Bank of India was established by the Export-Import Bank of India Act, 1981 on 1st January 1982 by an act of Parliament. It is a financial institution owned by the government of India. It is a statutory corporation. The financial institution aims to provide financial assistance to Indian exporters and importers, thereby facilitating promoting international trade and investment. The Bank began its operations on the 1st March 1982.

Vision of EXIM Bank- Globalisation of Indian businesses and empowering growth of partner countries.

Mission of EXIM Bank- Facilitate Indian trade and investment, and support partner countries' development priorities as a financially, socially and environmentally responsible institution.

The EXIM Bank provides fund-based and non-fund-based assistance to the foreign traders and Indian merchants. The EXIM Bank plays the functions of co-ordinator, financier, consultant and promoter with reference to the foreign traders and Indian merchants.

Objectives of Export Credit Guarantee Corporation (ECGC)-

The Export Credit Guarantee Corporation has set the following objectives before itself –

- To support Indian exporters by providing credit risk insurance.
- To encourage banks to provide export credit by offering them guarantees against losses.
- To promote exports by offering insurance and financial products that mitigate risks.
- Facilitate Globalization
- Provides Protection against unforeseen losses
- Facilitation in providing bank finance
- To improve the exporters performance in export sector
- To develop Expertise and innovation in the Market
- To provide information and knowledge to SMEs

Thus, ECGC facilitates the Indian exporters for trade in the international market. The ECGC plays an important role to promote exports by offering insurance and financial products that mitigate risks. Also Facilitates Globalization.

Objectives of EXIM Bank (Export-Import Bank of India)-

The EXIM Bank of India aims at the following objectives –

- To facilitate and promote India's international trade.
- To provide financial assistance to exporters and importers.
- To act as a catalyst for the development of Indian industries engaged in international trade
- To acts as alternate financing solutions
- To develop the trade relationships with the international communities
- To establish relationships with foreign financing agencies
- To be conscious about the problems of Indian exporters

Thus, EXIM Bank of India facilitates the Indian exporters for trade in the international market. The EXIM Bank plays an important role in providing various export related policies that would help the Indian exporters to promote trade to international level.

Functions and Services of ECGC (Export Credit Guarantee Corporation)

- ECGC provides credit risk insurance cover to the exporter.
- ECGC provides guarantees to banks to protect them from losses due to non-payment of export credit by exporters.
- ECGC provides export factoring services to the exporter.
- ECGC provides market intelligence and advisory services

Functions and Services of EXIM Bank (Export-Import Bank of India)-

- EXIM Bank provides pre-shipment and post-shipment credit to exporters.
- EXIM Bank offers financial assistance to Indian exporters for investments abroad.

- EXIM Bank extends lines of credit to overseas financial institutions, regional development banks, sovereign governments, and other entities.
- EXIM Bank provides credit to overseas buyers for purchasing Indian goods and services.
- EXIM Bank offers a range of advisory services to exporters and investors.

Research Methodology- In this research, we have attempted to take a specific research objective along with a problem statement that can be significantly investigated. This research will employ a mixed-method approach, combining quantitative data analysis with qualitative analysis, to provide a comprehensive understanding.

Research Objectives- The aim of the research is to examine how ECGC and EXIM both the organisations are affecting the exports and exporters from the Indian economy, to assess the influence of funding and encouraging the exporters on GDP of India, and to assess the products and services of ECGC and EXIM.

Research Design- The author has chosen the descriptive research design for the analytical and exploratory research.

Comparative Analysis of ECGC and EXIM Bank of India-

A comparative analysis of the Export Credit Guarantee Corporation of India (ECGC) and the Export-Import Bank of India (EXIM Bank) involves examining their roles, services, impacts, and challenges to understand the working of both the institutions and their contribution to India's export financing. Here, a comparative analysis of both the institutions.

Nature and Scope of the Organisations-

ECGC primarily focuses on providing credit risk insurance to Indian exporters and guarantees to banks for financing. The area of concern is within the boundaries of India, focusing on mitigating risks for exporters and encourages the banks to extend export credit. Whereas, EXIM Bank has a broader international market appearance. It supports Indian exporters in the international market along with facilitating overseas investors and trade by offering various financial products and services at international level.

Risk Management-

ECGC manages payment risks for exporters through its comprehensive insurance products. It covers both commercial and political risks, ensuring the exporters receive payments even in unfavourable conditions whereas, EXIM Bank manages risks for exporters by offering structured finance products and leveraging its international network to support Indian exporters in international markets.

Financial Products and Services-

ECGC's product portfolio includes credit insurance, export factoring, and guarantees for export finance. These products are developed to provide security and stability to exporters and their financiers. Whereas, EXIM Bank offers a comparatively more diverse range of financial products, including export credit, buyer's credit, lines of credit, and overseas investment finance. The Exim Bank also offers programs for Exporters such as Project Exports, Ubharte Sitare Programs and Sustainable Finance Program. The Services provided by Exim bank are Market advisory services, Research and analysis service and Export Advisory Services. This allows the EXIM Bank to support various aspects of international trade and investment.

Cooperation and Collaboration-

ECGC and EXIM Bank often collaborate to provide comprehensive solutions to the exporters for international trade. An exporter can avail credit insurance from ECGC and secure export credit from EXIM Bank, ensuring both insurance risk coverage and financial support. Both institutions work together to achieve a common objective of promoting Indian exports and their collaborative efforts enhance the overall effectiveness of their services.

Impact of ECGC and EXIM Bank of India on India's Export Sector-

ECGC plays an important role in providing credit risk insurance. It has been crucial for gaining confidence among exporters. ECGC has encouraged exporters to trade into international markets, by mitigating risks. Also, it accelerates the Indian economy by boosting India's export performance.

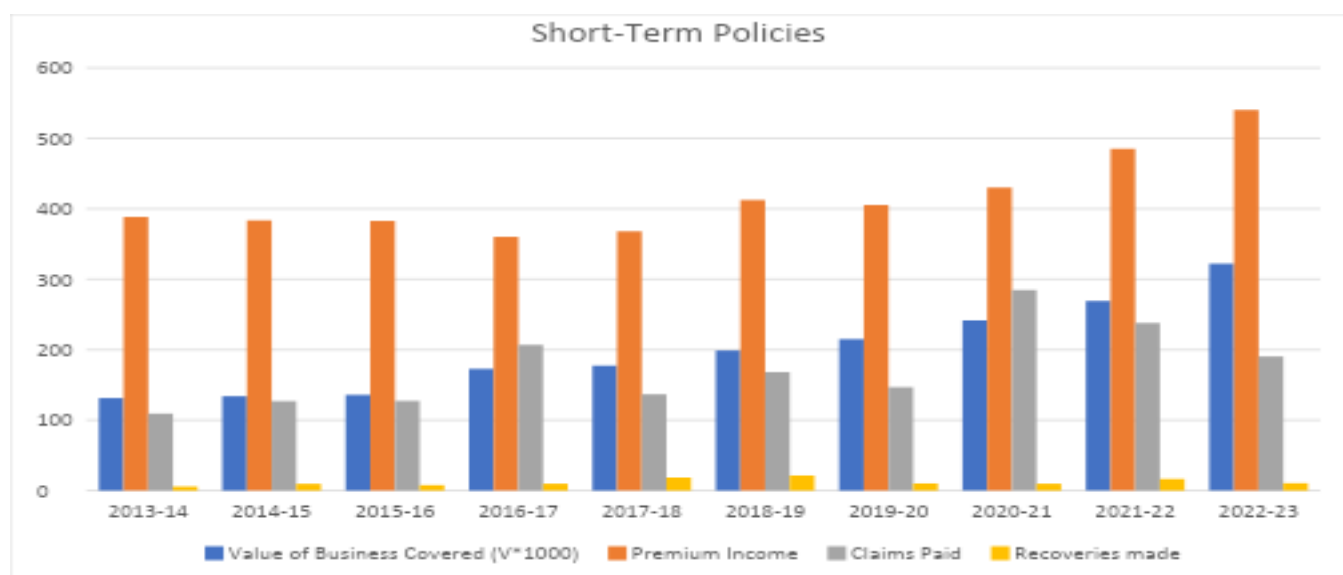
EXIM Bank has remarkably contributed to the growth of India's export sector by providing financial resources and expertise to the exporters. The financial products and services have enabled Indian exporters to expand their identity globally, undertake overseas investments, and enhance their competitiveness in the international market.

Data Analysis-

To conduct a comprehensive data analysis for ECGC and EXIM Bank of India, we need to gather and evaluate various performance indicators, financial data, and other relevant metrics for both institutions. We have collected the data from annual reports of ECGC and EXIM Bank of India. We have elaborated the growth and achievement of both the organisations with the help of data analysis. Below is a structured approach for performing this analysis:

ECGC (Export Credit Guarantee Corporation) Analysis and Interpretation of Data-

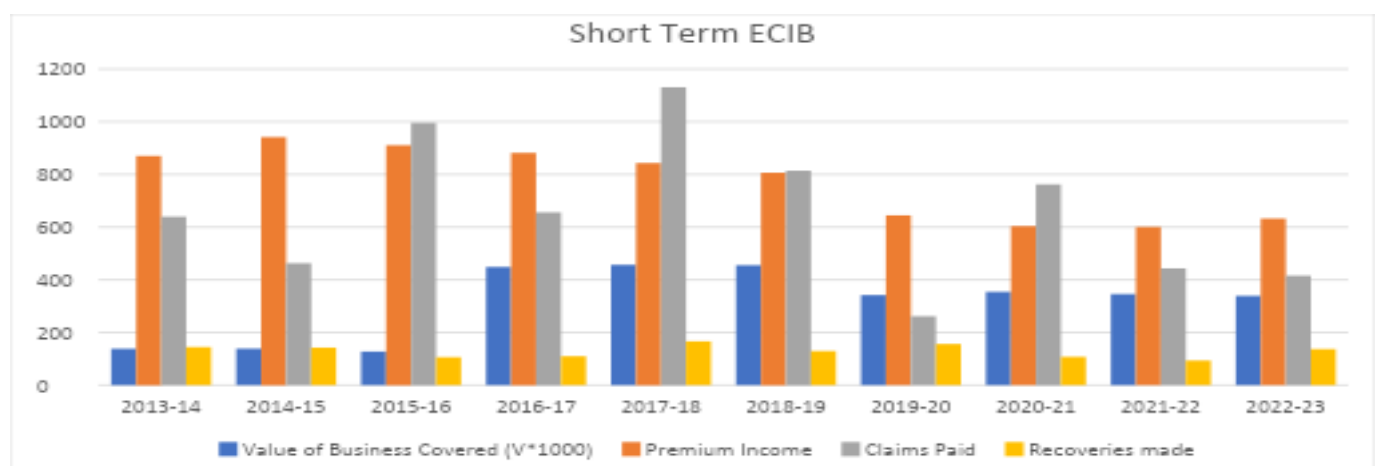
Short-Term Policies- The ECGC offers various short-term policies to the exporters. The policies offered by ECGC are standard policy, export turnover policy, small exporter's policy, consignment exports policy, specific shipment policy, buyer exposure policy.



Source- ECGC Limited, compiled and calculated data from ECGC Annual Reports of 2013-14 to 2022-23

The graph shows that there is a continuous increase in the value of business covered by ECGC for short term policies whereas the premium income shows a rising trend in the last decade. The claims paid records highest in the year 2020-21, its value is 284.87 during pandemic, whereas the lowest is in the year 2013-14, its observed value is 109.29. The recoveries made by ECGC shows an average of 12.002.

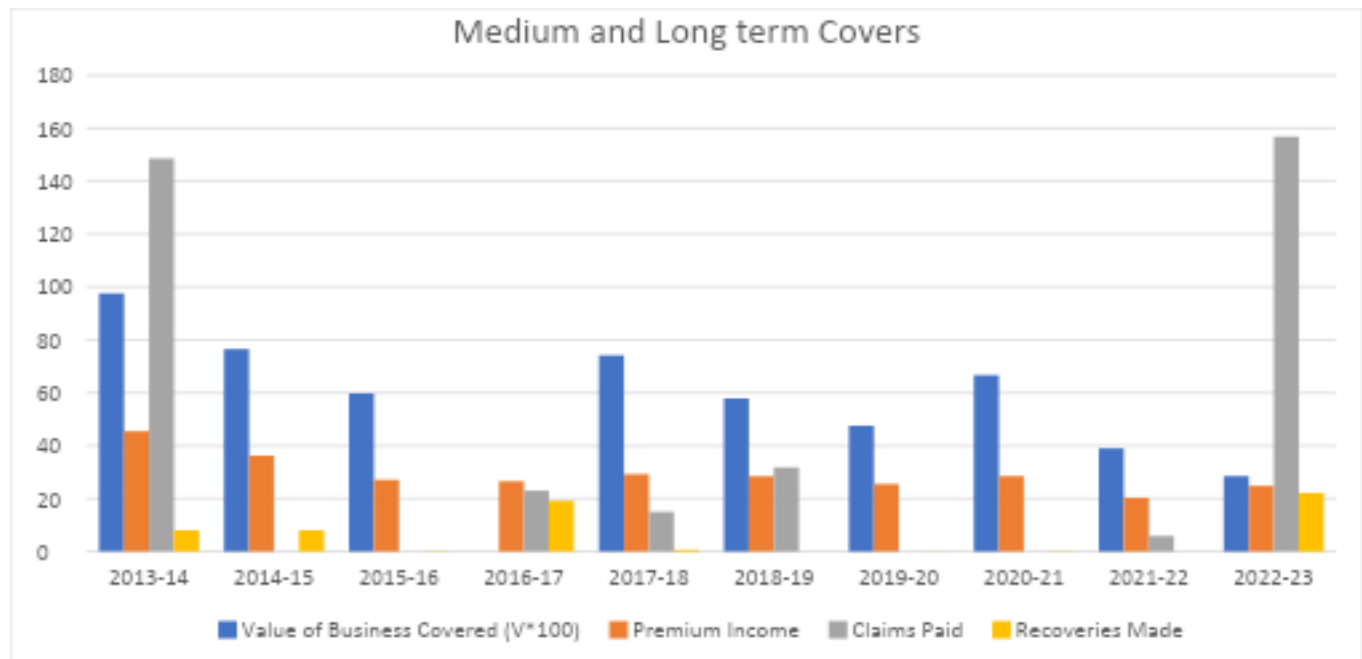
Short-Term Export Credit Insurance for Bank- Short-Term Export Credit Insurance for Bank by ECGC schemes that provides insurance protection to banks and financial institutions against the risk of non-payment by exporters. The objective of ECIB is to encourage banks to provide export finance.



Source- ECGC Limited, compiled and calculated data from ECGC Annual Reports of 2013-14 to 2022-23

The graph shows that there is a continuous increase in value of business covered by ECGC for short term ECIB, whereas the premium income shows a sudden decrease, in the year 2019 to 2021, during the pandemic in the last decade. The claims paid records highest in the year 2017-18, its value is 1131.47, whereas the lowest is in the year 2019-20, its observed value is 261.64. The recoveries made by ECGC shows an average of 129.261.

Medium and Long-Term Covers- The ECGC provides insurance coverage which includes payment defaults by overseas buyers, political instability, and more. In medium-term coverage, ECGC provides guarantees to banks by offering credit to overseas buyers, ensuring that the exporter gets paid. The long-term covers, includes comprehensive coverage for project-related risks, ensuring that interests of both the parties are protected over the long duration.

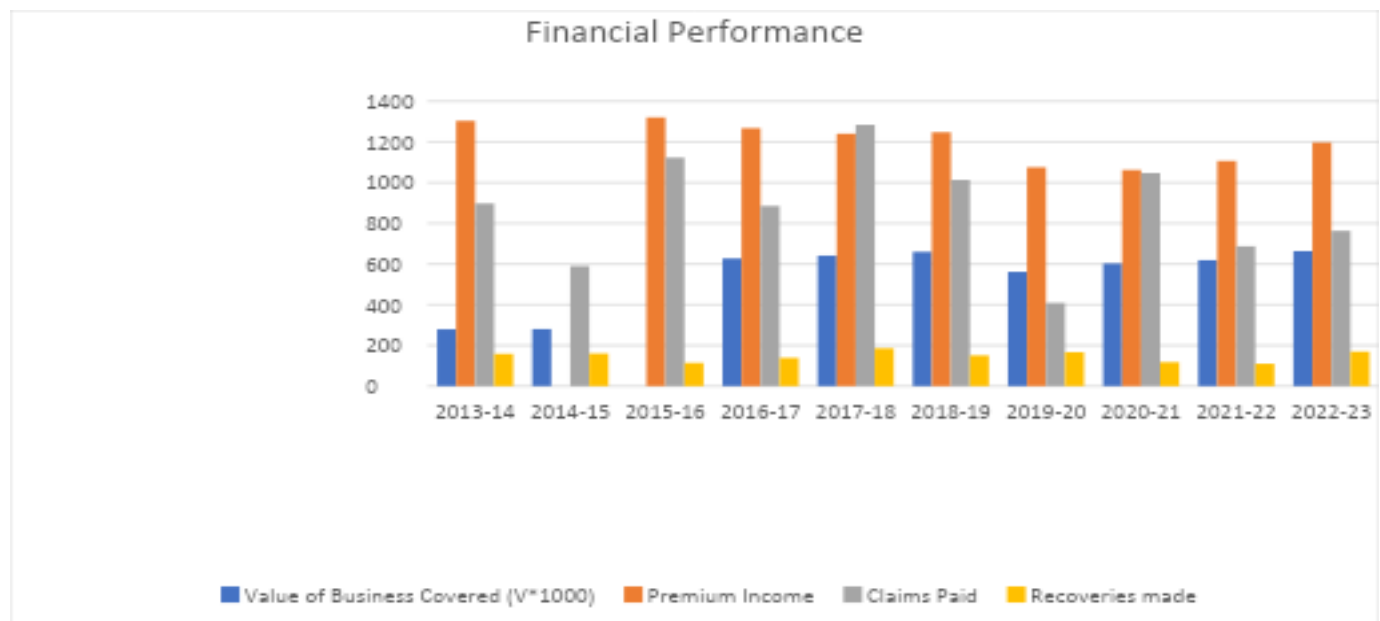


Source- ECGC Limited, compiled and calculated data from ECGC Annual Reports of 2013-14 to 2022-23

The graph shows that there is a rapid variation in the value of business covered by ECGC for Medium and Long-Term Covers, whereas the premium income for Medium and Long-Term Covers shows consistency in the last decade, with an average value of 29.225. The claims paid records highest in the year 2022-23, its value is 156.93, which shows a great rise in the normal trend for claims paid whereas it records zero value for the years 2014-15, 2015-16, 2019-20 and 2020-21. The recoveries made by ECGC show variation, with an average of 5.837.

The ECGC covers commercial risks, political risks, exchange fluctuations risks, credit risks, bank risks, contract risks and pre-shipment and post-shipment risks.

Financial Performance: The ECGC has shown strong financial stability in the recent years, after the pandemic, which reflects its crucial ability to support the export sector of the economy. ECGC reported a notable increase in profits from the previous years. The growth was driven by an outstanding combination of factors, including an increase in premium income, claims management and investment strategies.

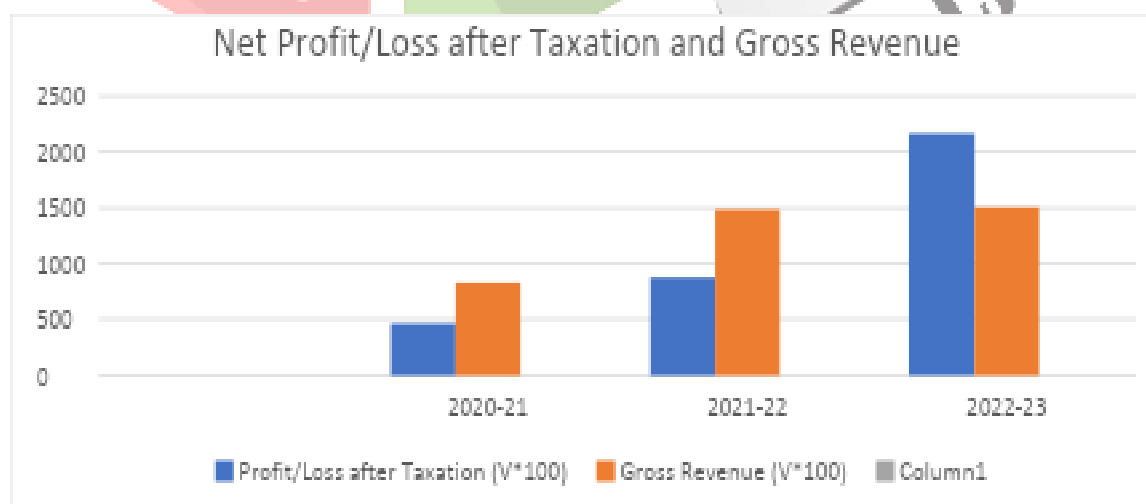


Source- ECGC Limited, compiled and calculated data from ECGC Annual Reports of 2013-14 to 2022-23

For the fiscal year 2022-23, ECGC reported a net profit of ₹598 crore, marking a notable increase from the previous year. This growth was driven by a combination of factors, including an increase in premium income, better claims management, and prudent investment strategies.

In terms of its financial stability, ECGC's reserves and surplus reached ₹9,403 crore, providing a substantial background for potential claims and operational needs. Additionally, the investment portfolio has shown growth, contributing to uplift its financial ability. The extended profitability and financial robustness of ECGC enables it to support Indian exporters by providing risk coverage against both commercial and political risks in international trade.

Net profit/loss. and gross revenue- The Net Profit represents the remaining profits left to the organisation, after accounting for all expenses, including operating expenses, interest, taxes and other non-operational costs incurred to the organisation. The Gross Revenue (or Gross Income) refers to the total amount of money earned by ECGC from its sales or services before any expenses are deducted. Gross Revenue represents the total sales of the organisation. It excludes costs, such as the cost of producing goods (COGS), taxes or operational expenses. Whereas gross revenue primarily includes premium income, investment income and other services.



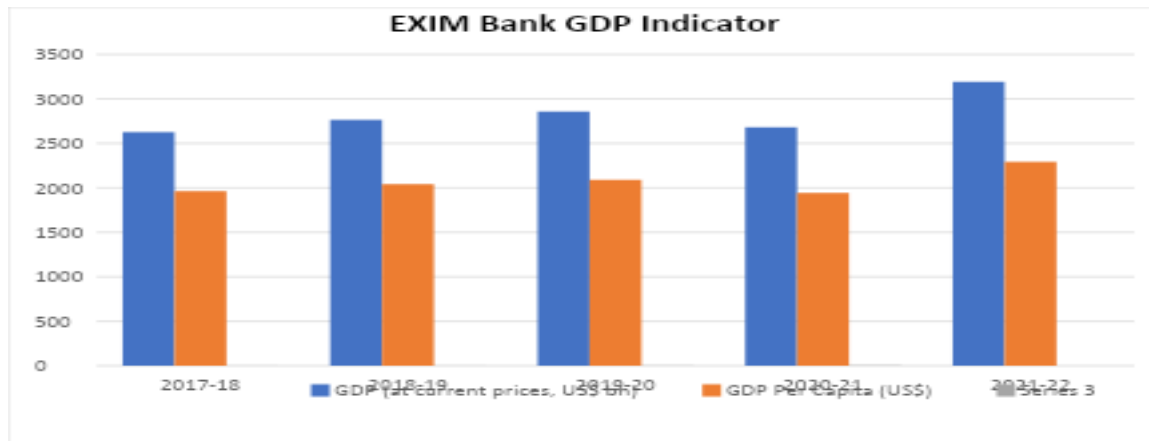
Source- ECGC Limited, compiled and calculated data from ECGC Annual Reports of 2020-21 to 2022-23

For the financial year 2022-23, Gross Revenue Earned by ECGC is ₹2,406 crore, with an increase of 15% compared to the previous year. Whereas the Net Profit (after taxation) earned is ₹869 crore, marking a growth of 168% from the previous financial year. These figures reflect ECGC's achievements for financial performance during the year, driven by increased premiums, recoveries, and favourable market conditions.

EXIM Bank Analysis and Interpretation of Data-

GDP Indicator-

The GDP indicator is a metric used by the EXIM bank to trace and forecast India's GDP growth. The indicator is based on various economic variables, including export-import data, financial market indicators, and other macroeconomic factors. This indicator is used to reveal the status of the Indian economy's performance, in relation to global trade. The indicator helps policymakers, economists, and businesses make informed decisions based on current and expected economic conditions.

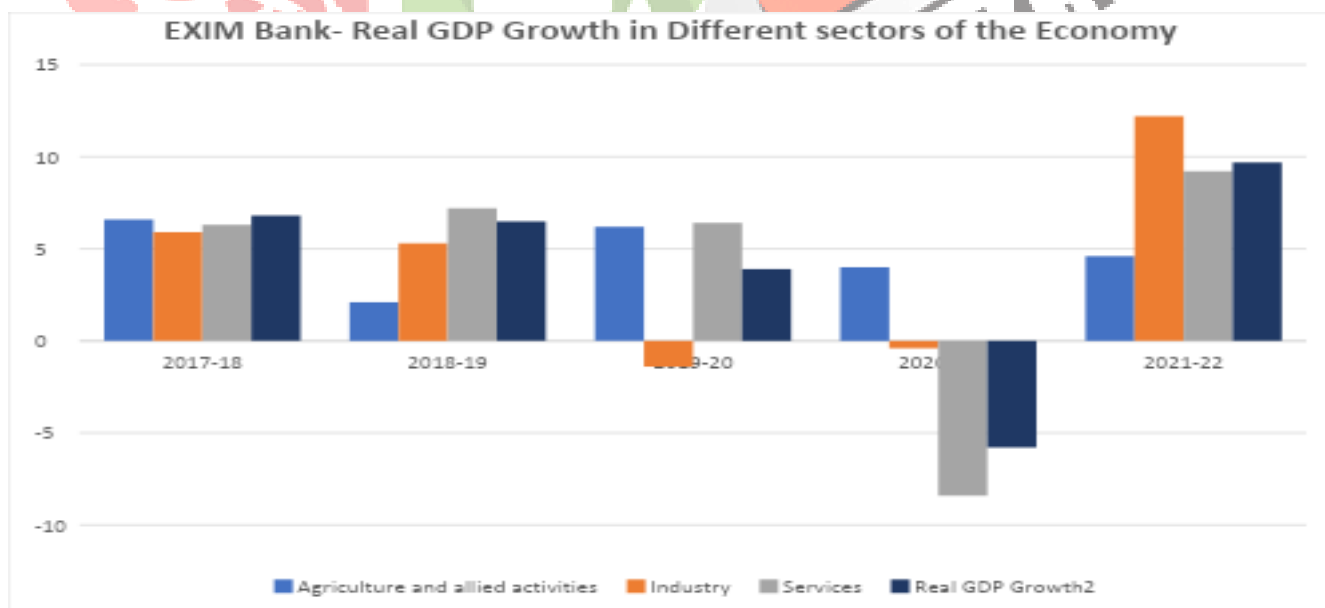


Source: EXIM Bank, compiled from EXIM Bank Annual Reports of 2017-18 to 2021-22, and EXIM Bank of India. (2023). EXIM Bank Data-Global Economy Report (2023)

The GDP indicators show, an increase in GDP, constantly for 3 years but it declines in the year 2020-21 due to the pandemic effect. In the year 2021-22, the economy expanded rapidly and GDP reached a value of 3192.0 billion.

Real GDP Growth in Different Sectors of the Economy-

EXIM Bank focuses on sectors that are crucial for international trade, which includes industrial, agriculture and services sector. The real GDP growth, in the year 2021-22 is found to be 9.7% in the economy.



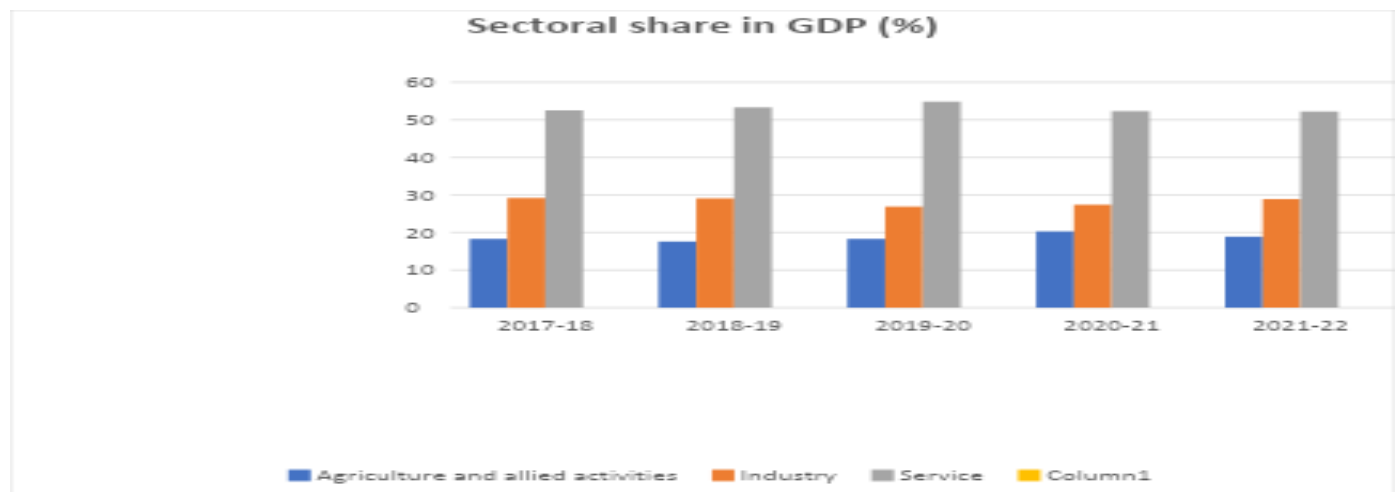
Source: EXIM Bank, compiled from EXIM Bank Annual Reports of 2017-18 to 2021-22, and EXIM Bank of India. (2023). EXIM Bank Data-Global Economy Report (2023)

Industrial sector often receives significant attention because it is a major driver of exports. The real GDP growth for the industrial sector in the year 2021-22 is 12.2% in the economy. EXIM Bank also supports agricultural exports through various financing programs. Growth in this sector is found to be 4.6% and EXIM Bank's role in facilitating agricultural trade can have a significant impact on the sector's contribution to GDP.

The services sector plays a significant role in supporting international trade particularly in areas like finance, insurance, and logistics. EXIM Bank may focus on enhancing the capacity of service industries to support exports. Growth in this sector is found to be 9.2% and EXIM Bank's role in facilitating the service sector can have a significant impact on the sector's contribution to GDP.

Sectoral share in GDP (%)

The sectoral share in GDP refers to the contribution of different sectors of an economy to its Gross Domestic Product (GDP). Total GDP is subtotal of goods and services produced within the Indian economy in different sectors, which are agriculture, industrial and service sector. It shows the sector wise contribution to the GDP.



Source: EXIM Bank, compiled from EXIM Bank Annual Reports of 2017-18 to 2021-22, and EXIM Bank of India. (2023). EXIM Bank Data-Global Economy Report (2023)

Agriculture and allied activities: This sector includes agriculture, forestry, fishing, and mining. It involves the extraction and harvesting of natural resources. The contribution of agriculture and allied sectors, has a significant portion of GDP. In the year 2021-22 the sector contributes about 18.9% of the total GDP to the economy.

Industrial Sector: This sector includes manufacturing, construction, and industries that produce finished goods. The industrial sector contributes for economy transitions. The contribution of the industrial sector, has a significant growth in GDP from previous year. In the year 2021-22 the sector contributes about 28.9% of the total GDP to the economy.

Service Sector: This sector includes services such as retail, entertainment, finance, healthcare, education, and transportation. The share in GDP is an important indicator of the structure of an economy and its stage of development. In the year 2021-22, the service sector contributes the highest share of the total GDP to the economy, which is about 52.2%.

Comparison of Global Exports with Goods Exports from India-

The global export market is immense, with countries like China, the United States, Germany, and Japan leading in terms of volume of exports. In the year 2023, the value of global exports is 23783.5 billion. India is one of the world's top exporters, but its share is smaller compared to leading economies which is about 432 billion. It comprises about 1.8% of world exports from the Indian economy .



Source: EXIM Bank, compiled from EXIM Bank Annual Reports of 2017-18 to 2021-23, and EXIM Bank of India. (2023). EXIM Bank Data-Global Economy Report (2023)

India's exports are more focused on sectors such as IT services, pharmaceuticals, textiles, and agriculture. Manufacturing for high-tech exports. However, with strategic focus and targeted support from India's Exim Bank, there is significant potential for expansion, especially in new and emerging markets.

Comparison of Global Services Exports with Services Exported from India-

Export-Import Bank of India (EXIM Bank) plays a significant role in promoting and facilitating India's exports of services globally. India is one of the largest producers and exporters of services in the world.



Source: EXIM Bank, compiled from EXIM Bank Annual Reports of 2017-18 to 2021-23, and EXIM Bank of India. (2023). EXIM Bank Data-Global Economy Report (2023)

In the year 2023, the value of global services exports is 79313 billion. India is one of the world's top services exporters, its share is about 3445 billion. It comprises about 4.3% of world services exports from the Indian economy. However, with strategic focus and targeted support from India's Exim Bank, there is significant potential for expansion.

The data analysis will provide insights into the operational efficiency, financial performance, and overall impact of ECGC and EXIM Bank on India's export sector. It will highlight the strengths and areas for improvement for both institutions and reveals their critical roles for supporting and promoting Indian exports.

Research Findings-

It is evident from relevant research that export financing has a positive impact on the Indian economy. Data shows that both the organisations support exporters by Export financing and contribute to the nation in terms of GDP, GNI, GVI, NNI. In this context, the ECGC and EXIM helps for the expansion of the exports from the nation and the Indian economy is emerging as a rapid developing nation.

Conclusion-

Export finance is undeniably crucial for the exporters in this dynamic world of international trade. It provides the financial support, risk mitigation, and regulatory support that fulfills the needs of the exporters and encourages them to engage in global markets successfully. The globalization enhances to shape economies, thus export finance acts as an essential tool for businesses aspiring to trade globally.

Both ECGC and EXIM Bank play a significant role in supporting and promoting India's export sector. ECGC focuses on mitigating risks through credit insurance, whereas EXIM Bank provides comprehensive financial solutions to exporters. Their dedicated functions and collaborative efforts have contributed to the growth and development of India's international trade. Hence, as the economy continues to expand its global economic presence, the functionality of these institutions will remain vital in ensuring the sustained growth of the country's export sector.

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