

ECLGS extension to financially strengthen MSMEs, exporters: AEPC Chairman

- **Capital infusion in ECGC to help Indian exporters go big**

DELHI NCR, 29 Sep 2021: Apparel Export Promotion Council (AEPC) Chairman Dr A Sakthivel welcomed the government's decision to extend the emergency credit scheme till 31 March 2022 and to infuse capital in Export Credit Guarantee Corporation (ECGC) saying these decisions along with the recent measures will ease realization of \$400 billion export target.

"We are extremely thankful to the government for accepting our request to continue the Emergency Credit Line Guarantee Scheme (ECLGS) for a longer period. This is a very timely help as many of the apparel exporters are still facing acute fund shortage.

"The second wave of the pandemic was much worse as there were global orders but we were not in a position to serve them due to the lockdown restrictions. The extension is a real shot in the arm as we are trying to honor export orders ahead of the festive season.

"A large section of the exporters, particularly the apparel exporters, are micro, small and medium enterprises (MSMEs) and they were badly impacted due to the pandemic. This scheme is helping many MSMEs to get back to business," **Dr Sakthivel** said.

The **Ministry of Finance** extended the ECLGS till 31 March 2022 or till guarantees for an amount of Rs 4.5 lakh crore are issued under the scheme, whichever is earlier. It also made other modifications to ensure that businesses adversely impacted by the second wave of Covid-19 get enhanced collateral free liquidity.

Dr Sakthivel further thanked **Hon'ble Prime Minister Shri Narendra Modi** and his Cabinet colleagues for approving capital infusion of Rs 4,400 crore in ECGC and its listing through an initial public offering saying it will help boost exports from the country.

"Capital infusion in ECGC and its listing will strengthen the corporation to serve more exporters wanting insurance cover for their sale on credit. This is a very important step towards achieving Aatmanirbhar Bharat and making India the factory of the world.

"And, as many exporters are MSMEs, labour-intensive and they certainly need cover for the risk involved in international trade, the decision to financially strengthen the ECGC will have a big impact on employment generation in a short period," the **Chairman** said.
