Chapter VIII

SUMMARY, CONCLUSIONS AND SUGGESTIONS

8.1 Introduction

8.1.1 Importance of Foreign Trade

Foreign trade is recognized all over the world as one of the most significant determinants of economic development of a country. Economic development requires an increase in the stock of wealth producing resources of a country. If a country is suffering scarcity in some of the resources, it has to import them to increase the stock of its investment goods. Gradually, it has also to import consumer goods to satisfy the rising expectations of the people with the improvement in their economic conditions. These imports have to be paid for in foreign exchange. Among the sources for the inflow of foreign exchange available to the country, export proceeds, representing the owned funds, are the most important and stable sources of foreign exchange. There are other sources for the inflow of foreign exchange which are known as external sources. These sources are such as Foreign Direct Investments, Loans from IMF; World Bank and other International Financial Institutions, Portfolio Investment by foreign institutional investors, Investment by Non-Resident Indians, and External Commercial Borrowings, etc.

As a rule, import should be primarily financed by export. If the export proceeds can finance the import, then the country will not have to depend upon other sources for financing its import.

8.1.2 Position of Foreign Trade in India

India’s foreign trade position is not satisfactory because of the rate of export is always lower than the import. This results into trade deficit and negative balance of payment. The country has to borrow foreign currency loans to finance import as the rate of export is always lower than the import. The foreign exchange earned through export is not sufficient to meet the payment of import in foreign currency. Since independence, this situation is
not improved but it is getting more and more difficult due to higher rate of import over export.

8.1.3 Statement of problem

India's foreign trade position is not satisfactory because of increasing trade deficit every year. This trade deficit is met by the country through borrowings from international financial institutions. This is not a good sign of economic condition of a country. Actually, we should earn foreign exchange through export to finance import. If the rate of export is more than the import, the country need not borrow foreign currency loans. But this situation is continued since independence which is a poor sign of foreign trade performance of a country. We can improve this situation by increasing the rate of export over import through export promotion activities. There are various export promotion activities introduced by the govt. of India to increase the rate of export. The government has established number of institutions and agencies to administer the export promotion activities for effective implementation. The Exim Bank of India is one of them which is the latest apex banking institution in the country and has been specially set up to boost India's export promotion activities and efforts.

The Exim Bank plays an important role in export promotion activities by providing financial and non-financial assistance to the exporters. It co-ordinates all export financing activities performed by various financial institutions. The logo of the Exim Bank indicates that the main objective is to increase export on the large scale and decrease the volume of import. Its main objective is to provide financial assistance to the exporters and importers, and to function as a principal institution for co-ordinating the working of institutions engaged in financing export and import of goods and services with a view to promote India's international trade.

Even if the Exim Bank is actively engaged in promoting India's foreign trade since its establishment, the position of India's foreign trade has not improved upto the expectations. The main objective of the Bank is to increase export and decrease import to improve the foreign trade of a
country, so as to earn sufficient foreign exchange to finance import. If this objective is achieved by the bank, the government of India need not to borrow foreign exchange from the international financial institutions. But the Exim Bank has not achieved this objective so far because it could not control the rate of increase in import. The rate of export is increasing every year but at the same time the rate of import is more than the export. This results in trade deficit and negative balance of payments. This is the reason why the role of Exim Bank of India in generating foreign exchange through export promotion is necessary to study.

8.1.4 Objectives of the study

1] To study the operations and functions of the Exim Bank of India.
2] To find out difficulties of the exporters and export financing agencies.
3] To study the provisions made for export promotion in the EXIM policy.
4] To analyse the export financing facilities and procedures.
5] To study the export promotion facilities provided by Govt. of India.
6] To find out the contribution of EXIM Bank of India in export promotion.

8.1.5 Research methodology

In order to study the role of Exim Bank of India in generating foreign exchange through export promotion, the following research methodology is adopted. The study is mainly focused on contribution of the Exim Bank of India to generate foreign exchange through export promotion during last decade. It also studies the role of Government of India and other agencies involved in export promotion.

The study is based on both the primary and secondary data, the purposive sampling method is used for collecting primary data. The primary data is collected through the interviews of ninety exporters / export agencies
actively involved in export business. In addition to this seven officers of the Exim Bank are also interviewed to collect firsthand information and necessary data. The data relating to the financial assistance, nature of commodities exported, long term export planning and various facilities provided by Exim Bank is collected from the primary sources.

The secondary data is collected from different published sources like annual reports of Exim Bank, annual reports of ECGC, Journal of Indian Institute of Foreign Trade, reports on economic survey of India, report on currency and finance, reference books on Indian economy and foreign trade, various websites and lot many other sources.

The collected data is processed, tabulated and analysed in a systematic manner to present in a proper form.

8.1.6 Chapter Scheme
The research work is divided into eight chapters.

The first chapter is introductory. It explains the importance of foreign trade in developing economy like India and discusses detailed profile of Exim Bank of India.

The second chapter deals with the review of literature and research methodology adopted for the study. It also includes statement of problem, Hypothesis, testing of Hypothesis, interpretation of data and economic analysis.

The third chapter takes review of India's foreign trade since liberalisation of Indian economy in 1991 and explains the significance of foreign trade in developing economy like India.

Exim policy of the Govt. of India has been discussed in the fourth chapter. It deals with the various provisions made in the exim policy by the government to promote India's export and import.
The exporting financing facilities and procedures are described in the fifth chapter.

The sixth chapter discusses the export assistance extended by the government of India for export promotion and the agencies established for the same.

The seventh chapter analyses the role of Exim Bank in generating foreign exchange through export promotion. It deals with the contribution made by Exim Bank in export promotion since 1990-91.

The eighth chapter derives the conclusions and gives suggestions on the basis of analysis of contribution made by Exim Bank. It also gives summary of the research work.

8.2 Important Conclusions of the Study

1. It has been observed that the rate of exports is always below the rate of imports. The rate of exports is constantly increasing every year but at the same time the rate of imports is increasing faster than the exports. So that the balance of trade is always found negative which creates huge foreign trade deficit. There are many reasons for this condition, one is liberalisation of Indian economy due to which foreign companies have entered in Indian industries. These companies are importing raw material on large scale which result in increasing rate of imports. The second reason is quality and price of Indian product is not competitive in the international market. The made in India label has become a sign of poor quality and more price in the global market.
Indian manufacturers are not able to produce better quality product at economic price which will be demanded in the global market and compete successfully. Indians are lacking on the quality front due to poor technology and price. This is happening because of ineffective and non optimum use of resources. The Indian manufactures are found very poor to produce high quality product at competitive price, due to which they are failed at global market.

2. The contribution of EXIM Bank in generating foreign exchange through export promotion is really found positive by analyzing its performance during last ten years. It is providing financial assistance to the exporters and importers and functioning as a principal institution for coordinating the institutions engaged in financing export and import of goods and services with a view to promote India's foreign trade.

3. Direct financial assistance in the form of commitment shows growing rate but in the year 1993-1994 to 1998-1999 it was come down drastically and increased very sharply in the year 1999-2000.

4. Export contract secured by EXIM Bank from 1990 – 1991 to 1999-2000 shows continuous growth rate every year during the period. Loans and advances sanction during the period shows continuous growth rate with minor variations. The actual disbursements made out of sanctions shows same trend but there is variation in gap between the figures of sanctions and disbursement. The amount of loan sanctioned was not fully disbursed.

5. Financial Assistance provided in the form of guarantees has been increasing during last ten years. It was Rs.4700 million in the year 1990-1991 and Rs.22097 million in the year 1999-2000 respectively. The guarantees sanctioned by EXIM Bank during last ten years shows continuous growth, but in the year 1991-1992, 1994 –1995, 1996 – 1997, and 1998 – 1999 it has declined. The guarantee amount sanctioned in the year 1990-1991 was Rs.1069 million and in the year
1999-2000 it was Rs. 4404 million. It means over the period of ten years it has increased by 55 per cent per annum.

6. The actual guarantees issued from the sanctions indicate continuous growth rate except in the year 1994-1995. It was Rs. 336 million in the year 1990-1991 and Rs. 3017 million in the year 1999-2000, it is the excellent growth rate during last ten years.

7. The regional distribution of loans sanctioned and disbursed during last ten years shows total sanctions of Rs. 33209 million and total disbursement of Rs. 24924 million. The West Asian countries have received largest share of loans sanctioned of Rs. 11839 million and disbursed Rs. 11132 million. The other regions like South Asia, Southern East Asia, Far East and Pacific Asia, Sub Saharan Africa, Europe and America have received almost similar share of loans. It reflects that West Asian region has received maximum loan from EXIM Bank during the period.

8. The details of industrial distribution of loan sanctioned during last ten years indicates that the Auto & Auto Components, Consumer Goods, Computer Software, Agriculture Products & Food Processing, Machine Tools and Accessories, Metal & Metal Processing and Power Generation & Transmission industries are received almost similar share of loans. The other Capital Goods & Engg. Goods, Textiles & Garments, Chemicals, Drugs & Pharmaceuticals and Miscellaneous Industries have received maximum share of loans. Leather & Leather Goods, Plastics & Packaging, Ports, Railway Rolling Stock, Consultancy Services and Telecommunication Industries have received minimum share of loans.

9. India’s export is a main source of foreign exchange which plays major role in generating foreign exchange. There are various other sources of foreign exchange like FDI, Portfolio Inflows, Invisible Export and
Foreign Investment etc. The minimum contribution to India's foreign exchange come from FDI and Portfolio Inflows.


10. The study of exchange rate of Indian Rupee in comparison with major currencies in the international market is found relevant to identify India's position in the international market. The major currencies like US Dollar, Pounds Sterling, Japanese Yen, French Franc and Deutsche Mark are used to find out variation in the exchange rate of Indian Rupee in comparison with these currencies from the year 1990-91 to 1999-2000.

It is found that generally all these currencies are becoming stronger and stronger in comparison with Indian rupee. It proves that India's performance in the international market is not satisfactory so India is suffering scarcity of foreign currency. In the year 1990 Govt. of India had to spent Rs.17.49 for a Dollar, Rs. 30.97 for a Pound Sterling, Re.0.12 for a Japanese Yen, Rs.10.80 for a Deutsche Mark and Rs.3.20 for a French Franck. And in the year 1999 it had to spent Rs.42.41 for a US Dollar, Rs.68.72 for a pound Sterling, Re.0.35 for a Japanese Yen, Rs.23.63 for a Deutsche Mark and Rs.7.04 for a French Franck. This shows that during last ten years Indian rupee is becoming weaker and weaker in comparison with these leading currencies in the international market.

11. The analysis of export of principal commodities in the various phases during last ten years shows that the export of Leathers and Manufactures, Chemicals & Allied Products, Drugs & Pharmaceuticals,
Engg. Goods, Readymade Garments, Textiles, Jute Manufactures, Handicrafts, Sports Goods and Petroleum Products are made remarkable progress by making continuous growth in exports. The total export of principal commodities in the year 1990-1991 was 18145 million US Dollar, in 1995-1996 it was 31795 million US Dollar and in the year 1998-1999 it was 33659 million US Dollar. With the help of this statistics we can say that the export growth is taking place but it is not more than the import. Even if we have achieved continuous growth in export, it is not satisfactory because the expected growth rate is not achieved. The growth rate during the period (1988-1989 to 1990-1991) was 14.6 per cent and (1992-1993 to 1998-1999) was 9.8 per cent. It shows that the rate of export growth in the second phase has declined compared to the first phase as per the above statistics.

12. India’s share in the world export commodity wise shows that some commodities have made remarkable progress by it’s continuous growth in the international market. These commodities with their percentage share in the international market in the year 1997 are a) Meat and Meat Preparations-0.4, b) Fish and Sea Products-2.3, c) Sugar-1.6, d) coffee-2.7, e) Spices-11.0, f) Feeding Stuff for Animals-4.0, g) Organic Chemicals-0.8, and h) Manufactures Of Metals-0.6 etc.

Apart from these commodities, it is necessary to find out those commodities which have done negative progress in the international market by losing its share compared to previous years which were having handsome share in the past. These commodities with their percentage share in the international market in the year 1997 are a) Tea-11.9, b) Manufactured Tobacco-0.0, c) Iron Ore & Concentrate-4.9, d) Essential oils & Perfume Materials-0.4, e) Leather & Leather Manufacturer-2.5, and f) Manufactures Of Leather-4.7 etc.

It is found that most of the exporters do not take direct financial assistance from EXIM Bank of India because they are not involved in export transactions directly. They are exporting their goods through the
export agents who are actively involved in the export activities. More than 50 per cent of Indian exporter are exporting their goods to the Organisation of Economic Development Countries. Most of the exporters are exporting their goods to U.S.A., it is about 7331 million US Dollar in the year 1998-1999. And export to the European Countries like Belgium, France, Germany, Italy, Netherlands and United Kingdom is also very high, it is about 9059 million US Dollar (including above mentioned six major European Countries).

14. About 30 per cent of the exporter are taking help from EXIM Bank for financial assistance and consultancy services. There are many exporter who are taking export services from private export agencies, such as appointment of export agent in the foreign country and fulfillment of formalities like documentation and procedures. All the Indian exporter take insurance facilities from E.C.G.C. for their export transactions.

15. The Indian exporters are availing many facilities extended by EXIM Bank of India in the form of direct and indirect financial assistance. These major facilities are like loans and advances, cash credit, export bids, credit guarantee, consultancy services and process & product quality certification etc.

16. About 65 per cent of the Indian exporter are aware of the existing export procedures and documentation, but most of them prefer to get their work done from the professional export agent because they don’t have time to look after all the export transactions. There are various export procedures such as receiving export orders, processing export orders, selecting export orders, appointment of export agents, insurance of export orders, documentation of export orders and dispatching of export orders etc.

17. About 40 per cent of Indian exporters find it difficult to get export order and information related to export business. In this connection the EXIM
Bank is not reaching to them to provide information required by them. Most of the exporters are not aware of the services provided by EXIM Bank. In case of Indian farmers who have potential to export their agriculture product, they do not have idea about the EXIM Bank and its functions.

18. Export documents and procedure are very complex due to which most of the exporters are hesitating to go for export transactions on their own. They are not aware of these procedures and documentation. That is why they have to appoint export agent who charge very high fees. This is not affordable to the small exporters. So most of the exporters are demanding for simplification of existing export procedures and documentation.

19. About 20 per cent of the Indian exporters are willing to diversify in their export business. Some of them are very ambitious to expand their export business by diversifying in the various areas like Software and Hardware, Engg. Goods, Agri. & Allied Products, Textiles & Garments, Chemicals & Allied Products, Leather & Manufacturers, Gems & Jewellery and Handicrafts etc. The reason behind export diversification is that the world wide recession in the existing business and expand the size of existing business.

20. While studying the role of EXIM Bank of India in generating foreign exchange through export promotion, it is identified that there are many other agencies involved in export promotion activities, namely Ministry of Commerce, Department of Commerce, Export Promotion Councils, Commodity Boards, Federation of Indian Export Organisations, Chambers of Commerce and Industries, Bureau of Indian Standards, Indian Diamond Institute, Small Industries Development Corporation, Standing Committee on Promotion of Exports (Sea, Air & Rail), Textile Committee, Marine Products Export Development Authority, Indian Investment Center, Public Sector Undertakings, Govt. Trade Missions, Directorate of Drawback, Board of Trade, Export Promotion Boards,
These all agencies are actively involved in the export promotion activity and directly or indirectly engaged in generating foreign exchange through export promotion. So it is very difficult, rather impossible to find out exact figures of foreign exchange generated by EXIM Bank. This is because there are many agencies involved collectively in generating foreign exchange through export promotion.

21. The Exim policy contains number of provisions and facilities to provide for the regulation and promotion of exports from India. The provisions of the Exim policy enable the entrepreneurs to plans for the establishment of export business. Having understood the broad framework of the international trading environment, the entrepreneur is now well equipped to take the first step towards the establishment of the export business with the help of guidelines given in the Exim policy. There are many provisions made in the Exim policy to promote India's export by offering various incentive schemes to the exporters. The Exim policy can be treated as a master guide to the exporters. The amendment in the Exim policy continuous process to make suitable provisions for export promotion. The Exim policy of Govt. of India is a very important document for providing guidelines to the exporters and importers.

22. The exporters can avail of the facility of packing credit at concessional rates of interest so as to be competitive in the international market. They can share this facility with their supporting manufacturer or the sub-supplier. The facility of packing credit is also available for the advance in foreign currency to finance the import of raw materials, components, etc. required for the manufacture of export product. Mobilisation of adequate amount of funds is crucial to the successful execution of the export order. This enables an exporter to obtain the
supplies from the suppliers of the goods or the raw materials needed for the manufacture of the product for export. Once the export product is ready, the exporter should then plan for labeling, packaging and packing of the goods.

23. The exporters are eligible for various benefits under different laws governing the export from and import into India. Duty drawback is the most popular benefit among the exporters which is provided by the Govt. of India. This benefit enables the exporters to be competitive in the highly competitive global market.

24. The Exim Bank provides various facilities for import of capital goods/inputs to facilitate production for exports. These facilities enable the exporters to reduce their cost of production and become cost competitive in the global market place. The use of imported capital goods also facilitates manufacture of better quality products for exports. The impact of these facilities is reflected finally in the promotion of exports which is the main thrust of the Exim Policy 1997-2002.

25. The FEMA, 1999 has introduced liberalization in regard to remittances of foreign exchange by the export firms. The exporter should, however, ensure proper compliance with the various exchange control regulations as regards various aspects of conduct of export business involving foreign exchange. The facility of retention of foreign exchange in the Exchange Earners Foreign Currency Account is of great help to the exporters in the management of their requirements for foreign exchange.

26. Success in export business can be achieved if the export firm is managed professionally. This would be possible with effective export management systems, policies and procedures. As export business is distinct from the domestic business, a different organization structure is required to be successful in an environment of intense competition at
the international trading environment, being the first step in the planning for export business.

27. The exporter faces number of risks during the course of export transaction viz. the credit risk, product liability risk, risks of physical damage to the goods and the risks associated with the fluctuations in the rate of exchange. The losses arising due to these risks can be protected by obtaining the suitable insurance policies namely, credit risk insurance policy, policy for credit risk, cargo (marine) insurance policy, (physical risks), product liability insurance policy (product liability risks) and the foreign exchange fluctuation risks cover/forward exchange over to protect against the losses due to fluctuations in the rates of exchange. Once, the exporter has insured against the possible risks to the export shipment, he should plan for their transportation to the importer.

28. The exporter should take steps to arrange for central Excise and Customs clearance of the export shipment so that the goods can be exported to the foreign buyer. The central excise clearance procedures are different from the export of goods manufactured by the exempted units or units liable for registration under the central excise rules. The exporter has the facility to obtain clearance either under the claim of Rebate of Duty or under Excise Bond. The customs clearance procedures have also been explained separately for the export of goods by air, sea with or without using containers, road and couriers. Once the shipment is sent at the customs clearance, then the exporter should arrange for negotiation of documents.

29. The General Agreement on Trade in Services concluded during the Uruguay Round has opened new opportunities for the professionals, technocrats to enter the field of exports of their services. Realising the importance of services export the Government of India has also provided a very supportive policy framework for the promotion of exports of services. The future of the services export is going to be
very attractive particularly in view of the fact that the next round of international trade negotiations is going to focus on defining the rules and regulations relating to the conduct of international trade in services. The professionals should take advantage of this new emerging business opportunities for the growth of services sector from India.

8.3 Suggestions

1. The regional distribution of loans sanctioned and disbursed by EXIM Bank during last ten years shows that the amount of loans sanctioned is always more than the amount disbursed. It means that the disbursements of loans sanctioned is never made fully by the EXIM Bank during the period. On the basis of this observations it can be suggested that the bank should try to make full disbursement of loans sanctioned to the exporters and the importers.

2. The EXIM Bank should start it's Franchisees all over India to provide countrywide services. Most of the exporter are expecting that the EXIM Bank should reach each and every corner of the country and expand it's activities to promote Indian export. It should start special programmes to find out export potential areas. This should be done in a very systematic manner by conducting nationwide survey. There should be very proper planning in co-ordination with Govt. Of India to prepare very effective plan for promoting Indian export.

3. Both Govt. of India and EXIM Bank should revise export procedures and documentation which is complicated at present. Online Export Information should be made available by launching separate website for boosting export. The EXIM Bank should open more branches all over India at every prime cities and in the potential rural areas.

4. The Govt. of India should revise foreign trade Policy by treating export as a priority sector to benchmark it's image in the international market. It should aim that Indian product will be respected and preferred in the
foreign market. Indian product should be made major competitor to grab major share at the international market and fetch maximum foreign exchange to the country. Indian export should become major contributor to the Indian economy and its growth. The "Export" is a only key to make India a developed country in the world and prove it's importance in any developing economy.

5. The selection of the supplier for the supply of the inputs/supplies should be made on the basis of the considerations of timely delivery, quality and the reasonableness of the price. There should be sufficient provision for the slack time to meet the impact of any unforeseen circumstances while formulating the activity profile. The exporter should also plan to mobilize the funds required to execute the order. The commercial banks in India provide the facility of pre-shipment finance against export order enable the exporters send shipment.

6. The image of India as an exporter of quality products depends upon whether the exporters conform to the quality specification as laid down by the importers. The Govt. of India has established various agencies to conduct the pre-shipment inspection of goods to ensure that the exporters dispatch goods of quality to the foreign buyers. The procedures and documentation formalities prescribed by these agencies should be strictly followed by the exporters. There is a need to install quality control systems to check the quality of goods during the manufacturing process.

7. Pre-shipment inspection and quality management systems are linked to each other. The exporter should ensure quality of goods before sending shipment to the foreign buyers. This requires pre-shipment inspection of the goods. Quality management system as per ISO 9000 : 2000 series of standards help an exporter to gain the confidence of the foreign buyer as regards quality of the goods and this, in turn, helps the exporter to gain an edge in the global market over the competitors. The exporters should ensure the sound arrangements for maintaining
quality of goods, and take steps to secure the export transaction against all possible risks.

8. The exporter should prepare various documents to comply with the regulations of both the exporting and the importing countries. The documents are required primarily at the stage of pre-shipment. The nature and purpose of these documents and how to fill up various other documents with the help of master documents have been explained in the handbook of procedures (Vol. I). The services of Custom House Agents should be taken by particularly the small scale exporters to prepare the required documents for sending shipment of the goods. Once the various documents have been prepared then the process of their shipment starts. This process involves the Central Excise and Customs clearance of the export shipment.

9. The Exim Bank should conduct sector-wise survey to identify export potential of the various sectors which are not utilized fully. There are many sectors which are having tremendous export potential but it is not utilized at optimum. These sectors are namely, Agriculture, Consultancy, Education, Research, Engineering, Construction, Handicrafts and Food Products. The Bank should seriously think over the services export in the areas of chartered accountancy, cost accountancy, chartered finance analysis, company secretary, medicine, ayurveda, art, education, transportation, engineering, administration, insurance and banking, etc. The Exim Bank should identify export potential areas and provide export promotion facilities and services to them.

10. The Exim Bank and the Govt. of India should encourage Indian manufacturers/potential exporters by providing financial and non-financial assistance. In case of non-financial assistance the bank should provide counseling facilities to the manufacturers/potential exporters at all stages of export transaction. The counseling facilities should be provided to the manufacturers/potential exporters who are
having capacity to export their product but they do not export because of unawareness.

11. The Exim Bank should properly play the role of co-ordinator between all other agencies involved in the export promotion activities. It should not only co-ordinate between all other agencies but keep liaison between them. The Govt. of India should play major role in providing guidelines to all those agencies engaged in export promotion activities. As the Exim Bank alone can’t achieve the objective of generating foreign exchange through export promotion. So Exim Bank must co-ordinate and keep liaison with all other agencies involved in export promotion activities.

12. The Exim Bank should take lot of efforts to identify new commodities and new markets for those commodities to export. There are many commodities in India which are having potential to get sold in the international market. But these commodities are not yet identified to export (e.g. food recipes). There is a need to take lot of efforts by conducting research and survey to identify such commodities. At the same time the identification of potential market at the global level is also necessary. This should be taken on the priority basis by the Exim Bank to increase the volume of India’s export.

13. This is strongly observed and suggested by the researcher that Exim Bank should improve its strength on certain parameters. These parameters are infrastructure, human resource and information network. At present the bank is having its website but it does not provide complete information about the export business. There are many publications of the Exim Bank but they do not provide practical information about the export business. The publications of Exim Bank do not reach to the exporters/potential exporters/manufacturers. With the help of this data it can be said that the information network of the Exim Bank is not effective and reachable to the needy, therefore, it is suggested that the bank should revise the information network.
14. The Exim Bank should open more branches all over the country at
district level or regional level to promote India’s foreign trade by
influencing Indian exporters to export their product and services. With
the help of this research study, it is found that 65 per cent of the
manufacturers/potential exporters are not aware of Exim Bank. So it is
a duty of the bank to spread its services all over the country to be well-
known. The bank should open atleast one branch in all potential
countries at capital cities all over the world to promote India’s foreign
trade. It will be beneficial to identify foreign markets for Indian product
and services. The branches of Exim Bank in foreign countries will be
able to identify market for Indian product and services in that country.
In this way, the bank will be able to collect export Bids/Contracts and
export orders for Indian exporters. Finally it can be strongly suggested
that the Exim Bank should expand its size, operations and volume.

15. The Exim Bank should arrange exhibitions, seminars and international
trade fairs in India to promote India’s export. The Exim Bank is not
known by most of the manufacturers/potential exporters till to date.
This research study has found that 35-40 percent
manufacturers/potential exporters are not aware of Exim Bank and its
operations. So the Exim Bank should start advertising campaign all
over India to provide information about Exim Bank and its operations.
This will facilitate that the potential exporters will come to Exim Bank to
avail information about export business and the facilities and
assistance extended by the bank.

16. The Exim Bank should appoint agents or franchisees all over the
country to reach each and every potential exporter to provide
necessary assistance in the form of funded and no-funded assistance.
The bank should also open export guidance centers all over the
country to facilitate India exports to export their goods and services.
This will definitely add value to Exim Bank and its operations. The
detail information about export transactions should be provided on the
website of the Exim Bank. The information available on the Exim Bank's website at present is not sufficient to guide Indian manufacturers/potential customers.

17. The Exim Bank should conduct product identification programs all over India to identify the potential commodities to export from India. This program will facilitate various potential exporters to identify exportable products and services. The Indian manufacturers should produce quality product for which there is a demand in foreign market. Once the products are identified to be exported, the Indian manufactures will start manufacturing those products to export. But while manufacturing the products for export, the quality of the product has to be ensured. The quality of the product has to be of international standard. In order to ensure better quality of product the product and process quality identification has to be obtained by the manufacturers/ exporters. The Exim Bank should take initiative to provide information about product and process quality certification by conducting process and quality certification programs. The Bank should Indian manufacturers to obtain process and product quality certificate by conducting programs to provide information in this regard.

18. There are many suggestions given by the exporters and potential exporters to improve Indian export are as follows:

- Indian exporter have tremendous potential to export agriculture product but they expect more promotion facilities from the Govt. of India and EXIM Bank.
- Govt. of India should simplify export procedures and documentation and at the same time exporters should be encouraged to come forward in a big way.
- Govt. of India should establish more EOUs, EPZs, SEZs, STPs & SPs to promote Indian manufacturers to export their product on large scale.
• EXIM Bank should provide Financial, Technical and Consultancy support to the potential exporters. At the same time quality assurance, process and product quality certification services also to be provided.

• Counseling facilities to the potential exporters should be provided by the EXIM Bank because they are not aware of formalities and procedures. The EXIM Bank should conduct nation-wide export awareness programmes in consultation with Ministry of Commerce and Industries to create awareness among the potential exporters.

19. About 60 per cent of the exporters and all potential exporters expect a lot of help from EXIM Bank and Govt. of India in the various forms as follows:

• Govt. should provide opportunities to the potential exporters to come forward and export their goods and services providing financial and technical assistance.

• Exporters guidance center should be opened to provide necessary information about the export opportunities.

• More EOUs, EPZs, SEZs and STPs should be opened on the large scale across the country to provide better facilities to the exporters.

• Export duty should be reduced to encourage potential exporters.

• Export procedures and documentations should be simplified in such a manner that it will not consume more time, money and energy.

• EXIM Bank should provide more efficient services to get export orders and support to fulfill those orders.

• EXIM Bank should come forward to introduce various export promotion schemes which are not available at present. The bank should reach to the potential exporters in the rural area. It should conduct export awareness programme to encourage rural exporters. It should provide information about export potential and opportunities in the export business. It should conduct seminars and exhibitions to provide
information about potential export areas to the Indian exporter as well as scope of export business in the international market.

20. The first step in the process of shipment of goods is their clearance from the Central Excise authorities. The next step is to arrange for the customs clearance of the shipment. The exporter should take the services of an Export House Agent to ensure smooth and timely customs clearance of goods. After sending the shipment of exporter should approach the bank for negotiation of the shipping documents to avail of the facility of post shipment finance. The amount of the post shipment credit is recovered by the bank out of the export proceeds realized by it. This marks the end of the export transaction.

21. The problem of scarcity of foreign exchange was arise due to improper foreign trade policy and limited autonomy to EXIM Bank Of India. This problem can be solved to certain extent by providing full autonomy to EXIM Bank. The Govt. of India should plan and revise EXIM Policy drastically to enhance export. The Govt. should focus more attention on improving export rate than the import. There is no proper coordination between EXIM Bank and Govt. Of India because export rate is not achieved as per projections made by the government. The EXIM Policy is not implemented very efficiently by the government as per the plan. The EXIM Bank should reach to the rural areas to find out potential exporters on the large scale. They should be provided all essential facilities to promote their export potential. Most of the potential exporters are not aware of EXIM Bank and its functions. So it is a duty of EXIM Bank to reach to these potential exporters and provide necessary assistance further more the Government of India should start export awareness programs countrywide to boost export potential of Indian exporters.

22. The EXIM Bank must enhance it's activities to promote India's export to achieve targeted goal. During the last decade it is found that actual export was always lesser than the budgeted. The Govt. of India is not
taking proper care of executing EXIM policy as per plan. The rate of export is increasing every year but not at expected rate. In fact rate of import is always more than the rate of export and that is why the balance of trade is found negative. This negative balance of trade has created scarcity of foreign exchange in Indian economy. To work on this scarcity the Govt. of India has to borrow foreign exchange from world bank, IMF and other financial institutions.