CHAPTER 4
SUPPORTIVE SERVICES OF THE BANK

4.1 Introduction

The Bank provided wide range of information, advisory and support services. These services are provided on a fee basis. The scope of services includes market information, feasibility studies, technology identification \(^1\), partner search, investment and development of joint ventures both in India and abroad. The Bank was commissioned by the Commonwealth Secretariat, London, to undertake a study on the Indian experience of Gender Disaggregation of Access to Finance Data Initiative and the Priority Sector Lending Programme. Bank was also commissioned by the Commonwealth Secretariat to carry out a follow-on assignment to assist the Sri Lanka Export Credit Insurance Corporation (SLECIC) towards operationalising the recommendations made by the Bank as part of the assignment completed in 2013-14. The services sector remained the dominant sector in 2014-15. It is estimated to have grown by 10.6 per cent in 2014-15 from 9.1 per cent in the previous year, mainly reflecting growth of financial, real estate and professional services \(^2\).

Projects funded by such Multilateral Funding Agencies present attractive business opportunities for suppliers, contractors and consultants. Recognising the potential for increasing effective participation by Indian firms in such multilateral funded projects, Exim Bank has been organizing seminars in association with the Multilateral Agencies. The Bank in association with the African Development Bank (AfDB) Group \(^3\) organised a series of seminars on business opportunities in AfDB funded projects at New Delhi, Hyderabad and Mumbai. The series of seminars have enabled sharing of information on the nature of business opportunities for suppliers, contractors and consultants under multilateral funded projects, and outlined learning’s for Indian companies for effective participation in such projects. Exim Bank and AfDB Group have also signed an agreement for co-financing projects in Africa. The agreement envisages joint financing of projects (priority being given to projects of small and medium enterprises) in regional member countries of AfDB Group. A Seminar on Developing New Business Opportunities in Central / East Europe and in the CIS (Commonwealth of Independent States) countries - Partnership India and EBRD (European Bank of Reconstruction and Development) \(^5\) was also organized.
by the Bank in association with EBRD in Mumbai to encourage Indian companies to invest in countries of operation of EBRD as also participate in bidding for projects funded by EBRD [6].

**New Initiatives Exim Bank’s Support to States for Promotion of Exports**

Being the premier export finance institution of the country, set up to finance, facilitate and promote India's international trade, Exim Bank has been actively engaged in promoting exports from Indian states and supporting regional entrepreneurs to explore opportunities overseas. As part of its endeavour to help promote exports from states,

- Exim Bank has assisted the Government of Assam in preparation of an Export Promotion Strategy for the state of Assam.
- The Bank is also a member of a high level committee constituted by the Government of Uttar Pradesh to help double its exports.
- Exim Bank has also organised a number of export promotion seminars for exporters in different states with a view to assisting them to promote their exports. Such seminars were held in
  - Karnataka (Bangalore),
  - Madhya Pradesh (Bhopal),
  - Kerala (Kochi),
  - Chandigarh,
  - Manipur (Imphal),
  - SAssam (Guwahati),
  - Tamil Nadu (Coimbatore),
  - Rajasthan (Jodhpur),
  - Sikkim (Gangtok),
  - Mizoram (Aizawl),

**Exim Bank’s Country Strategy Missions**

With a view to enhancing India’s bilateral trade and investment relations and in order to support Indian entrepreneurs in their globalisation endeavours, Exim Bank of India has commissioned country strategy missions to select countries in Africa and Asia. The Missions endeavour to provide a framework for enhancing India’s engagement in select countries in Africa and Asia by way of identifying key areas for
commercial engagement while also assisting these countries in achieving their developmental objectives. This initiative is backed by Exim Bank’s longstanding strategic and commercial relations with various institutions, bodies and organisations in Africa and Asia through its various capacity building programmes in various sectors in these countries.

- The Mission to Africa covered Mozambique, Rwanda and Tanzania in November 2014[^4]. The Mission team closely coordinated with Indian Missions, and held various rounds of interactions with Government officials of partner countries, multilateral institutions, business community, exporters, banks, Indian business Diaspora, and other stakeholders, with a view to identifying business, trade and investment opportunities for Indian entrepreneurs.

- With the support of the Government of India, Exim Bank of India launched a similar mission to Asia in January 2015. The Mission in Asia explored the trade and investment potential in the CLMV region[^7], which comprises Cambodia, Lao PDR (People Democratic Republic), Myanmar and Vietnam. Objectives of this Mission were amongst others towards fructifying the ‘Look East to Act East’ initiative of the Government and undertaking the feasibility to establish a Project Development Company which would catalyse India's commercial and strategic interests in the CLMV region.

### 4.2 Memoranda of Cooperation

The Bank had signed a Memorandum of Intent (MOI) with Select USA to encourage collaboration to promote Indian investment to the US. The Bank entered into a Memorandum of Understanding (MOU) with Japan Bank for International Cooperation (JBIC)[^8]. The Bank entered into an agreement with Indian Council of Cultural Relations (ICCR) for the establishment of an ICCR-Exim Bank Chair in Lagos Business School, Pan Atlantic University, Lagos, Nigeria, on Indian Financial Management, to promote knowledge and information about India’s capability in financial management stream, which would also serve to enhance and strengthen economic relations with Nigeria. The Bank has consciously sought to establish, nurture and foster various institutional linkages and has entered into formal cooperation arrangements with select broad-based agencies in order to directly reach
out to the artisans, by helping in capacity-building, technological up-gradation, quality improvement, market access and training. During the year, the Bank signed a Memorandum of Cooperation (MOC) with the All India Artisans and Craft workers Welfare Association (AIACA). AIACA, a non-profit organization based in New Delhi, works towards increasing incomes and standards of living of crafts producers by enhancing market opportunities and providing various business development services to them. The purpose of the MOC is to identify areas and means of cooperation through which Indian grassroots/social enterprises could be supported in order to enable them to reach international markets.

4.3 Eximius Centre for Learning

The Eximius Centre for Learning (ECL) Mumbai, is responsible for the overall conduct, coordination and implementation of programs, seminars and workshops for Indian exporters and importers with a view to enhance their awareness and in the process develop business for the Bank as also to facilitate India's international trade and investment. Seminars and conferences for exporters and importers are organised on topics of contemporary interest. In order to enhance awareness on various financial products and credit facilities available to exporters, ECL has been actively organizing a host of seminars across the country for the exporters. The seminars were conducted with speakers from trade associations, DGFT (Director General of Foreign Trades), Customs, RBI (Reserve Bank of India), ECGC (Export Credit Guarantee Corporation of India) and leading commercial banks. Thus, the seminars/ workshops brought various stakeholders contributing to India’s Trade & Investments on one platform and the issues relevant to the Indian exporters/importers were addressed. During the financial year, ECL conducted 11 export promotion seminars for exporters in Tier I / Tier II cities in various regions.

- ECL, in association with the Export Promotion Council for Handicrafts organized two seminars, one in Bangalore and one in Mysore in April 2014 on “Foreign Trade Policy, Banking & Finance and Export Credit & Guarantee Schemes.”
- In association with Visvesvaraya Trade Promotion Centre (VTPC), an Export Management Training Programme was organized in Bangalore in June/September 2014 targeted at start-ups and budding entrepreneurs
venturing into international trade. The programme, which was of a 6-day duration covered basics of international trade, DGFT and customs formalities, banking support to exporters, credit insurance, FEMA (Foreign Exchange Management Act) guidelines and Exim Bank’s support through its products and services.

- Seminars were organised on ‘Export Credit and Insurance’ at Bhopal in November 2014 in association with the Federation of Madhya Pradesh Chamber of Commerce, and at Bangalore in January 2015 in association with the Federation of Karnataka Chamber of Commerce and Industry.

- In order to promote and facilitate Niryat Bandhu Scheme of GOI (Govt of India) for promoting first generation entrepreneurs, ECL, in association with the Federation of Indian Chamber of Commerce and Industry, organized a seminar on “Energizing Young Entrepreneurs for International Trade” at Kochi in December 2014.

- A seminar on “Financing India’s Global Trade” was organized at Chandigarh in February 2015 in partnership with PHD (Progress Harmony Development) Chamber of Commerce and Industry for the benefit of MSME (Micro Small and Medium Enterprise) sector.

- For enhancing export skills of MSMEs and to keep the exporter and entrepreneurs of North East region abreast of the developments in the global market, ECL in association with the Government of Manipur and Federation of Indian Exports Organisation (FIEO) organized a seminar on “Export Procedure & Documentation” at Imphal in February 2015 and another seminar at Guwahati on “Enhancing Foreign Trade” in association with the Federation of Indian Chamber of Commerce and Industry.

- For the benefit of exporters of the state of Tamil Nadu, ECL organized a seminar on ‘Opportunities and Challenges in Foreign Trade’ at Coimbatore in March 2015 along with the Federation of Indian Chamber of Commerce and Industry. ECL also plays a proactive role in arranging training and skill development programmes for Officers of the Bank, and it draws expertise from industry and training institutions of repute.

During 2014-15, 10 group seminars were arranged. Through nominations in programmes conducted by other institutes, 190 officers were trained in topics such as
Project and Infrastructure Financing, Project Planning, Monitoring and Control Systems, Country and Sovereign Risk Management, Companies Act 2013, Derivatives & Forex Risk Management, Interpretation of Financial Statements & Working Capital Financing, Raising Rupee Resources, Trade Finance, Basel III. Programmes on development of soft skills were also conducted.

4.4 Institutional Linkages

The Bank has fostered a network of alliances and institutional linkages with multilateral agencies, export credit agencies, banks and financial institutions, trade promotion bodies, and investment promotion boards to help create an enabling environment for supporting trade and investment. The Bank has entered into a Cooperation Agreement on Innovation with the four major development banks of the BRICS countries (Brazil, Russia, China, and South Africa)\(^9\), which was signed in the presence of Heads of States/Governments of the BRICS countries, during the BRICS Summit held in Fortaleza, Brazil, in 2014. The Agreement is expected to enhance cooperation among BRICS development banks in the field of innovation and to promote intra-BRICS cooperation in innovation financing.

- Exim Bank of India is the nominated member development bank under the BRICS Interbank Cooperation Mechanism.
- Banco Nacional de Desenvolvimento Economico e Social - BNDES, Brazil;
- State Corporation Bank for Development and Foreign Economic Affairs - Vnesheconombank, Russia;
- The Bank has been participating in the Annual Meetings of the BRICS Financial Forum, under the BRICS Interbank Cooperation Mechanism.
- The Global Network of Exim Banks and Development Finance Institutions (G-NEXID) was set up in Geneva in March 2006 through the Bank's initiative, under the auspices of UNCTAD (United Nations Conference on Trade and Development).

With the active support of a number of other Exim Banks and Development Finance Institutions from various developing countries, the network has
endeavoured to foster enhanced South-South trade and investment and cooperation.

- The United Kingdom of Great Britain and Northern Ireland’s Department for International Development (DFID) mandated the International Trade Centre (ITC) to design and implement a project, called ‘Supporting India’s Trade Preferences for Africa’ (SITA).

SITA is a six-year (2014-2020) project that aims at promoting exports from five East African countries - Ethiopia, Kenya, Rwanda, the United Republic of Tanzania and Uganda – to India through investment and skills transfer from the Indian side. Exim Bank entered into an MOU with ITC in Geneva, to cooperate with ITC under its SITA initiative. The implementation phase of SITA (March 2015-March 2020) was officially launched in New Delhi, India, in 2015 in which the Bank also participated.

4.5 Workshops and Seminars

The Bank organized a Skill Development and Capacity Building Training Programme in Block Printing & Dyeing for around 200 women artisans of Anoothi, a Jaipur based organization, for duration of 6 months from November 2014. The Training Programme created necessary awareness about Block Printing and provided support towards promotion of domestic as well as international business with high quality hand-crafted products. The training programme also led to improvement in livelihood and economic status of women weavers of Anoothi and the surrounding villages of Achrol. The Bank has been supporting and assisting rural artisans and craftsmen of handicraft products to gain domestic as well as international presence by organizing design development workshops. During the year, the Bank, in partnership with a Delhi based NGO (Non Governmental Organization) working with more than 6000 artisans, organized a design development workshop for 30 master artisans working on Iron and Dhokra Crafts in Kondagaon, Chhattisgarh. The Bank also helped a West Bengal based Society in organizing a workshop for select 50 master artisans based in villages around Pachim Medinipur district of West Bengal. The Society, working with nearly 5000 artisans, has been engaged in the production of natural, eco-friendly, bio-degradable, organic handicraft items. This workshop enabled artisans to use modern tools and equipments to design quality products for
export market. Exim Bank organised a series of ‘Stakeholders Seminar on Project Exports’ at Pune, Mumbai, Kolkata and Chennai with the objective to develop a concrete road-map to give a quantum boost to India’s Project Exports. The Bank encourages Indian companies to invest abroad for, inter alia, setting up manufacturing units and for acquiring overseas companies to get access to the foreign markets, technologies, raw materials, brands, IPRs (Intellectual Property Rights) etc. For promoting such overseas investments, a seminar on ‘Overseas Investment Finance’ was organized in Mumbai to provide detailed insight. A seminar on ‘Strategic Development of Shipbuilding Sector’ was also organised in Mumbai to discuss the avenues for development and expansion of India’s own shipbuilding industry.

4.6 Asian Exim Banks Forum

The Twentieth Annual Meeting of the Asian Exim Banks Forum (AEBF) was held in Jodhpur (Rajasthan), India, during November 2014. The theme for the meeting was “Evolving Role & Relevance of Asian Exim Banks - Path to 2020.” The Meeting was hosted and chaired by the Export-Import Bank of India and had representatives at the highest level from member institutions, viz., Australia, China, India, Indonesia, Japan, Korea, Malaysia, Philippines, Thailand and Vietnam. The meeting also saw the participation of Asian Development Bank, the multilateral financing institution, as a permanent invitee and four Observer Institutions from Iran, Lao PDR, Myanmar and Sri Lanka. During the meeting, member institutions deliberated on Exim Bank’s focus areas under the theme viz.

(i) Rationale for setting up
(ii) Experience so far
(iii) Are Asian Exim Banks still relevant and effective?
(iv) Constraints for future growth
(v) How to evaluate performance
(vi) What lies ahead?
(vii) AEBF’s synergistic role in charting a path to 2020.

As a curtain raiser to the milestone 20th Annual Meeting, Exim Bank of India had also organized a half-day seminar on “Economic Development and Inclusive Growth”. Besides being widely attended by local banks and other organisations, it was also attended by the leaders of the AEBF member institutions. In 1996, Export-
Import Bank of India took the initiative of forming AEBF. While export credit agencies are generally considered as competitors as they support their respective national exports, the objective of the Forum is to collaborate while competing. AEBF seeks to enhance economic cooperation and forge stronger linkages among its member institutions, thereby fostering a long-term relationship within the Asian Exim Banks’ community.

4.7 Research & Analysis

Exim Bank’s Research & Analysis Group (RAG) offers a vast range of research products. The Bank’s team of experienced economists and strategists provide insights on aspects of international economics, trade and investment through qualitative and quantitative research techniques. RAG monitors the global trends in the world and domestic economies and the impact of these trends, especially on India and other developing economies. RAG caters to the constituents within the Bank, as well as to those external to the Bank such as Government, RBI, exporters/importers, trade & industry associations, external credit agencies, academic institutions and researchers.

The research work carried out in the Group under the broad classification of regional, sectoral and policy related studies are published in the form of Occasional Papers, Working Papers, Books, etc. These research studies primarily envisage identifying avenues for enhancing India’s international engagement.

The group also undertakes country profiles, which assess the economic, political, currency and credit risks involved, along with the export opportunities in the country concerned. Further the profiles provide short-to-medium term economic outlook of a country, indicating the economic risk involved in doing business with country. Further, the group also prepares exposure limit for countries of business interest to the Bank, and similarly tracks development in the key industries for the benefit of the Bank's business exposure in these industries.

As a part of the support services and with an objective to provide contemporary information to Indian traders and investors, the group disseminates information on export opportunities and highlights developments that have a bearing on Indian exports, through its quarterly bulletin, Eximius: Export Advantage. The newsletter
comprises of regional and industry outlooks, Bank’s activities, opportunities in multilateral funded projects and contract awards, review on select traded currencies and countries, and a section on the happenings during the quarter. The newsletter is a free publication, effectively distributed to a wide network of scholars, economists, institutions, Government of India offices, and export promoting organisations.

The Bank also brings out a bi-monthly publication titles ‘Agri Export Advantage’ in English, Hindi and 10 regional languages (Assamese, Bengali, Gujarati, Kannada, Marathi, Malayalam, Oriya, Punjabi, Tamil, and Telegu). The newsletter provides stakeholders of Indian agribusiness with updates on global agri-environment and markets, research reports on agri-commodities, international issues related to agri-business, prospective areas of agribusiness, agricultural trade and trade policies, regulatory issues in international trade, WTO (World Trade Organization) Government schemes and assistance, latest international news brief and Bank's activities to promote agri-export from India. The Bank Brings out a bilingual ‘Indo-China Newsletter’ featuring areas of cooperation between India and China. The group also undertakes customised research on behalf of interested companies in areas such as establishing market potential, defining marketing arrangements and specifying distribution channels. We also assist companies in developing export market Entry plans.

**Marketing Advisory Services (MAS)**

Exim Bank plays a promotional role and seeks to create and enhance export capabilities and international competitiveness of Indian companies. Exim Bank through its Marketing Advisory Services helps Indian exporting firms in their globalisation efforts by proactively assisting in locating overseas distributor(s)/buyer(s)/ partner(s) for their products and services. The Bank assists in identification of opportunities overseas for setting up plants or projects or for acquisition of companies overseas. MAS Group leverages the Bank's high international standing, in-depth knowledge and understanding of the international markets and well established institutional linkages, coupled with its physical presence, to support Indian companies in their overseas marketing initiatives on a success fee basis. The fees for Marketing Advisory Service is payable in Indian Rupees and
applies to the subsequent orders from the client introduced by the Bank for a period of at least 2 years.

Exim Bank has been able to successfully place a range of products in overseas as well as domestic market. The products list includes Handmade Paper, Handicrafts, Vegetables and Fresh Fruits, Garments, Home Décor, Marine Products, Spices and Agri Equipments etc which were placed in Singapore, Africa, Brazil, Middle East, and US. MAS Group also organizes workshops and supporting events for facilitating to design and package their products for the international markets.

**Eligibility**

Any company/firm wanting to export its quality products/services is eligible to avail this benefit as long as it is not falling in the negative list of India's Foreign Trade Policy and International Conventions. Marketing Advisory Services are provided across all the sectors. Information required from the company is as under:-

- Company profile
- Product Brochures
- Printed material
- Prices
- Existing export markets & target markets
- Minimum order quantity
- Quality certifications
- Samples, as and when required

**Export Advisory Services Group (EAS)**

The Export Advisory Services Group [EAS] offers a diverse range of information, advisory and support services, which enable exporters to evaluate international risks, exploit export opportunities and improve competitiveness. Value added information and support services are provided to Indian projects exporters on the projects funded by multilateral agencies. The Group undertakes customised research on behalf of interested companies in the areas such as establishing market potential, defining marketing arrangements, and specifying market distribution channels.
Chart 4.1 Financing programmes of Exim Bank

Developing export market entry plans, facilitating accomplishment of international quality certification and display of products in trade fairs and exhibitions are other services provided. The Bank provides a wide range of information, advisory and support services, which complement its financing programmes. These services are provided on a fee basis to Indian companies and overseas entities. The scope of services includes market-related information, sector and feasibility studies, technology supplier identification, partner search, investment facilitation and development of joint ventures both in India and abroad. During the year, the Bank provided a range of services to companies. Information in the form of a list of importers / exporters across different industries and sectors was provided to Indian firms active in international trade.

**Multilateral Funded Projects Overseas (MFPO)**

The Bank provides a package of information and support services to Indian companies to help improve their prospects for securing business in projects funded by the World Bank, Asian Development Bank, African Development Bank, and
European Bank for Reconstruction and Development. During the year, the Bank disseminated information on numerous overseas business opportunities to various Indian companies covering various sectors including transportation, construction, telecommunication, energy, infrastructure, educational and information technology.

4.8 Exim Bank as Consultant

The Bank’s experience in evolving as an institution supporting international trade and investment, in addition to functioning as an export credit agency in a developing country context, is of particular relevance in other developing countries. The Bank has been sharing its experience and expertise by undertaking consultancy assignments. Exim Bank also shares its experience and expertise through provision of on-site exchange of personnel programmes aimed at providing a first-hands experience to the employees of its institutional partners.

**Institutional Linkages**

The Bank has fostered a network of alliances and institutional linkages with multilateral agencies, export credit agencies, banks and financial institutions, trade promotion bodies, and investment promotion boards to help create an enabling environment for supporting trade and investment.

4.9 Global Network of Exim Banks and Development

**Financial Institutions**

The Global Network of Exim Banks and Development Finance Institutions (G-NEXID) was set up in Geneva in March 2006 through the Bank’s initiative, under the auspices of UNCTAD. With the active support of a number of other Exim Banks and Development Finance Institutions from various developing countries, the network has endeavoured to foster enhanced South-South trade and investment cooperation, characterized among others, by the launching of the G-NEXID’s website (www.gnexid.org) and annual meetings of the Forum. ‘Observer Status’ in UNCTAD underscores support for the Forum, while acceptance of the accrued benefit of the Forum by developing countries can be accessed from the fact that the members continued to extend their active participation in the year 2012-13 also.

**Award for Excellence**

The Bank, in association with CII (Confederation of Indian Industries), has instituted an Annual Award for Business Excellence for best Total Quality
Management (TQM) practices adopted by an Indian company. The Award is based on the European Foundation for Quality Management (EFQM) model.

4.10 Conclusion

It can be concluded that over the past decade, BRICS economies have received much attention in the world economy in terms of their contribution to global GDP, trade and regional economic dynamism. It is revealed that the BRICS countries are characterized by level in research and development, productivity levels, and ultimately, their capability to impact life. Besides participating in investment activities that are promoted by the respective governments of countries in West Africa, Indian companies could also endeavour to participate in multilateral funded projects. From the success of IT-based economic growth in India could help African countries, especially those in Sub-Saharan Africa, to bridge the digital divide and improve their competitiveness in the global marketplace.
Reference