List of Contents

List of Tables
List of Abbreviations
List of Appendices

Chapter

I. THE FRAMEWORK

1. STATEMENT OF THE PROBLEM
2. MEANING OF THE TERMS
   (a) Export Credit
   (b) Export Credit Insurance
3. CRITERIA
4. RESEARCH METHODOLOGY
   (a) Collection of Data
   (b) Plan of Study

II. DEVELOPMENT OF EXPORT CREDIT AND CREDIT INSURANCE IN INDIA

PART-I: EXPORT CREDIT

1. EXPORT CREDIT DURING BRITISH PERIOD
2. EXPORT CREDIT AFTER INDEPENDENCE
   (a) Export Policy Resolution (1970)
   (b) Recommendations of Various Committees on Export Credit
3. RESERVE BANK OF INDIA AND EXPORT CREDIT
   (a) Refinancing Schemes of Reserve Bank of India
   (b) Export Credit Interest Subsidy Scheme
4. INDUSTRIAL DEVELOPMENT BANK OF INDIA AND EXPORT CREDIT
   (a) Refinance for Medium-term Export Credit
   (b) Participation Export Finance Scheme and Buyer's Credit Scheme
5. COMMERCIAL BANKS AND EXPORT CREDIT
PART II: EXPORT CREDIT INSURANCE

1. EVOLUTION OF EXPORT CREDIT INSURANCE IN INDIA

2. EXPORT CREDIT AND GUARANTEE CORPORATION OF INDIA'S INSURANCE SCHEMES
   (a) Insurance Policies
   (b) Bank Guarantees
   (c) Special Schemes

III. ADEQUACY OF EXPORT CREDIT AND CREDIT INSURANCE

PART I: EXPORT CREDIT

1. EXPORT CREDIT AND TOTAL EXPORTS

2. COVERAGE IN TERMS OF PERIOD, TYPES AND COMMODITIES
   (a) Period of Credit
   (b) Types of Credits
   (c) Coverage of Commodities

3. EXPORT CREDIT IN RELATION TO BANK CREDIT, PRIORITY SECTOR CREDIT AND BANK DEPOSITS
   (a) Export Credit and Bank Credit
   (b) Export Credit and Priority Sector Credit
   (c) Export Credit and Bank Deposits

4. BANK-WISE ANALYSIS OF EXPORT CREDIT

5. EXPORT PROMOTION COUNCILS' VIEWS ON ADEQUACY OF EXPORT CREDIT

PART II: EXPORT CREDIT INSURANCE

A. INSURANCE POLICIES

1. RISK VALUE COVERED AND TOTAL EXPORTS

2. EXPORT CREDIT UNDER ASSIGNMENT OF POLICIES

3. COVERAGE IN TERMS OF TYPES, RISKS, LOSSES AND CREDIT LIMITS ON FOREIGN BUYERS
   (a) Types of Insurance Policies
   (b) Coverage of Risks
   (c) Coverage of Losses
   (d) Credit Limits on Foreign Buyers

4. EXPORT PROMOTION COUNCILS' VIEWS ON ADEQUACY OF EXPORT CREDIT INSURANCE FACILITIES
B. BANK GUARANTEES

1. RISK VALUE COVERED UNDER GUARANTEES AND TOTAL EXPORTS
   ... ... 179
2. RISK VALUE COVERED AND TOTAL EXPORT CREDIT ADVANCES
   ... ... 181
3. COVERAGE IN TERMS OF TYPES OF GUARANTEES AND LOSSES
   ... ... 183
   (a) Types of Guarantees ...
   ... ... 186
   (b) Coverage of Losses
   ... ... 186
4. COMMERCIAL BANKS' VIEWS ON THE ADEQUACY OF EXPORT CREDIT INSURANCE FACILITIES UNDER GUARANTEES
   ... ... 190

IV. COST OF EXPORT CREDIT AND CREDIT INSURANCE
   ... ... 192-256

PART-I: EXPORT CREDIT

1. CEILING ON EXPORT CREDIT INTEREST RATES ...
   ... ... 194
2. COMPARISON OF EXPORT CREDIT INTEREST RATES WITH PRIORITY SECTOR CREDIT INTEREST RATES
   ... ... 206
3. INTERNATIONAL COMPARISON
   ... ... 209
   (a) Short-term Export Credit Interest Rates
   ... ... 209
   (b) Medium- and Long-term Export Credit Interest Rates
   ... ... 212

PART-II: EXPORT CREDIT INSURANCE

1. METHOD OF CHARGING PREMIUM
   ... ... 222
   (a) Premium on Insurance Policies
   ... ... 222
   (b) Premium on Bank Guarantees
   ... ... 231
2. TREND OF AVERAGE COST OF INSURANCE
   ... ... 234
3. PROFITABILITY OF THE EXPORT CREDIT AND GUARANTEES CORPORATION OF INDIA
   ... ... 234
4. INTERNATIONAL COMPARISON
   ... ... 242
5. SCHEME-WISE ANALYSIS OF COST OF INSURANCE
   ... ... 244
   (a) Cost of Insurance Policies vis-a-vis Bank Guarantees
   ... ... 244
   (b) Cost of Specific Policies vis-a-vis Standard Policies
   ... ... 249
   (c) Cost of Bank Guarantees
   ... ... 249
V. RATIONALITY OF PROCEDURES

PART I: EXPORT CREDIT

A. AN OUTLINE OF THE EXPORT CREDIT PROCEDURES

1. PRE-SHIPMENT CREDIT
2. POST-SHIPMENT (SHORT-TERM) CREDIT
   (a) Negotiation of Bills Under Letters of Credit
   (b) Bills Purchased/Discounted Under Limits Granted to Customers
   (c) Advance Against Bills for Collection
   (d) Advance Against Claims for Export Incentives
   (e) Deferred Payment Export Credits

B. EVALUATION OF EXPORT CREDIT PROCEDURES

1. SIMPLICITY OF PROCEDURES
   (a) Number of Documents
   (b) Number of Entries in Export Documents
   (c) Redundancy and Duplication

2. TIME TAKEN

3. VIEWS OF EXPORT PROMOTION COUNCILS
   (a) Restriction on Negotiation of Bills
   (b) Negotiation of Bills in case of Upcountry Centres
   (c) Restrictive Attitude of the Industrial Development Bank of India Working Group

PART II: EXPORT CREDIT INSURANCE

A. INSURANCE POLICIES

1. AN OUTLINE OF INSURANCE POLICY PROCEDURES
   (a) Issue of Insurance Policies
   (b) Fixation of Credit Limits
   (c) Settlement of Claims
   (d) Assignment of Policy Benefits to Banks

2. EVALUATION OF PROCEDURES RELATED TO INSURANCE POLICIES
   (a) Simplicity of Procedures
   (b) Time Taken
   (c) Export Promotion Councils' Views
B. BANK GUARANTEES

1. AN OUTLINE OF BANK GUARANTEE PROCEDURES
   (a) Issue of Bank Guarantees
   (b) Settlement of Claims

2. EVALUATION OF PROCEDURES RELATING TO BANK GUARANTEES
   (a) Simplicity of Procedures
   (b) Time Taken
   (c) Views of Banks on the Guarantee Procedures

VI. CONCLUSIONS AND POLICY IMPLICATIONS

A. DEVELOPMENT OF EXPORT CREDIT AND CREDIT INSURANCE IN INDIA
   1. EXPORT CREDIT
   2. EXPORT CREDIT INSURANCE

B. ADEQUACY OF EXPORT CREDIT AND CREDIT INSURANCE
   1. EXPORT CREDIT
   2. EXPORT CREDIT INSURANCE
      (a) Insurance Policies
      (b) Bank Guarantees

C. COST OF EXPORT CREDIT AND CREDIT INSURANCE
   1. EXPORT CREDIT
      (a) Ceiling on Interest Rates
      (b) Comparison with the Other Priority Sector Credit Interest Rates
      (c) International Comparison
      (d) Income Tax on Export Credit Interest Earnings of the Banks
   2. EXPORT CREDIT INSURANCE
      (a) Method of Charging Premium
      (b) Trend of Average Cost of Insurance
      (c) Profit Earned
      (d) Income Tax Paid
      (e) International Comparison
      (f) Scheme-wise Break-up of Cost of Insurance
D. RATIONALITY OF PROCEDURES
1. EXPORT CREDIT
2. EXPORT CREDIT INSURANCE
   (a) Insurance Policies
   (b) Bank Guarantees

BIBLIOGRAPHY

APPENDICES

Page(s)

v1

... ... 446
... ... 446
......... 456
... ... 456
... ... 463
... ... 465-475
... ... 1 - VII