VIVEKANAND COLLEGE, KOLHAPUR

(AUTONOMOUS)

DEPARTMENT OF BBA

Subject- International Business

Topic- Export Credit Guarantee Corporation (ECGC)

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ECGC

- ECGC means **Export Credit Guarantee Corporation** of India.
- It is government owned enterprise.
- Head quarter is in Mumbai.
- Controlled by- Ministry of Commerce.
- Managed by a Board of Directors comprising representatives of the government, RBI, banking, insurance and export community.

- Main purpose- provides export credit insurance support to Indian exporters against loss in export.
- It has evolved various export credit risk insurance products to suit the requirements of Indian exporters.
- It is the 7th largest credit insurer of the world.
- It is seeking to improve the competitive capacity of Indian exporters by giving them credit insurance covers comparable to those available to their competitors from most other countries.
- It keeps its premium rates at the lowest level possible.

Functions of ECGE-

- It provides a range of credit risk insurance covers to exporters against loss in export of goods and services.
- Offers export credit insurance covers to banks and financial institutions to enable exporters to obtain better facilities from them.
- Provides overseas investment insurance to Indian companies investing in joint ventures abroad in the form of equity of loan.

How does ECGC helps exporters-

- It offers insurance protection to exporters against payment risks.
- Provides guidance in export related activities.
- Makes available information on different countries with it's own credit ratings.
- Make it easy to obtain export finance from banks and financial institutions.
- Assists exporters in recovering bad debts.
- Provide information on credit worthiness of overseas buyers.

Risks not covered-

- Risks of loss due to quality issue
- Loss or damage to the goods
- Exchange rate fluctuations
- Failure of the exporter to fulfil the term of the contract of negligence on his part.