

# Excellence Awards 2017 - Best Export Credit Agency: ECGC

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A diamond jubilee win for ECGC (formerly known as Export Credit Guarantee Corporation of India Ltd) is a fitting and happy coincidence for India's highly regarded export credit agency. In the month ECGC celebrates its 60th year of operation, it headed the popular vote in this hotly contested category. ECGC has a tagline "you focus on exports, we cover the risks," which is exactly what it has done for six decades.

"Over the last 60 years we have developed a large network of branch offices in India that enables us to reach out to every exporter across the length and breadth of our country," says Geetha Muralidhar, chairman-cum-managing director.

With 58 offices in India, ECGC takes a very particular approach to its role of supporting the country's exports. Unlike many of its ECA peers, it does not engage in direct lending, preferring to leave that to the banks and focus on the comfort of insurance and guarantees. It provides credit insurance to exporters against non-payment risks by overseas buyers for commercial and political risks and insurance cover to banks against risks in export credit lending to the exporter's borrowers. It also provides advice to potential exporters.

ECGC caters, directly and indirectly, to more than 20,000 exporters, of which nearly 85% are medium and small enterprise (MSME) exporters. "Product innovation and offerings are unmatchable with ECGC's wide range of products," Muralidhar says. She adds that there are 19 products for exporters and 11 products for banks under short term business and a dozen products for MLT business (medium and long term).

In 2016-17, the total business covered stood at US\$40.8bn which is close to 16% of Indian exports. Exposures are underwritten on around 120,000 buyers annually. In the past five years, ECGC received a capital contribution of US\$70m from the Government of India. Over the same period, it returned US\$153m in taxes and dividends.

"ECGC thus is one of the rare ECAs functioning commercially while ensuring its mandate of export promotion by being an all-weather partner to exporters and bankers in India," Muralidhar says.

**Runners up: Euler Hermes and UK Export Finance (15 ECAs were nominated).**

### **Message from Geetha Muralidhar, chairman-cum-managing director, ECGC:**

"ECGC has been a pioneer in helping to unlock bank financing for exporters and has ensured that liquidity is available for short-term and MLT finance through over the worst of times in various economic cycles in the past 60 years. The product offerings in this regard are of a robust nature given the fact that they have lasted for six decades and still going strong. We are privileged to stand by 40-odd banks whose share in export credits disbursed in the country is around 65%. We have ensured continuous innovation and related initiatives to cater to changing demands of the banks.

A noteworthy aspect of this line of business by an ECA is that the operations are run on a commercial basis with actuarial assessments of risks and related pricing structures. The systems in the organisation have also been appreciated by a consortium of reinsurers stating that they are very comprehensive leading to exemplary underwriting standards being practiced in ECGC.

We are entering a new era in international trade which is undergoing marked shifts in the opportunities available amid growing concerns of protectionism and economic stability. Exporters have a great stake in the performance of our economy in a globalised world: the opportunity it provides, the promise it holds and the challenges we face.

To assist our exporters [to] tide over the uncertain market situation, ECGC has been focussing on prudent underwriting policy, streamlining of processes and software to respond swiftly to changes in political or commercial scenario and extending and enhancing the overall reach and efficiency of our services.

ECGC continues to strive towards working for export promotion. It is a pleasant coincidence that we are receiving this award in our 60th year of operations. It is a testimony to ECGC's vision and mission to serve the Indian exporters and their bankers in supporting international trade."