

**Seminar on**

**"INTERNATIONAL TRADE & CREDIT SUPPORT"**

SILIGURI, NOVEMBER 03, 2006

The Seminar was conducted by the Eximius Centre, Exim Bank in association with the Confederation of Indian Industry (CII) - North Bengal Zonal Council (NBZC). The programme was inaugurated by Shri Ashok Bhattacharya, Hon'ble Minister-in-charge, Depts of Urban Development & Municipal Affairs, Government of West Bengal, and Chairman, Siliguri-Jalpaiguri Development Authority. The objective was to sensitise existing and potential exporters in North Bengal on different aspects of export credit and insurance.

The key speakers of the Seminar were Mr. Kamal Mittal, Chairman, CII-NBZC, Mr. Partha Samaddar, Manager, Export Credit Guarantee Corporation of India Ltd and Ms. Natasha Shreshtha, Manager, Global Trade Finance Ltd. Major topics covered included a regional perspective of the Siliguri – Jalpaiguri region with respect to trade and export opportunities, Export Credit Risk Insurance and Export Factoring & Forfaiting

**About Siliguri-Jalpaiguri Region**

The Siliguri-Jalpaiguri region is strategically located in terms of border trade, with Bangladesh border just 10 km away, Nepal 20 km, Bhutan 50 km and China around 150 km. Siliguri, the main city of the region, is also the gateway to the entire North-Eastern Region. Though traditionally, the region's industrial activities were confined to '3T's - Tea, Timber and Tourism, in recent years, growth has been witnessed in diverse sectors such as financial services, IT/BPO, small scale industries and transport. The opening of the Nathu La Pass, which would facilitate trade with China, would also enhance the importance of Siliguri as a centre for trade and commerce. The focus of the regional development agencies is now on infrastructure development to facilitate expansion of economic activities of the region.

**Export Credit Insurance**

Export Credit Guarantee Corporation of India Ltd (ECGC) offers policies to protect exporters from non-payment risks of buyer/country, and guarantees to banks against non-payment by the borrower. Export credit insurance is preceded by assessment of the overseas buyer and the country risks. ECGC offers different policies tailored to the specific needs of the exporter against various risks, which include:

- Standard Policy
- Export Turnover Policy
- Specific Shipments Policy
- Exports (specific buyer) Policy
- Buyer Exposure Policy
- Consignment Exports Policy
- Software Projects/ IT-enabled Services Policy

➤ Small Exporters Policy

**Export Factoring and Forfaiting**

Global Trade Finance Private Limited (GTF) is a Joint Venture promoted by Exim Bank with WestLB, Germany (since replaced by FIM Bank, Malta and Bank of Maharashtra) and IFC (World Bank). GTF's objective is to promote export-financing solutions for Indian SME exporters through structured foreign trade financing products such as forfaiting and factoring.

Factoring is a continuous arrangement between a factoring concern and the seller of goods and services (on credit) whereby the factor purchases the accounts receivables for immediate cash and also provides other services such as sales ledger maintenance, collection and credit protection. GTF offers export factoring with credit protection and insurance cover with recourse to exporter. It also offers Import Factoring.

Forfaiting is the discounting of international trade receivables on a 100% "without recourse" basis. Forfaiting transforms the supplier's credit granted to the importer into cash for the exporter, protecting him from all the risks associated with selling overseas on credit.

GTF has launched a new initiative to enable online sanction of factoring facilities for registered SSI exports oriented units. Details can be obtained from the website [www.gtfindia.com](http://www.gtfindia.com)