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# AN EMPIRICAL STUDY OF FINANCING OF EXPORTS IN INDIA POST LIBERALIZATION: TRENDS, CHALLENGES AND PROSPECTS

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***ABSTRACT***

*This paper provides a thorough empirical study of export financing mechanisms Post-liberalization period (1991-2024) in India. Utilizing secondary data from the RBI, Export Credit Guarantee Corporation (ECGC), and the State Bank of India (SBI) are among the institutions that provide export finance. The research method used in this paper are descriptive statistical analysis, trend analysis and comparative analysis. The study covers some of the key factors such as the structural changes, quantitative trends and qualitative changes in India's export credit ecosystem, Evaluation to assess the performance of pre-shipment and post-shipment credit, foreign currency Export credit, export credit guarantee schemes and institutional support mechanisms. Key findings reveal that while India's merchandise exports grew from USD 18.1 billion in 1990-91 to USD 437 Billion in 2024-25. The development of export credit has not been commensurate with the growth in exports, resulting in a persistent financing gap. This is especially impacting MSME exporters. The study highlights key issues such as collateral constraints, high-interest rate spreads, procedural rigidities, currency volatility, inadequate risk coverage. The paper ends with policy suggestions to strengthen export financing, digitalization, expanding credit guarantee coverage, expanding interest subvention, and the use of other forms of trade finance.*

*Keywords: Export Financing, Post-Liberalization India, EXIM Bank, ECGC, Export Credit,*
*Trade Finance, Interest Subvention, Pre-shipment Credit, Post-shipment Credit.*

JEL Classification: F14, G21, G28, O24, O53