



PHARMACEUTICALS EXPORT PROMOTION COUNCIL

(Set up by Ministry of Commerce, Govt. of India)

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News / Story reproduced with thanks:- **Pharmabiz**

Centre sets up inter-ministerial committee to monitor dollar credit needs of exporters

Direct link to the News/Story:-

<http://pharmabiz.com/article/detnews.asp?articleid=55816§ionid=>

The Centre has constituted an inter-ministerial committee under the chairmanship of finance secretary to monitor the dollar credit needs of exporters following representations by pharma industry and the Pharmexcil alleging denial of export credits by some nationalized banks to African countries.

The Centre has also clarified that banks had not denied any export credit proposal in the past involving exports to Kenya, even as the industry claimed that the apathetic attitude continued in many cases. Based on a representation from Pharmexcil alleging lack of bank finance to exporters to markets like Africa, CIS, Latin America and ASEAN under focus markets scheme, the matter was taken up with the Indian Banks Association (IBA) by the RBI.

The IBA replied that the banks normally take into account various aspects like the good standing of the exporter in the market, his ability to perform his export obligations, risk rating of the countries of export while taking a decision. The IBA also categorically stated that no denial of export credit was reported involving exports to Kenya as claimed by Pharmexcil.

However, sources said the government has constituted a monitoring mechanism to examine the difficulties being faced by exporters in availing dollar credit and ensure appropriate disposal by concerned banks. The mechanism, under the chairmanship of the finance secretary, will ensure that the dollar credit needs of exporters are met in a timely manner.

Meanwhile, industry sources claimed that the apathetic attitude by some banks still continued. Delhi-based Pharmchem has reported the case of denial of export credit by Bank of India's Chandni Chowk branch for Kenya sometime back. Another company also is learnt to have faced the same situation recently. Following the complaints from some pharma exporters, the Pharmexcil had taken up the matter with the government.