

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
(DEPARTMENT OF COMMERCE)

LOK SABHA
UNSTARRED QUESTION NO. 807
ANSWERED ON 07/02/2024

IMPACT OF ISRAEL AND HAMAS WAR ON INDIAN EXPORTS

807. SHRIMATI PRATIMA MONDAL:

PROF. SOUGATA RAY:

Will the Minister of **COMMERCE & INDUSTRY** (वाणिज्य एवं उद्योग मंत्री) be pleased to state:

- (a) the details of the crisis on export from India due to the developments in Red Sea due to the war between Israel and Hamas;
- (b) whether the conflict has severely affected India's foreign business;
- (c) if so, the details thereof;
- (d) the details of steps taken to resolve the issue;
- (e) whether the Government has given any directions to the Export Credit Guarantee Corporation Ltd., to extend any assistance to exporters in this regard; and
- (f) if so, the details thereof?

ANSWER

वाणिज्य एवं उद्योग मंत्रालय में राज्य मंत्री (श्रीमती अनुप्रिया पटेल)

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY
(SMT. ANUPRIYA PATEL)

(a) to (d) Some increase in the freight cost has been reported by the industry. Exports from India are continuing as the sailings of containers carrying ships from India have been diverted via the Cape of Good hope route. The crisis in Red Sea, at present, has not much affected the availability of containers in most of the ports. Indian Navy has substantially enhanced maritime surveillance efforts in Central/North Arabian Sea and augmented force levels. Aerial surveillance by long-range maritime patrol aircraft and RPAs has been enhanced to have a complete maritime domain awareness. Towards effective surveillance of EEZ, Indian Navy is operating in close coordination with Coast Guard. The overall situation is being closely monitored by the Government.

(e) & (f) The Government has directed Export Credit Guarantee Corporation Ltd. to maintain moratorium on rates of insurance for the Indian exporters. ECGC continues to provide insurance cover to the exporters. Further, ECGC has not refused cover for export shipments routed through the Red Sea and the credit risk cover is being provided based on the risk assessment and credit worthiness of overseas buyers and terms of payment.
