3. Export Schemes- Economy

Govt announces two more credit-linked schemes under Export Promotion Mission. To boost MSME export competitiveness, the Ministry of Commerce has launched two initiatives under the Export Promotion Mission—the Interest Subvention Scheme (offering 2.75% interest reduction) and the Collateral Support Scheme (providing up to 85% credit guarantee)—aimed at reducing the cost of credit and addressing collateral constraints for exporters.

New Export Support Initiatives for MSMEs

1. Context and Launch

Announcement- The Ministry of Commerce has announced the launch of two critical financial support schemes-

1. Interest Subvention on Export Credit Scheme
2. Collateral Support for Export Credit Scheme

Parent Mission- These initiatives fall under the Niryat Protsahan sub-scheme of the broader Export Promotion Mission, a flagship program approved by the Union Cabinet in November 2025.

Objective- To specifically assist MSMEs (Micro, Small, and Medium Enterprises) by making trade finance both more affordable and more accessible.

2. Scheme 1- Interest Subvention on Export Credit

This scheme addresses the high cost of capital, which often renders Indian exports uncompetitive.

Primary Aim- To reduce the cost of export credit and ease working capital constraints for MSME exporters.

Key Features

Financial Support- It offers a base interest subvention (rate reduction) of 2.75% on pre-shipment and post-shipment rupee export credit.

Additional Incentive- Extra benefits may be extended for exports directed toward specific under-represented or emerging markets.

Annual Cap- A maximum benefit cap is set at Rs 50 lakh per exporter for the financial year 2025-26.

Periodic Review- The applicable interest rates will be reviewed every six months (in March and September) to align with market conditions.

Product Coverage ("Positive List")- The benefit is applicable only to exports listed under a "Positive List" covering about 75% of India's tariff lines.

Inclusions- Covers sectors with high MSME participation, including labour-intensive, capital-intensive, and high value-addition sectors. Notably, Defence and strategic (SCOMET) items are included.

Exclusions- Restricted/prohibited items, waste/scrap, and products already covered by other specific incentive schemes.

Implementation Authority- The Reserve Bank of India (RBI) will issue the detailed operating guidelines.

3. Scheme 2- Collateral Support for Export Credit

This scheme addresses the difficulty MSMEs face in providing assets as security for loans.

Primary Aim- To improve MSME exporters' access to bank finance by mitigating the constraints related to collateral requirements.

Key Features

Partnership- The scheme is implemented in partnership with the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE).

Exposure Limit- It provides a maximum guaranteed support of Rs 10 crore per exporter in a financial year.

Purpose- It complements existing credit guarantee mechanisms, encouraging banks to lend more freely to export-oriented MSMEs by reducing their risk.

Guarantee Coverage Structure

Exporter Category	Guarantee Coverage
Micro and Small Exporters	Up to 85%
Medium Exporters	Up to 65%

Implementation Strategy- The CGTMSE will notify detailed guidelines. Implementation will commence with a pilot phase before full integration into the broader export promotion framework.

4. About the Export Promotion Mission (EPM)

Status- A flagship mission approved by the Union Cabinet in November 2025.
Budget- Rs 25,060 crore.
Duration- Five years, from FY 2025–26 to FY 2030–31.
Lead Ministries- Jointly implemented by the Ministry of Commerce, Ministry of MSME, and Ministry of Finance.
Core Objective- To strengthen India's export competitiveness with a special focus on MSMEs, first-time exporters, and labour-intensive sectors.

Mission Structure

The mission is organized around two integrated sub-schemes serving different pillars of export growth-

Sub-Scheme	Focus Area	Key Components
Niryat Protsahan	Financial Enablers	Focuses on improving trade finance access (includes the two new schemes mentioned above).
Niryat Disha	Non-Financial Enablers	Focuses on market access, branding, compliance, logistics support, and trade intelligence.

Source- https-//www.thehindu.com/business/Industry/govt-announces-two-more-credit-linked-schemes-under-export-promotion-mission/article70464060.ece