Plan for quick liquidity to tariff-hit exporters

Prelims: *Current events of national and international importance*

Why in News?

Recently, the government has come up with an "action plan" to respond to the tariff escalation by the U.S., aimed at addressing the short-term pain points, long-term competitiveness.

- **Plan framed by** – Department of Commerce
- **Guiding principles** – Based on providing immediate relief to exporters with regard to liquidity, compliances, and order levels.
    - Building resilience in supply chains,
    - Leveraging existing trade agreements,
    - Providing other non-financial assistance to exporters.
- **Major concern for exporters**
- **Liquidity crunch** – Exporters face shortage of trade finance as they have already purchased stock meant for exports (especially to the U.S.).
- **Fall in orders** – Risk of drop in order levels, especially in SEZ-based units which are key for labor-intensive exports.
- **Government's Response & Export Promotion Mission (EPM)**
- **Niryat Protsahan** (Financial Support for Exporters)
    - Interest subvention schemes to make trade finance cheaper.
    - E-commerce export cards for easier access to digital trade systems.
    - Collateral support for exporters to secure loans.
- **Niryat Disha** (Market Access & Capability Building)
    - Support for export compliance.
    - Branding, packaging, and marketing assistance.
    - Logistics and warehousing support.
    - Trade intelligence to identify new opportunities.
    - Skilling initiatives for exporters and workers.
- **SEZ Policy Flexibility –** Considering greater flexibility in SEZ norms to help sustain production and scale.
- **Supply Chain Resilience Measures**
    - Establishment of e-commerce export hubs with simplified return logistics.
    - Easier inter-state movement of goods.
    - Faster GST refunds to improve liquidity.
- **The medium and long-term strategy –** This includes leveraging the existing Free Trade Agreements that India has signed,
    - Export diversification,

- Establishing strategic autonomy is crucial sectors,
- Creating digital trade infrastructure in the form of the BharatTradeNet (BTN).

BharatTradeNet (BTN)
• **Announced** – during the Union Budget 2025 • **Significance** – *Unified platform for trade documentation and financing solutions.* • It can ensure legal recognition of electronic trade documents and digital identities in line with the norms laid out by the United Nations Commission on International Trade Law.

Reference

The Hindu| Plan for quick liquidity to tariff-hit exporters

