

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](#)

