

RBI to exporters' rescue

The measures are vital to counter global headwinds

In an era when global trade resembles a fault line, constantly shifting under the pressures of geopolitical tensions, supply chain fractures, shipping disruptions, and unpredictable demand cycles, the Reserve Bank of India's trade relief measures arrive as a much-needed stabiliser.

Exporters, already navigating shrinking margins and delayed payments, have been pushed into a cycle of cash-flow anxiety. The RBI's intervention is, therefore, not just a regulatory response but an economic cushion designed to preserve the long-term viability of India's export backbone.

When export consignments are delayed due to port congestion or when overseas buyers postpone orders amid global slowdowns, it is the exporter who remains stuck with inventory, interest costs, and a ticking loan repayment schedule.

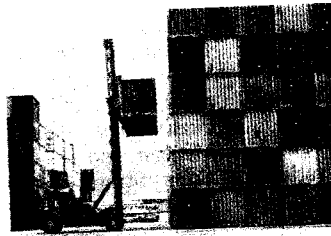
By offering a moratorium between September and December 2025 and converting accrued interest into a funded term loan payable later, the RBI effectively buys exporters time without punishing them through harsh asset classification rules.

Similarly, the decision to extend pre- and post-shipment credit up to 450 days is critical. It acknowledges a ground reality: the trade cycle has lengthened. What once took 180-270 days can now stretch endlessly due to factors beyond any exporter's control. The RBI's move ensures credit discipline without undermining business continuity.

These measures also prevent premature downgrading of accounts, which would otherwise have damaged credit histories, limited future borrowing, and trapped exporters in a vicious cycle of financial distress. By shielding borrowers from negative credit reporting, the RBI demonstrates a sensitive, long-horizon understanding of the exporter's operating environment.

One of the most pragmatic features is the permission to liquidate packing credit from alternate sources, including domestic sale proceeds or proceeds from substituted export orders. This is a departure from rigid norms and reflects an economy adapting to global volatility.

When shipments don't sail or buyers cancel orders, exporters must pivot, repurpose, or seek



HELPING HAND. For exporters

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accommodate that flexibility. In many ways, the central bank is signalling that regulations must not become a trap in times of crisis. Instead, they must evolve into tools that support resilience.

While these measures are framed as temporary relief, their implications extend far beyond December 2025. They set the tone for a more adaptive and responsive export finance architecture. In doing so, the RBI may be shaping the future course of trade in three key ways:

Strengthening the financial health of exporters: Exporters who survive today's turbulence with manageable cash flows are better positioned to compete globally tomorrow. Relief now prevents firm closures later, preserving jobs, capacities, and India's export momentum.

Encouraging banks to evolve sector-specific risk assessments: The mandated MIS, 5 per cent general provisioning, and flexibility in working capital recalibration can push banks to treat export lending as a dynamic regime rather than a static template. This could lead to smarter, data-driven credit decisions in the future.

Motivating exporters to explore market diversification: With liquidity pressure eased, firms can redirect focus towards exploring new markets, adopting digital trade solutions, and investing in supply chain resilience. Relief today fosters risk-taking ability tomorrow.

The RBI's trade relief measures are a calibrated intervention meant to reinforce confidence at a time when the world economy is unpredictable and India's exporters are caught in crosswinds they did not create.

By balancing prudence with compassion, the central bank has ensured that short-term disruptions do not permanently derail long-term export capacity.

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