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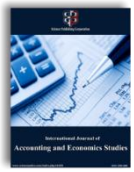

# Export Credit and Its Impact on The value of Exports

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**Abstract**

Exports play a pivotal role in India's international trade and overall GDP growth. As export credit is classified under the priority sector, scheduled commercial banks consistently extend credit to the export sector, leading to a steady annual increase in outstanding export credit. This study investigates the extent to which export credit contributes to the value of exports in international trade. Using monthly data on export credit and export value from April 2008 to March 2025, the analysis employs Autoregressive Distributed Lag (ARDL) short-run and long-run models to assess the relationship. The findings demonstrate that export credit is an essential factor of export value, with a stronger influence in the long run than in the short run. Additionally, export performance is positively affected by inflation and negatively impacted by the exchange rate. The findings suggest that further enhancement of commercial banks' export credit under the priority sector is essential to strengthen India's international trade balance.

***Keywords***: *ARDL Model; Exchange Rate; Export Credit; Export Performance; Inflation.*

## 1. Introduction

International trade is essential to global economic integration and a major driver of national economic expansion. As a result of reducing the risks associated with cross-border transactions and relieving liquidity constraints, export credit has emerged as a crucial instrument for advancing international trade.

Banking institutions in India play a crucial role in enabling funding and capital formation. For decades, Indian commercial banks have supported the priority sector through priority-sector lending, a critical feature of economic development (Rahaman, 2023). Commercial banks are required to provide at least 40% of their advances to priority-sector clients. Priority-sector lending is primarily intended to extend banking support to parts of the economy that have not received substantial institutional finance (Kurbanhusain, 2017). The priority-sector categories include agriculture, micro and small enterprises, education, housing, and export financing, all of which play a significant role in delivering bank credit in India (Selvi, 2014).

The Reserve Bank of India (RBI) introduced the export-financing scheme in 1967 to provide exporters with short-term working capital at interest rates competitive on a global scale. Export finance is available in both foreign currencies and Indian rupees, and export credit can be obtained both before and after shipment. A nation's exports are considered a critical element of its overall economic development. The Indian government is actively seeking new opportunities in the global market and pursuing trade strategies to expand exports (Shailendra, 2020).

Over the past few decades, India's export growth has outpaced its GDP growth (Sharma, 2000). Export-credit finance, as a development tool, must be incorporated into a flexible, comprehensive trade strategy. Most developing nations struggle with a serious shortage of adequate resources among individual traders, leaving them unable to finance exports. In many cases, the financial sector is dominated by foreign banks that have historically dealt only with non-local exporters (Bingu, 1976).

Bank loans to exporters reached their highest level last year in late April, despite the Red Sea situation, which has hindered commerce since late fall due to pirate attacks and maritime security concerns.

Export credit is essential for promoting global trade because it gives exporters the money they need to cover their manufacturing and transportation costs. In India, export financing aids businesses in risk mitigation, liquidity management, and improving their ability to compete in international markets. Despite being considered a crucial component of commerce, little empirical data exists about its impact on export performance in the Indian context. Examining whether bank lending to exports has a substantial and long-lasting effect on India's export value, as well as how export credit promotes the creation of export value, are the goals of this study.

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### 1.1. RBI guidelines for export credit

- RBI vide its circular dated 20.09.2019 has decided to effect the following changes to export credit.
- Raise the export credit categorization limit under PSL from ₹25 crores to ₹40 crores per borrower
- Remove requirements for units with a turnover of up to ₹100 crores.

### 1.2. Growth of export credit

From 2008 to March 2025, the credit to the exports sector and the value of exports are shown in Figure 1.

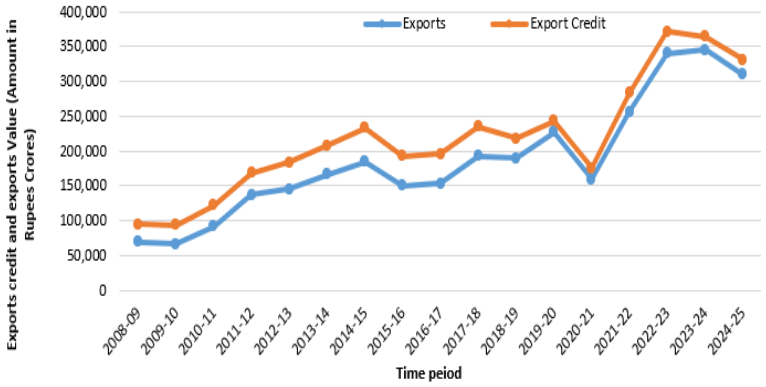


**Fig. 1:** Exports Credit and Exports Value (Rupees in Crores).

Source: RBI Database.

Based on the above graph, it is apparent that both export credit and export value in international trade have moved in a similar direction. In 2020–21, there was a sudden decrease in both export credit and export value. Again, in 2021–22 and 2022–23, the values increased in tandem. In the last two years, however, both credit and export values have shown a slight decline. overall, over the past 17 years, whenever export credit has increased, the value of exports has also increased. This indicates a positive relationship between export credit and the value of exports.

## 2. Theory Building and Literature Review

### 2.1. Theory building

The connection between export credit and export performance in India can be understood through several complementary theoretical lenses. The financial intermediation theory highlights how banks and other financial institutions play a vital role in channeling funds from savers to borrowers by cutting down transaction costs and easing problems of asymmetric information (Douglas, 1984; Rajan, 1988). In simple terms, financial intermediaries make it easier and safer for capital to flow where it is most needed. For exporters, this function is especially critical, since they often operate under tight liquidity, face long delays in receiving payments, and deal with heightened risks in cross-border transactions.

By stepping in to provide timely finance and reduce uncertainty, banks help exporters meet working capital needs, maintain credibility with international buyers, and expand their global reach. Recent studies also suggest that economies with more effective financial intermediation—captured by indicators such as the credit-to-deposit ratio, credit to the private sector, and money supply—tend to experience faster investment and growth, particularly in developing regions (Adjei & Oppong, 2025).

For small and medium-sized firms, which usually struggle the most with financing barriers, efficient intermediation can be transformative: it enables them to scale production, diversify into new markets, and integrate into global value chains. In this way, financial intermediation not only fuels domestic economic activity but also acts as a bridge linking local resources with opportunities in international trade.

The Keynesian credit–investment theory further suggests that credit stimulates production and economic activity (Pigou, 1936), meaning that access to export credit empowers firms to increase capacity and meet international demand. From a trade theory standpoint, according to the Heckscher–Ohlin model explains that countries tend to export goods that make use of their abundant resources and import those that rely on factors they lack (Heckscher, 1991; Krugman, 2009). For India, where labor is plentiful but capital is relatively scarce, this translates into a natural strength in labor-intensive sectors such as textiles, handicrafts, and certain services. Yet, having resources alone does not automatically translate into competitive exports. Firms—particularly small and medium enterprises—often struggle with financing gaps that limit their ability to scale production and compete globally. This is where export credit becomes essential. By providing timely liquidity and reducing financial constraints, export credit allows Indian firms to turn their labor abundance into a real export advantage, effectively putting the Heckscher–Ohlin principle into practice. However, according to credit rationing theory (Stiglitz & Weiss, 1981; Berger, 1992), banks might restrict lending due to risk perceptions, particularly in volatile export markets. In such contexts, institutions like Export Credit Agencies (ECAs) and credit guarantees become critical. Indeed, ECAs in developing countries have become instrumental in maintaining trade flows during economic shocks (Global Trade Review, 2023). Additionally, trade credit insurance (TCI) helps reduce payment risk and enhance exporters' creditworthiness, making it easier for them to obtain bank finance, especially under uncertainty (Ninsin & Addo, 2025).

Finally, the export-led growth theory (Balassa, 1978; Bhagwati, 1978) frames exports as catalysts for broader economic growth. Export credit, therefore, serves as a conduit, enabling firms to expand abroad and contribute significantly to national GDP. Together, these theoretical perspectives reveal how commercial bank financing, through export credit, plays a vital role in overcoming structural constraints, enhancing export capabilities, and supporting sustained economic development in India.

### 2.2. Literature review

#### 2.2.1. Macro-level determinants of India's export performance

Research on India's exports highlights the importance of macroeconomic variables. Sharma (2003) demonstrated that the rupee's appreciation hurt exports, while favorable domestic relative prices encouraged supply. The real effective exchange rate (REER), foreign direct investment (FDI), and inflation were all found to be negatively correlated with export performance by Gururaj and Satish Kumar (2016). Agrawal (2014) emphasized that exports played a pivotal role in sustaining India's post-1991 reform growth trajectory, offering evidence for the export-led growth hypothesis (ELGH). More recently, Dhinakaran and Kesavan (2020) showed that the COVID-19 pandemic disrupted trade flows despite relatively stable consumer prices. Together, these studies suggest that currency movements, price stability, and global shocks are major macro-level drivers of India's exports.

#### 2.2.2. Micro-level determinants and MSME export performance

At the microeconomic level, firm-specific factors—particularly credit access—emerge as key determinants of export competitiveness. Suresh (2015) found a positive and significant relationship between export credit and MSME exports in Telangana. Harendra and Wahi (2018) observed that bank and NBFC microcredit, especially after GST implementation, contributed to stronger export performance, even more than demonetization shocks. Bandopadhyay and Khan (2020) highlighted the importance of exchange rates, fixed investment, and government support, while Yogeshwar (2022) noted that financial fragility increased the likelihood of indebted firms withdrawing from export markets. Recent global evidence also points in the same direction—Singh and Bansal (2021) underscored digital credit access as a booster for MSME exports, and
Dasgupta and Mehta (2023) linked trade finance with higher survival rates of small exporters. Collectively, these findings underline that credit, investment, and financial stability are decisive at the micro level.

#### 2.2.3. Export credit and export value

The broader connection between export credit and aggregate export value has been explored in both Indian and international contexts. Kapoor, Priyaranjan, and Jibonayan (2022) assessed the effect of loan constraints on Indian exporting firms and found that the 2000 policy reversal had little impact on either borrowings or profits, suggesting structural rigidities. Sudipta (2024), analyzing BRICS economies, showed that domestic credit and FDI strongly supported China's exports, but credit systems in other BRICS countries had limited influence. Similarly, global studies (e.g., Kumar & Rani, 2021; Patel, 2024) emphasize that credit market efficiency directly shapes exporters' ability to scale. These works highlight the heterogeneity in how credit availability translates into export growth depending on institutional and financial frameworks.

## 3. Research Gap and Hypothesis Development

### 3.1. Research gap

While existing studies identify both macro- and micro-level factors influencing India's exports, several gaps remain. Most macroeconomic analyses emphasize exchange rates, inflation, or global shocks, yet limited attention is paid to how financial sector dynamics—particularly export credit—shape aggregate export value. At the micro level, research confirms that MSMEs benefit from export credit, but the evidence is often regional or sector-specific, with little integration into national-level export performance studies. Moreover, comparative insights from BRICS and other emerging economies suggest that the credit–export relationship is not uniform across countries, but Indian research has yet to fully explore this heterogeneity. Therefore, a focused investigation into the impact of export credit on India's export value, bridging both macro- and micro-perspectives, can provide fresh insights into how credit policies can strengthen trade performance.

### 3.2. Hypothesis development

It is evident from the literature study and the aforementioned ideas that export credit is a significant mechanism affecting export performance. Although previous research and theoretical frameworks point to a possible positive association, there is currently little and conflicting actual data in the Indian context. This emphasizes the necessity of conducting a targeted study on how export credit influences export value. To investigate this link objectively, the following hypothesis has been developed:
$H_1$: In India, export performance is positively and significantly correlated with bank lending to exports.

## 4. Data and Methodology

### 4.1. Research design

This descriptive study looks at the connection between export value and bank lending to the export industry. Secondary data was gathered and examined every month. The 204 observations in the sample span the time frame of April 2008 through March 2025.

### 4.2. Data

Monthly data on scheduled commercial bank credit are available in the RBI database from April 2008 onward. Accordingly, this study employs monthly time-series data from April 2008 to March 2025, with each variable containing 204 observations.

### 4.3. Variables

The independent variable is commercial bank credit, and the dependent variable is export value. The currency rate and inflation are the control variables since they have the biggest effects on export value. Table 1 lists all variable sources.

**Table 1:** List Of Variables, Description, Type, and the Sources

| S. No | Variable Specification | Name of the variable | Description | Variable type | Source |
|---|---|---|---|---|---|
| 1 | EXPV | Value of exports | Monthly value of exports in international trade | Dependent variable | RBI database on the Indian Economy |
| 2 | EXPC | Exports credit | Scheduled Commercial banks export credit-Monthly | Independent Variable | RBI database on the Indian Economy |
| 3 | IF | Inflation rate | Monthly India inflation rate | Control Variable | FRED- Economic data |
| 4 | EXCH | Exchange rate | Monthly US dollar and Indian Rupee Exchange rate | Control Variable | RBI database on the Indian Economy |

### 4.4. Model specification

In the long term, export credit and value are related as

$$EXPV = f(EXPC, IF, EXCH) \quad (1)$$

The above equation can be rewritten as an econometric model in logarithmic form:

$$LEXPV_t = bo + b1LEXPC + b2LIF + b3LEXCH + U_t \quad (2)$$

Where:
Where:

- LEXPV_t = Log of export value
- LEXPC = Log of export credit
- LIF = Log of inflation
- LEXCH = Log of exchange rate
- U_t = Stochastic error term
- $b_0$ = Constant parameter
- $b_1$, $b_2$, $b_3$ = Elasticities of export value with respect to the explanatory variables

Expected signs: $b_1 > 0$, $b_2 > 0$, $b_3 > 0$.

### 4.5. Statistical tools

#### 4.5.1. Test equation selection (none/intercept/trend and intercept)

It is important to determine whether the data is close to zero on the y-axis. If the value is not near zero, an intercept should be included. To check for a trend, examine whether the data shows a clear directional movement that approximates a straight line. If a trend exists, include the trend term; otherwise, it can be omitted.

#### 4.5.2. Augmented Dickey–Fuller (ADF) test

The ADF test examines the null hypothesis of a unit root in time-series data. The alternative hypothesis is stationarity (or trend-stationarity, depending on the specification). This test is an improvement on the basic Dickey–Fuller test and uses a negative ADF statistic. At a given confidence level, the more negative the statistic, the stronger the evidence against the unit root.

#### 4.5.3. Phillips–Perron (PP) test

The Phillips–Perron (1988) test also checks for a unit root. The null hypothesis is that the variable has a unit root, while the alternative is stationarity.

#### 4.5.4. ARDL bounds (F) test

The cointegration of the independent and dependent variables across time is assessed by this test. The upper and lower critical bounds, I(1) and I(0), are compared with the computed F-statistic. There is evidence of a long-term link if the F-value is greater than the 5% upper bound.

#### 4.5.5. ARDL model

The Autoregressive Distributed Lag (ARDL) model analyzes both long-term and short-term relationships among time-series variables.

- The autoregressive (AR) component captures the lagged dependent variable.
- The distributed lag (DL) component captures lagged values of the explanatory variables, showing the delayed effects of these factors on the dependent variable.

## 5. Results and Discussion

### 5.1. Descriptive statistics

Table 2 presents the descriptive statistics of the selected variables.

**Table 2:** Descriptive Statistics

| Variable | Observations | Mean | Standard Deviation | Minimum | Maximum |
|---|---|---|---|---|---|
| LEXPV | 204 | 11.873 | 0.485854 | 10.7735 | 12.75207 |
| LEXPC | 204 | 10.213 | 0.425173 | 8.98923 | 10.80446 |
| LLIF | 204 | 1.8731 | 0.441091 | 0.07696 | 2.786245 |
| LEXCH | 204 | 4.1005 | 0.216589 | 3.66855 | 4.423133 |

Source: Authors' Calculations.

## 5.2. Test equation selection

The selected variables were tested for significance at both the constant and trend levels, as shown in Table 3. All variables are significant at both the constant and trend levels. Therefore, in the unit root test, the test equation should include both the trend and the intercept. Likewise, while performing the ARDL model, the trend specification is selected as "constant and trend."

**Table 3:** Summary Test Equation of Variables

| Variable | Constant | Trend | Decision |
|---|---|---|---|
| LEXPV | 0.0000 | 0.0000 | Trend & intercept |
| LEXPC | 0.0000 | 0.0000 | Trend & intercept |
| LIF | 0.0000 | 0.0000 | Trend & intercept |
| LEXCH | 0.0000 | 0.0000 | Trend & intercept |

Source: Authors' Calculations.

## 5.3. Unit root tests

Tables 4 and 5 present the unit-root test results for the selected variables. The ADF and PP tests assess the null hypothesis that a time series is non-stationary (has a unit root). At level I(0), the ADF test shows that LEXPV's t-statistic is significant at the 1%, 5%, and 10% levels, while the other variables are not statistically significant. Similarly, the PP test at level I(0) indicates that LEXPV's t-statistic is significant at the 1%, 5%, and 10% levels, whereas all other variables are non-significant. After first differencing, I(1), both the ADF and PP tests show that all variables become stationary at the 1%, 5%, and 10% levels.

**Table 4:** Summary of Augmented Dickey-Fuller (ADF) Unit Root Test

| Variable | Level | | First difference | | |
|---|---|---|---|---|---|
| | T-Statistic | Probability | T-Statistic | Probability | Stationary level |
| LEXPV | -6.712541 | 0.0000*** | -15.64969*** | 0.0000 | I(0) |
| LEXPC | -2.745114 | 0.2198 | -6.978129*** | 0.0000 | I(1) |
| LIF | -2.941716 | 0.1518 | -10.27626*** | 0.0000 | I(1) |
| LEXCH | -2.638022 | 0.264 | -8.011839*** | 0.0000 | I(1) |

Source: Authors' Calculations.

**Table 5:** Summary of Phillips – Perron (PP) Unit Root Tests

| Variable | Level | | First difference | | |
|---|---|---|---|---|---|
| | T-Statistic | Prob. | T-Statistic | Prob. | Stationary level |
| LEXPV | -4.399642*** | 0.0027 | -23.08634*** | 0.0000 | I(0) |
| LEXPC | -2.676957 | 0.2474 | -14.5126*** | 0.0000 | I(1) |
| LIF | -3.165436 | 0.0945 | -10.94683*** | 0.0000 | I(1) |
| LEXCH | -2.739684 | 0.2219 | -13.50938*** | 0.0000 | I(1) |

Note: *, **, and *** denote statistical significance at 10%, 5% and 1% levels, respectively.
Source: Authors' calculations.

## 5.4. Model selection

In small samples, the ARDL technique is more robust when the underlying variables share a single long-term relationship and are integrated in a given order— I(0), I(1), or a combination of the two (Emeka, 2016). For non-stationary and mixed-order time series, the autoregressive distributed lag (ARDL) model can be estimated using ordinary least squares (OLS). The ARDL model includes sufficient lags to accurately capture data generation in a general-to-specific framework (Shrestha, 2018).

## 5.5. Lag length selection

Both the level and first-difference variables are stationary according to the unit-root test. Therefore, to perform the F-bounds test and the ARDL model, it is necessary to determine the optimal lag length. A VAR model was estimated with lags 1 and 2.
The Akaike Information Criterion (AIC) value was -8.138077, and the Schwarz Criterion (SC) value was -8.731775. Because a lower value indicates a better fit, the AIC was used to identify the optimal lag length. The VAR lag-order selection is shown in Table 6. The AIC suggests that the optimal lag length for this model is 3 lags. Consequently, 3 lags were used in the ARDL model.

**Table 6:** Lag Length Selection

| | |
|---|---|
| Akaike information criterion | -8.138077 |
| Schwarz criterion | -8.731775 |
| Akaike information criterion (3 lags) | -8.225468 |

Source: Authors' Calculations.

## 5.6. Bounds test

Both the level and first-difference forms of the variables are stationary, according to the PP unit-root test. To evaluate the long-term link between export value and bank export credit, bounds testing is crucial. Lower and upper critical values are compared with the F-statistic.

The Akaike Information Criterion (AIC), which showed three lags, was used to determine the lag order. The automatically selected ARDL model is (3, 0, 0, 0). The F-bounds test results are summarized in Table 7.

**Table 7:** Summary of Bounds Test Result

| F-Statistic | K | I (0) | | I (1) | Decision |
|---|---|---|---|---|---|
| 6.387307 | 3 | 1% | 5.17 | 6.36 | A long-run relationship exists |
| | | 5% | 4.01 | 5.07 | |
| | | 10% | 3.47 | 4.45 | |

Source: Authors' calculations.

The F-statistic value of 6.387307, as shown in Table 7, exceeds Narayan's (2005) upper-bound I(0) critical values at the 1%, 5%, and 10% significance levels. Consequently, the aggregated-sector ARDL model supports rejecting the null hypothesis of "no co-integration or long-run relationship." The bounds-test results indicate a stable long-term relationship between export performance and the credit provided. Therefore, using the ARDL error-correction model (ECM), the study estimates both the long-term and short-term coefficients.

## 5.7. Long-run and short-run coefficients

After confirming the long-run relationship in Equation 2, the long-run and short-run elasticities are evaluated to determine the relationships among the variables.

$$LEXPV = C(1)*LEXPV(-1) + C(2)*LEXPV(-2) + C(3)*LEXPV(-3) + C(4)*LEXPC + C(5)*LEXCH + C(6)*LIF + C(7) + C(8)*@TREND \quad (4)$$

The ARDL long-run form and the ARDL error-correction model (ECM) are presented in the results in Table 7.

**Table 7:** Summary of ECM Test

| Variable | Coefficient (Probability) |
|---|---|
| Constant | 3.037879 (0.0000) |
| $R^2$ | 0.302566 |
| $ECT_{t-1}$ | -0.251477(0.0000) |
| Long-run coefficients | |
| LEXPC | 0.405276 (0.0000) |
| LEXCH | -1.510295 (0.0179) |
| LIF | 0.218822 ((0.0067) |
| Short-run coefficient | |
| LEXPC | 0.101918 (0.0000) |

Source: Authors' calculations. Probabilities are represented in parentheses.

As illustrated in Table 7, the constant's coefficient is 3.037879 and is statistically significant. The coefficient of determination ($R^2$) measures the proportion of variance in export value explained by export credit and other control variables. The $R^2$ value of 0.302566 indicates that the regression variables in the aggregated-sector model account for 30.25% of the variance in export values. Therefore, the unexplained variation in export value is 69.75%.

The error-correction term (ECT), also called the equilibrium-adjustment rate, reconciles short-term and long-term dynamics. The ECT indicates the degree to which the current period corrects imbalances from the previous period. The value of the ECT_{t−1} in Table 4.6 is −0.251477 and is statistically significant.

This indicates that deviations from the long-run equilibrium are corrected at a convergence rate of 25.14% in the following year.

The long-run and short-run elasticity estimates in Table 7 show that the regression variables' coefficients are statistically significant. Thus, the null hypothesis—that export credit does not affect export performance—is rejected. This implies that growth in scheduled commercial banks' export credit is significantly associated with export value. In the long run, the impact of export credit on export value is 40.52%.

## 5.8. Diagnostic tests

1) The Jarque–Bera test was used to assess the normality of the model residuals. The null hypothesis is that the residuals are normally distributed; this hypothesis cannot be rejected because the Jarque–Bera statistic (4.8951) is not statistically significant. Consequently, there is no evidence against residual normality.
2) The Breusch–Godfrey test was used to examine serial correlation. The Breusch–Godfrey F-statistic is 0.841396 (p = 0.4327), which is not significant at the 5% level; therefore, we cannot reject the null hypothesis of no serial correlation. Hence, there is no evidence of serial correlation in the residuals.

White's test, the Breusch–Pagan test, and the ARCH test were used to assess heteroskedasticity (null hypothesis: homoskedasticity). The p-values for these tests exceed 5% and are not statistically significant (Table 8). Therefore, there is no evidence of heteroskedasticity in the residuals.

1) Ramsey's (1969) RESET test was used to assess functional-form misspecification; the null hypothesis is that the model is correctly specified (no omitted variables). The Ramsey F-statistic is 0.044274 (insignificant), so we cannot reject the null hypothesis. Thus, there is no evidence of functional-form misspecification.

Overall, the diagnostic checks reported in Table 8 indicate no serious violations of the standard OLS assumptions.

**Table 8:** Summary of Diagnostic Tests for Aggregated Sectors

| Diagnostic Test | F-statistic Value (p-value) | Remark |
|---|---|---|
| Jarque-Bera | 4.895105 (0.1256) | Normality of residuals |
| Breusch-Godfrey | 0.841396 (0.4156) | No higher-order autocorrelation |
| Heteroskedasticity-White's | 1.085896(0.3552) | No heteroskedasticity |
| Heteroskedasticity-Breusch-Pagan | 0.644089 (0.7190) | No heteroskedasticity |
| Heteroskedasticity-ARCH | 0.214151 (0.6440) | No heteroskedasticity |
| Ramsey RESET | 0.044274(0.8336) | No omitted variables |

Source: Authors' calculations. Notes: P-values in brackets.

### 5.9. Model stability tests for aggregated sectors

In this work, the CUSUM plots were used to assess model stability. The CUSUM statistics are inside the 5% significance lines, which are shown in Figure 2. Hence, these model coefficients were secure, and the estimates are accurate and predictive

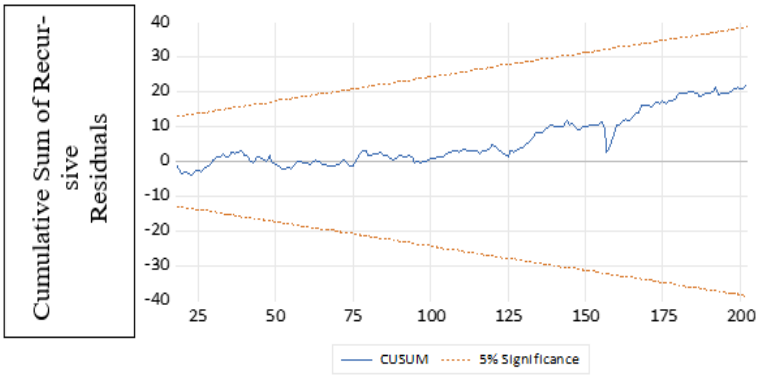


**Fig. 2:** Plot of Cumulative Sum of Recursive Residuals (5% Significance Level.

## 6. Conclusion, Limitations, and Further Scope of The Study

### 6.1. Conclusion

The empirical analysis revealed that export credit exerts a significant long-term influence (40.52%) and a moderate short-term influence (10.19%) on export value. Export performance was further found to be positively affected by inflation and negatively affected by exchange rate fluctuations. These findings highlight the importance of strengthening export credit facilities, particularly through commercial banks, to support priority sectors and thereby improve India's trade balance.

### 6.2. Limitations

Nevertheless, this study is subject to certain limitations. First, it considers export credit and export performance at an aggregate level, which may conceal important variations across firm sizes (MSMEs vs. large firms) or export product categories. Second, the model does not explicitly account for external shocks, such as global financial crises or the COVID-19 pandemic, which could introduce structural breaks in export-credit relationships. Third, institutional factors, such as differences in the implementation of export credit schemes across states, are not examined.

### 6.3. Further scope of the study

Looking forward, future research could provide deeper insights by analyzing the role of export credit in supporting MSMEs compared to large firms, and by examining product-level or destination-specific export performance. Cross-country comparative studies of developing economies may also highlight best practices in export financing. Additionally, exploring the role of digital trade finance platforms, fintech-enabled credit delivery, and export credit insurance could enrich understanding of how evolving financial innovations influence export growth.

## Authors' Contributions

This article is the outcome of collaborative academic work between the research scholar and the supervisor. G Narayana Swamy conceptualized the study, conducted the literature review, collected and analyzed the data using EViews Software, and drafted the manuscript. Dr. Shaik, Saleem, as the research supervisor, provided critical guidance in refining the research framework, improving methodological clarity, reviewing the manuscript drafts, and offering valuable suggestions throughout the writing and revision process. Both authors read and approved the final version of the manuscript.

## Disclosure Statement

The author declares that there are no known financial, professional, or personal conflicts of interest that could have appeared to influence the work reported in this article.

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commercial, or non-profit sectors.

## Data Availability Statement

The dataset generated and analyzed during the current study is available from the corresponding author upon reasonable request.

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