



Exim Bank Inks \$ 5 Million Pact with PTA Bank To Boost Exports to Africa

Export-Import Bank of India (Exim Bank) and Eastern and Southern African Trade and Development Bank (PTA Bank) signed an Agreement in Mumbai, for a Line of Credit (LOC) of US\$ 5 million from Exim Bank to PTA Bank, to promote India's exports to Eastern and Southern African member countries of PTA Bank. The LOC marks yet another initiative on the part of Exim Bank to promote project exports from India to Africa, for which tremendous opportunities exist.

The member countries of the PTA Bank region are important trading partners for India in the African region, accounting for around 37% of India's total exports to Africa during 2004-05, and 11% of total imports from Africa. This is the sixth LOC extended by Exim Bank to PTA Bank. Under the earlier LOCs aggregating US\$ 45 million, exports of items like sugar plant, cement plant, sanitary machinery, tissue paper plant, medical equipment and pharmaceutical products, were catalyzed. Under the LOC, importers based in PTA Bank's member countries will make advance payment of 10% of contract value and credit will be provided by Exim Bank for 90% of contract value to PTA Bank. Exim Bank will reimburse Indian exporters on shipment of goods. Credit period will be up to 5 years.

PTA Bank is a Regional Development Bank, established on November 6, 1985, pursuant to the Treaty for the Common Market for Eastern and Southern African States (COMESA). PTA Bank's regional member countries are Burundi, Comoros, Djibouti, Egypt, Eritrea, Ethiopia, Kenya, Malawi, Mauritius, Rwanda, Somalia, Sudan, Tanzania, Uganda, Zambia and Zimbabwe. China became the only non-regional member of PTA Bank. Seychelles became the second non-borrowing member in February 2005, after China. Besides these member countries, African Development

Bank is also a member of PTA Bank. PTA Bank provides financial and technical assistance to promote economic and social development in member countries.

There exists considerable demand in the Eastern and Southern African region for Indian technology and plant and machinery in the sectors like power generation and transmission, sugar, cement, textiles, chemicals, pharmaceuticals and agro-processing.

Indian companies have set up a number of joint ventures/wholly owned subsidiaries in the region, in various areas of operations, including software development services, broadcasting and telecasting, plastics, chemicals, textiles, electricity generation and transmission and investment management services. Tourism, pharmaceuticals, electronics, computer software and accessories, information technology related products, financial services and textiles are some of the common sectors across most COMESA countries that hold potential for Indian investors.

Exim Bank's LOCs afford a risk-free, non-recourse export financing option to Indian exporters. Exim Bank has in place a number of LOCs for promoting India's exports to countries in Africa, Asia, Latin America, East Europe and Russia.

For further information, please contact :

Mr. P. R. Dalal, General Manager
Export-Import Bank of India, Centre One Building, Floor 21
World Trade Centre Complex, Cuffe Parade, Mumbai 400 005
Tel. : (022) 22162073/22185272 Extn. 2200
Fax : (022) 22182460
E-mail : eximloc@eximbankindia.com