



Exim Bank extends US\$ 5 mn Line of Credit to East African Development Bank (EADB)

Export-Import Bank of India (Exim Bank) has extended a second Line of Credit (LOC) of US\$ 5 million to East African Development Bank (EADB) to finance India's exports to EADB's member countries viz. Kenya, Uganda and Tanzania. Exim Bank had earlier extended an LOC of US\$ 5 mn to EADB in 1999, which was fully utilised.

Under the LOC to EADB, importers based in its member countries namely Kenya, Uganda and Tanzania of EADB will make advance payment of 10% of contract value and Exim Bank will provide credit for 90% of contract value to EADB. Exim Bank will reimburse Indian exporters upfront upon the shipment of goods and provision of services. Credit period is up to 5 years.

EADB is a regional development bank, covering Kenya, Uganda and Tanzania, which are traditional markets for Indian equipment and technology. It works closely with the Secretariat of the Commission for East African Cooperation based in Arusha, Tanzania and finances projects and offers a broader range of financial services in the member states to strengthen regional economic cooperation.

East Africa is one of the fastest growing regions in the African continent. The main items of exports from India to the region are

machinery and instruments, drugs & pharmaceuticals, wheat, manufacture of metals, transport equipment and cotton yarn fabrics. Exim Bank's LOC to EADB will help strengthen India's trade relations with East African region, further.

Exim Bank has now in place 57 Lines of Credit for promoting India's exports to 73 countries in Africa, Asia, Latin America, East Europe and the CIS with credit commitments amounting to US\$ 1.33 bn. Exim Bank's LOCs afford a risk-free, non-recourse export financing option to Indian exporters.

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