



Exim Bank Extends US\$ 50 Million LOC to Chad

Export-Import Bank of India (Exim Bank) has, at the behest of Government of India, extended a Line of Credit (LOC) of US\$ 50 million to the Government of Chad. Out of this, \$ 24.5 million have been earmarked for setting up a cotton yarn plant, \$ 11.5 mn for steel billet plant and rolling plant mill, US\$ 10 mn for agricultural assembly equipment plant and US\$ 4 mn for bicycle plant.

Under the Team-9 initiative, GOI provides LOCs through Exim Bank to Team-9 countries to finance setting up of various projects by Indian companies in those countries. As part of this initiative, Government of India has asked Exim Bank to extend the above-mentioned LOC to Government of Chad. Under the LOC to Chad, Exim Bank will reimburse 100% of contract value to the Indian exporters, upfront upon the shipment of goods.

Chad, located in Central Africa, had the world's highest GDP growth rate of 31% in 2004, which was mainly due to the first year of full oil production and construction activities related to the oil project. Exploitation of the Doba oilfields has contributed to the economic development of the country. The oil revenue is being channelised into various development projects. Cotton is the mainstay of Chad's rural economy, accounting for 35-50% of

the country's total foreign exchange earnings. India's exports to Chad rose to US\$ 3.63 million in 2004-05 from US\$ 2.64 million in 2003-04. The exports mainly constituted drugs, pharmaceuticals & fine chemicals, gems & jewellery, cosmetics & toiletries and transport equipment. The above LOC will pave the way for boosting India's exports to Chad.

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

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