



### Exim Bank Extends US\$ 33.5 Million LOC to Congo

Export-Import Bank of India (Exim Bank) has, at the behest of Government of India, extended a Line of Credit (LOC) of US\$ 33.5 million to the Government of Democratic Republic of Congo. Out of this, \$13 million have been earmarked for setting up a cement factory, \$12.5 mn for acquisition of buses, US\$ 6 mn for rehabilitation of mine of Idsenge Manganese and US\$ 2 mn for acquisition of equipments for Miniere de Bakwanga (MIBA).

Under the New Partnership for Africa's Development (Nepad) initiative, GOI contemplates to provide LOCs to countries in Africa 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 DR Congo. Under the LOC to DR Congo, Exim Bank will reimburse 100% of contract value to the Indian exporters, upfront upon the shipment of goods.

The Democratic Republic of Congo, situated in Central Africa, is a large producer of diamonds. All sectors of the economy are improving, with mining, construction and trade contributing significantly to growth. In the short-term, services sector is likely to be the main driver of the economic expansion. The GDP is forecast to grow at 6.5% in 2005 and 8% in 2006. India's exports

to the DR Congo rose substantially by 40% to US\$ 86 million in 2004-05 from US\$ 61 million in 2003-04, mainly on account of rise in the exports of manmade yarn fabrics madeups and drugs, pharmaceuticals and fine chemicals. The above LOC will pave the way for boosting India's trade with DR Congo, substantially.

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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