



Exim Bank Extends US\$ 27 Million and US\$ 60 Million LOCs to Government of Ghana

Export-Import Bank of India (Exim Bank) has at the behest of Government of India, extended two Lines of Credit (LOCs) of USD 27 million and USD 60 million to the Government of Ghana. The LOC of USD 27 million has been earmarked for financing India's exports to Ghana for rural electrification, agriculture, transportation and communication sectors in Ghana and the LOC of USD 60 million has been earmarked for rural electrification (US\$ 30 million) and a construction of project. (US\$ 30 million).

Under the LOCs to Ghana, Exim Bank will reimburse 100% of contract value to the Indian exporters, upfront upon the shipment of goods.

Ghana's economy is dominated by the service sector; other important sectors are agriculture, forestry and fishing. Ghana has a broad and diversified industrial base, which includes aluminium smelting, sawmills, timber and agricultural processing plants, brewing, cement manufacture, oil refining, textiles, electrical, pharmaceuticals and mining. All sectors of the Ghanaian economy are improving, and the growth can be largely attributed to the performance of the cocoa sector, following good weather and an increase in gold production. India recorded exports of US\$ 174 million and imports of US\$ 50 million with Ghana during 2004-05.

India's main exports to Ghana during 2004-05 were manufacture of metals, drugs, pharmaceuticals and fine chemicals, primary & semi-finished iron & steel, cotton yarn fabrics madeups and machinery & instruments. The above LOCs will pave the way for boosting India's trade with Ghana, 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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