



Export Import Bank of India

Exim Bank Extends \$ 5 Million Credit Line to 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 New Delhi today, for a Line of Credit (LOC) of US\$ 5 million from Exim Bank to PTA Bank, to promote India's exports to 16 (sixteen) Eastern and Southern African member countries of PTA Bank. The Agreement was signed in the presence of India's External Affairs Minister, Shri Natwar Singh, by Mr. T. C. Venkat Subramanian, Chairman & Managing Director of Exim Bank and Dr. Michael Gondwe, President of PTA Bank, at the periphery of "Conclave on India-Africa Project Partnership" being held from March 2 to 4, 2005. This LOC marks yet another initiative on the part of Exim Bank to promote exports from India to Africa, in line with the "Focus Africa" initiative of Government of India.

This is the sixth LOC extended by Exim Bank to PTA Bank. While the previous five LOCs are on medium term basis, this LOC is on short term basis and is expected to give a boost to export of raw materials and commodities to the African market, for which tremendous demand exists. 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.

PTA Bank is a Regional Development Bank, established in 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 recently. Besides these 17 member countries, African Development Bank is also member of PTA Bank. PTA Bank provides financial and technical assistance to promote economic and social development in member countries.

India's exports to African member countries of PTA Bank amounted to US\$ 1.47 billion, in 2003-04, representing an increase of 26% over the previous year.

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 covering 67 countries, with credit commitments amounting to US\$ 943 million for promoting India's exports to countries in Africa, Asia, Latin America and Europe.

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
Website : www.eximbankindia.com/loc.html

Exim Bank \$ 10 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 today, for a Line of Credit (LOC) of US\$ 10 million from Exim Bank to PTA Bank, to promote India's exports to 16 (sixteen) Eastern and Southern African member countries of PTA Bank. The Agreement was signed by Mr. T. C. Venkat Subramanian, Chairman & Managing Director of Exim Bank and Dr. Michael Gondwe, President 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.

This is the fifth LOC extended by Exim Bank to PTA Bank. Under the earlier LOCs aggregating US\$ 35 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 recently. Besides these 17 member countries, African Development Bank is also member of PTA Bank. PTA Bank provides financial and technical assistance to promote economic and social development in member countries.

India's exports to African member countries of PTA Bank amounted to US\$ 1.47 billion, in 2003-04, representing an increase of 26% over the previous year.

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
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E-mail : eximloc@eximbankindia.com
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