

# Bangladesh Bank creates TK 10,000cr export facilitation fund

January 2, 2023

**The Daily Morning Voice Online Desk:** Bangladesh Bank (BB) has created an export facilitation fund of Taka 10,000 crore to support export-oriented firms. Under the fund, an exporter will be allowed to take a loan of a maximum of Taka 200 crore from the fund, which is a pre-finance scheme by nature, as per a BB circular issued on Sunday. As per the circular, BB finances businesses through banks in response to their applications and exporters will have to use the fund to import raw materials. Banks will avail the fund at an interest rate of 1.5 per cent from the central bank. The end users will pay 4 per cent to avail the fund from banks, according to a Bangladesh Bank notice.

The fund would help exporters to tackle challenges in external trade stemming from its journey towards becoming a developing nation from a least developed one. It will also help exporters address the challenges emancipating from the ongoing Russia-Ukraine war. Lenders will have to repay the fund within six months. But they can extend or reduce the repayment tenure for clients. If any exporter fails to repatriate the worth of the exported goods on time due to any unexpected situation, the central bank will extend the repayment facility for another three months on a case-to-case basis. Clients will not be allowed to enjoy new funds from the scheme if they have overdue export bills. Banks would be able to enjoy new funds from the scheme if they failed to repatriate their export bills on time for unforeseen reasons. In such a situation, exporters will have to repay at least 50 per cent of their overdue payments before availing the loan facility.

Clients already enjoying loans from other funds of the central bank to import raw materials will not be allowed to take loans from the central bank's scheme. Members of the Bangladesh Garment Manufacturers and Exporters Association, Bangladesh Textile Mills Association, Bangladesh Knitwear Manufacturers and Exporters Association, and B and C types industries of the export processing zones (EPZs) will be eligible to avail the fund. There are three types of companies in the EPZs, namely A, B, and C. Joint venture companies with foreign and Bangladeshi ownerships are treated as type B and those with 100 per cent Bangladeshi ownerships type C.