

## **Press Release**

### **Export-Import Bank of India supported Short-Term Line of Credit of USD 500 million to the Government of Sri Lanka for Purchase of Petroleum Products**

The Government of India is one of the major development partners of Sri Lanka. The Government of India has provided the first credit facility to Sri Lanka by extending Indian Rs 46.35 million worth of import commodity loan in 1973. Currently Indian development assistance flows by the ways of loans, grants and technical assistance, mainly focusing on improvement of economic infrastructural facilities, livelihood development, education, healthcare, capacity building and economic renewal.

As continuation of bi-lateral ties between the India and Sri Lanka, Hon, Basil Rajapaksa, Minister of Finance has recently paved a visit to India from 01 to 02 December 2021 and conducted discussions on bi-lateral relations specifically on the field of energy security. As a consequence, the Government of India has expressed their willingness to offer a Short-Term Line of Credit (STLOC) of USD 500 million for Purchase of Petroleum Products with the engagement of the Ministry of Energy and Ceylon Petroleum Corporation of the Government of Sri Lanka.

The proposed STLOC will be utilized for financing the importation of petroleum products from India, thereby meeting the energy requirements of the country amidst significant liquidity shortage prevailing in the domestic foreign exchange market. On the other hand, this will be an aid until the foreign currency inflows to country become favorable during the recovery process.

Today, the STLOC Agreement was signed between the Government of Sri Lanka and the Export – Import (EXIM) Bank of India at the Ministry of Finance, Colombo. Mr. S. R. Attygalle, Secretary to the Ministry of Finance placed the signature on behalf of the Government of Democratic Socialist Republic of Sri Lanka and Mr. Gaurav Bhandari, Chief General Manager, Exim Bank of India on behalf of the Government of India with the presence of Hon. Minister of Finance, Basil Rajapaksa and H. E. Gopal Baglay, High Commissioner of India.

Department of External Resources

Ministry of Finance

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