



## Africa and India softs get DFI boost

14 May 2010

**Standard Chartered Bank, IFC and OFID have teamed up to finance the trade of soft commodities in five African countries and India.**

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Standard Chartered has today signed a \$120 million collateral-backed import and export finance facility for Tanzania-based softs commodity trader Export Trading Group. IFC and the OPEC Fund for International Development (OFID) are offering 50% unfunded risk participation on the deal which will finance the trade of soft commodities in Tanzania, Zambia, Kenya, Malawi and Uganda, as well as India.

The one-year revolving facility is split between a \$20 million overdraft facility and a \$100 collateral-backed facility backed by pledges. Speaking at the signing of the deal Anil Dua, head of origination and client coverage for Standard Chartered in Africa, described it as an “omnibus” facility that would meet the core export and import needs of the trader. The facility has an accordion feature which could see the structured trade deal upsized at a future date. If successful the financing could pave the way for a spate of similar deals in this space in Africa.



Standard Chartered's director of structured agri finance, Stephan Riekert, comments: “Standard Chartered's structured agri finance specialists tailored the facility to allow sufficient working capital to ETG along its entire value chain – from purchasing commodities at farmer level, through to export, and finally receivables collection. This facility allows ETG to collateralise its inventory and leverage it in a highly efficient manner to access funding.”



## **StanChart more than doubles Africa loan facility**

18 May 2010

Reuters

\* Loan facility scaled up to \$120 mln from \$47.5 mln

\* Facility finances trade of soft commodities in Africa

JOHANNESBURG, May 18 (Reuters) - Standard Chartered said on Tuesday it had raised its syndicated loan facility, used to finance soft commodities trade in Africa, to \$120 million from \$47.5 million to promote food security on the continent.

The London-based bank, which has operations in Africa, Asia and the Middle East, said the facility would be used to import commodities into Africa that are in short supply.

"On the inverse, the facility will be used to purchase locally produced cash crops directly from small-holder farmers, which will help to support local agricultural production and support economic growth of that economy," Zhann Meyer, the bank's head of Commodity Traders and Agriculture for Africa, told Reuters.

Meyer said most soft commodities produced in Africa or imported by Africa -- such as wheat, sugar, rice, cashew nuts and ground nuts -- are traded within the facility, which started in 2008.



## StanChart finances East African trade

18 May 2010  
Global Trade Review



*The signing ceremony took place at Standard Chartered's London offices*

Tanzania's Export Trading Group (ETG) has mandated Standard Chartered to lead a US\$120mn syndicated 364-day revolving credit facility to finance the import and export of soft commodities.

The loan is split into a US\$20mn overdraft facility and a US\$100mn commodity-collateral facility.

Both the IFC and the OPEC Fund for International Development (OFID) join Standard Chartered in the syndicate.

The financing will be used across a number of African soft commodity markets in Tanzania, Zambia, Kenya, Malawi and Uganda, as well as expanding across to Indian soft commodity markets.

Speaking at the signing of the loan at Standard Chartered's London offices on May 14, Anil Dua, head of origination and client coverage for Standard Chartered in Africa, says: "While Standard Chartered Bank, the IFC and OFID are three different agencies, I am delighted that we have managed to come to an agreement over a common purpose.

"While this is a one-year facility, it puts in place a structure which can then go on for the next couple of years until [ETG's] needs change. The flow of commodities in and out of Africa has increased and another good thing about this transaction is that a lot of local, indigenous, East African parties will be able to grow from a regional player into a more global player. This will then be a good example to other regional traders across other parts of Africa as they begin to expand and become more ambitious."

"This deal demonstrates Standard Chartered Bank's commitment to the development of the agricultural sector across Africa by supporting the growth needs of our core clients," he adds.

Mahesh Patel, chief executive officer and Ketan Patel, joint-managing director at ETG explain further to **GTR**: "There isn't a commodity exchange in Africa, but in East Africa you can be sure that farmers know the daily price of their commodities through the internet and newspapers and such, and with Africa having the land space to provide commodities to Asia, you can be sure that the farmers will have plenty of markets to export their goods to."

## **Tanzanian trader taps StanChart for \$120m debut**

18 May 2010  
EuroWeek

Export Trading Group, a Tanzanian trader in agricultural products, has signed a \$120m one year structured loan, which some bankers think could encourage more debut deals from African borrowers.

Standard Chartered arranged the deal, which was signed late last week. The borrower will use the debt to fund trading of soft commodities — such as maize, soya, groundnuts and sorghum — in Africa, India and China.

International Finance Corp and OPEC Fund for International Development joined the loan as participants.

Bankers close to the deal, Export Trading Group's first syndicated facility, said it could lead to other borrowers from the continent raising funds from international lenders.

"This is an indigenous local east African party, which is trying to grow into a regional and global player," said Anil Dua, Standard Chartered's head of origination and client coverage in Africa. "This will be a good example for other companies across Africa as they become more ambitious."

African mid-cap borrowers have increasingly tapped the syndicated loan market in recent years. Local currency deals are becoming especially popular. Few companies, apart from those which, like Export Trading Group, are export-orientated, look for dollar funding.



## **StanChart is lead arranger in USD120m loan to ETG**

19 May 2010  
The Asset

Standard Chartered Bank is the mandated lead arranger in a USD120m structured soft commodity syndicated loan for Export Trading Group.

It is joined by The International Finance Corporation and The OPEC Fund for International Development as participants in the transaction.

Export Trading Group is one of the largest integrated agricultural supply chain companies in Africa with a primary focus on agriculture.

The loan will be used to finance the trade of soft commodities in multiple African markets such as Tanzania, Zambia, Kenya, Malawi and Uganda, as well as India and China, and will support economic growth and food security.

StanChart's experience in structured agricultural finance products along with its footprint across Africa, Asia and the Middle East enables it to support this partnership with Export Trading Group.

Anil Dua, head of origination and client coverage for Standard Chartered in Africa, says: "This deal demonstrates Standard Chartered Bank's commitment to the development of the agricultural sector across Africa by supporting the growth needs of our core clients. It reinforces Standard Chartered's brand promise of being 'Here for progress'.