

**Embassy of India**

**Brasilia**

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| <b>From</b> | <b>INDEMBASSY,<br/>BRASILIA</b><br>(Fax :+55-61-32485486) |
| <b>To</b>   | Ministry of Commerce & Industry,<br>New Delhi             |
| <b>Rptd</b> | <b>Director(LAC), MEA, New Delhi</b>                      |
| <b>No.</b>  | <b>No.BRA/205/2/2010</b>                                  |
| <b>Date</b> | <b>May 24, 2010</b>                                       |
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Deputy Secretary (FT-LAC) from DCM

We forward herewith a copy of press release concerning establishment of Brazilian organization, EXIM Brazil to finance international trade. The salient features of EXIM Brazil, a subsidiary of Brazilian National Development Bank; (BNDES) are as follows:

2. The National Development Bank (BNDES) will create a subsidiary to finance Trade exclusively, called EXIM Brazil. The new bank will begin operations in August 2010 and will concentrate all of BNDES' existing trade financing operations. The bank will begin with US\$13 billion in outstanding loans and another \$20 billion in projects under analysis. Other measures announced include the following:

- The government will also create a new company called the Brazilian Insurance Company which will have R\$17 billion (US\$9.5 billion) in existing government guarantee funds for exports and infrastructure.

- a new drawback program will be created under which exporters can use exports from the last year to receive tax exemptions on national inputs purchased during the current year.
- the government will create a R\$7 billion (US\$3.9 billion) credit line to finance exports of durable consumer goods.
- in six months, a 40% reduction in import taxes for auto parts will be eliminated.

3. It may be recalled that during the recent BRIC Summit held in Brasilia in April 2010, Export-Import Bank of India, National Development Bank (BNDES), China Development Bank Corporation and State Corporation Bank For Development and Foreign Economic Affairs of Russia signed an MOU for cooperation inter-alia for facilitating and supporting Cross-borders transactions and projects of common interest; to enhance trade and economic relations and set up a scheme for providing financing and banking services for investment Projects that could be beneficial for the Parties as well as fostering the economic development of the BRIC countries (full text available at the following links < [http://pmindia.nic.in=USA\\_Brazil\\_visit.htm](http://pmindia.nic.in=USA_Brazil_visit.htm) >). You may like to disseminate information about the creation of =XIM Brazil Bank and Brazilian National Insurance Company among our export promotion =councils and other concerned organizations.

With kind regards,

(V .K. Sachdeva)

Deputy Chief of Mission  
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