**FREQUENTLY ASKED QUESTIONS ON GHANA EXPORT-IMPORT BANK**

 **FAQs**

1. When was GEXIM Bank established?

The Ghana Export-Import Bank (GEXIM) was established by the Ghana Export-Import Bank Act 2016 (Act 911) to support the Government of Ghana’s quest for a feasible, vibrant and sustainable export-led economy anchored on thriving industrialisation.

1. What are the functions of the Ghana Export-Import Bank (GEXIM)?

The statutory functions of the Bank include providing finance, risk bearing services as well as trade and market information and export advisory services to the Ghanaian export community.

1. Who owns the bank?

The Bank is 100% Government-owned and is answerable to the Ministry of Finance (MOF).

1. How is GEXIM different from other banks?

We operate as a Policy and as a development finance Institution (DFI) with the main objective of developing the high growth sectors of the economy. The Bank plays a complementary role to commercial banks and unlike commercial banks, GEXIM does not accept customer deposits.
GEXIM’s services are targeted at the export sector with major emphasis on Non Traditional Export (NTE’s) like horticultural products, fish and seafood, prepared food and beverages, handicrafts, with specific focus on the underserved market segments(i.e. Creative Arts Industry, Shea Production, Green House Developments etc.) which the commercial banks initially find unattractive or too risky.

1. What Facilities are available to the exporter from GEXIM Bank?
2. **Pre-shipment credit** is provided to support businesses with appropriate access to finance at the manufacturing stage for the purchase of raw materials and other inputs. Pre-shipment credit facilities are also offered for the importation of raw materials/inputs for export production. Under this product, facilities considered are: Short Term Loans, Bridge Finance, Import Finance and Warehouse Financing.
3. **Post-shipment** credit aims to bridge the gap between production costs and export sales receipts, allowing a business to accelerate cash flow and shorten operating cycles. It supports the supply chain of the exporter. Export Receivables Finance, Buyer’s Credit, and Bills Discounting are facilities GEXIM looks at under this product.
4. [Export Development Finance](https://www.eximbankghana.com/export-development-finance)

 The main objective of this product is to provide medium/long-term finance to exporters for the following purposes:

* To set up new export projects;
* Revitalisation, acquisition of additional assets for expansion and/or expansion of existing production companies for exports;
* Acquisition, rehabilitation and expansion of farms/plantations for the production of and processing of exportable products;
* Acquisition of machinery spare parts and packaging materials for the manufacture of exportable products;
* And other activity(ies) that may be acceptable to GEXIM.
1. [**Cross-Border Investments**](https://www.eximbankghana.com/cross-boarder-investments)

GEXIM is working to integrate foreign trade and investment opportunities to build value over the long term. At a time when Ghana is on the verge of making a mark on the global arena as an export hub, to invest abroad for seeking resources, markets, efficiencies or even strategic assets, GEXIM is encouraging Ghanaian companies to invest abroad and are here to facilitate conditions for that.

**Benefits**

We can provide access to foreign markets by providing Term loans to Ghanaian companies for:

* Capital expenditure towards acquisition of assets
* Working capital requirements
* Equity investment in another company
* Acquisition of brands/patents/rights
* Acquisition of another company
* Any other activity that would otherwise be eligible for finance from Exim Bank had it been a Ghanaian entity.
* Currently, Equity Finance and Working Capital Finance are the facilities considered under this product.
1. **Export Advisory Services**

The Bank’s Research and Advisory Services Department offers a diverse range of information, advisory and support services, which enable exporters to evaluate international risks, exploit export opportunities and improve competitiveness.

Value-added information and support services are provided to Ghanaian exporters on the projects funded by multilateral agencies. Customised research are undertaken by the Research Department on behalf of interested companies in areas such as; establishing market potential, defining marketing arrangements, and specifying market distribution channels.

Developing export market entry plans, facilitating accomplishment of international quality certification and display of products in trade fairs and exhibitions are other services provided. The Bank provides a wide range of information, advisory, and support services, which complement its financing programme. These services are provided on a fee basis to Ghanaian companies and overseas entities.

Scope of services includes market-related information, sector and feasibility studies, technology supplier identification, partner search, investment facilitation and development of joint ventures both in Ghana and abroad. Information in the form of a list of importers/exporters across different industries and sectors are provided to Ghanaian firms active in international trade.

The Team envisages avenues to enhance Ghana's international engagement and would implement the research under a broad classification of regional, sectoral and policy-related studies; which would then be published as Occasional Papers, Working Papers, among others.

1. **Cost of Bank’s Facilities**

Interest rate 10.5% - 14.5% (depending on the Risk Profile of the Customer).

Facility Fee – 1%payable upfront;

Management fee–0.5% annually

1. **Does the Bank disburse facilities only in local currency?**

Yes, in cedi equivalent of the transaction even if it is in foreign currency.

1. **My Suppliers want an LC, can the Bank provide them?**

Currently, we facilitate that through a Designated Financial Institution.

1. **Does the Bank finance Imports?**

Yes, machinery, plant & equipment, and raw materials that are not locally available.

1. **How do I qualify for GEXIM Loan?**

Must be a wholly-Ghanaian company and the loan request must meet the Bank’s acceptance criteria. The acceptance criteria are categorized into:

1. Socio-Economic Impact – Suitability of Loan Purpose
2. Customer Capability – Safety of the Loan
3. Business sustainability – Profitability
4. **How can I apply for a GEXIM loan?**

An application for loan letter addressed to the CEO. This must come with all the pre-requisite requirements such as business plan, business registration documents, audited financial statements (for existing businesses), off-taker Agreements, (if any), etc.

1. **Are there specific banks through which GEXIM disburses its facility?**

Currently, we transact with all Designated Financial Institutions (i.e. Commercial Banks).

1. **How does GEXIM ensure the uniform pricing of its facilities that are available through the Commercial Banks?**

There is a cap on the interest rates for which DFI’s cannot exceed.

1. **What is the average processing time for applications?**

The average processing time is 21 days.

1. **What is the Security acceptable for GEXIM Loans?**

Collaterals acceptable as security in respect of approved credit exposures shall include:-

1. Mortgage on Landed Property;
2. Undeveloped lands/uncompleted buildings with land titles, located in prime areas of the regional capitals;
3. Farms Lands with legal title documents invested in the firm’s name – sale ability and liquidity are paramount when considering farm lands.
4. Cash Deposit/Investment
5. Guarantees:
6. Personal Guarantees of Shareholders
7. Corporate Guarantees
8. Bank Guarantees
9. Letter of Credit
10. Charge on assets (Fixed and/or Floating)
11. Lien on Asset being financed
12. Vehicles
13. Receivables from acceptable institutions
14. Negative Pledge
15. Equity
16. **What happens when I default on my facility?**

We have an internal process for loan recovery. When that is exhausted, defaulters are handed over to Debt Recovery firms.

1. **Does GEXIM Bank only support the manufacturing sector?**

No. we support all sectors that are export and import substitution oriented.

1. **I export only 1/3 of what I produce, will GEXIM finance manufacturing for my local sales?**

GEXIM also supports Import Substitution. We finance companies that help to reduce importation of products that can be produced locally. For example, poultry and rice.

1. **What export activities does GEXIM finance, and are there exemptions?**

There are two facilities for export activities; these are Export Trade facility and Receivable Discounting facility.

The Export Trade Facility is a short-term revolving facility for Ghanaians (especially SME’s) to be able to meet export demands and enhance their capacities.

The Receivable Discounting facility is a short-term revolving facility for Ghanaians to discount their export receivables providing the needed cash flows for multiple transaction and meet export demands.

1. **How can I source information to support my export business?**

The Bank has a Research & Advisory Departments dedicated to supporting businesses with relevant information and data.

1. **Aside from the application form, are there any documentation requirements for my credit request?**
* Officially signed application letter and submitted by the Borrower
* Board resolution to borrow; should name key management to operate the facility.
* With the exception of start-ups, audited financial statements for 3years or less if the years of operation is less than three years.
* Cash flows : - Forecast of future financial performance,
* Pro-forma invoices, Bill of Quantities from reputable institutions.
* Copies of bank statements of its main operational accounts and loan accounts for the past twelve months
* Equity Contribution of 15% to 39%; specify the amount, source of funds, evidence of funds availability
* Detailed project proposal, feasibility studies and business plan
* Project implementation plan with timelines
* Business Registration- details of legal entity of business: Certificate of incorporation, Certificate to Commence Business, Company’s Regulations.
* Valuation report of property being pledged as collateral;
* Regulatory permits and industry license: if the business is regulated
* Copy of sales order or Copy of sales contract.
1. In this age of Global Warming and “Going green”, How does GEXIM contribute to clean environment?

GEXIM’s policy initiatives to ensure clean environment is hinged on supporting/encouraging investment in Clean Development Mechanisms/Technology geared towards mitigating the adverse effects of global warming and encouraging earnings from trade in Carbon Credits/Certified Emission Reductions (CERs).

Furthermore Environmental issues pose a great challenge for organizations and require the mobilization of considerable resources and competencies to achieve a transition towards sustainability.

As a Policy and Development Bank, through its mandate tackles environmental issues in different ways.

1. Advocate for and on behalf of clients’ and beneficiaries to carry out environmentally sustainable practices at their work places. A good example is Juabeng Oil Mills Project, one of the bank’s flagship projects in Palm oil production in Ghana.

The company has put environmentally friendly measures in place to ensure its activities do not impact negatively on the environment.

GEXIM as a friend of the environment, on the 11th, July, 2019, received a ***Certificate of Merits*** for Outstanding Sustainable Projects Financing to recognize success in financing Agro Processing Project from the Karlsruhe Sustainable Finance Award held in Germany.

1. How does GEXIM do its own bit for the environment?

The Bank ensures that all its manufacturing/agro processing clients obtain an Environmental Impact Assessment (EIA) Certificates from the Environmental Protection Agency under the auspices of the Ministry of Environment, Science Technology and Innovation to certify that their business processes/operations do not damage the environment and in the event that they do, it issues a proof that the company cleans up any pollution to the environment.

1. In this age of the novel COVID-19 pandemic, what role does GEXIM play for the Ghanaian society?

GEXIM as a Policy bank, its ultimate goal is to Facilitate Ghana’s International Trade and also support local manufacturing industries .With emergence of COVID-19, the Bank’s responses has been to continue deepening its support by timely providing funding facilities for our clients in the Garment and apparel sector for the production of Personal Protective Equipment’s (PPE’s), hand sanitizers and also the donated PPEs to various Health facilities across the country. In total over, ¢10million Cedis has been made available by the Bank for the fight against COVID-19.