
SOCAR receives USD 933 million loan from Azerbaijani central bank

Friday, 11 Sep, 2009

Interfax cited Mr Elman Rustamov CBA Chairman as saying that the Central Bank of Azerbaijan has provided a loan of AZM 750 million to State Oil Company of the Azerbaijani Republic.

He said that SOCAR will use AZM 450 million to retire external debt. He added that the seven year loan is at 3% annual interest with a two-year discount period. After the discount period expires, SOCAR will repay AZM 150 million each year."

The money is being provided for two purposes: to provide investment for a number of projects aimed at boosting gas production and export; and to replace foreign loans received earlier at high interest rates.

Mr Rustamov said "In particular, the government has approved a restructuring of SOCAR's foreign debt. As a result, AZM 450 million will be used to retire external debt."

He said that "Under amendments to the law, the CBA received the right to provide targeted loans."

Mr Rustamov said. "In that connection the CBA has provided a loan of AZM 750 million to the International Bank of Azerbaijan and MBA has provided those funds to SOCAR. He said that this form of lending is beneficial for both the CBA and the company SOCAR receives low-interest resources and the CBA gets to use a portion of reserves to support the economy.

He added that "We are ready to provide analogous assistance to other economic sectors. The aluminum industry could use financial assistance, and we can provide it. The same applies to other economic sectors."

(Sourced from Interfax)

For more news visit at www.steelguru.com