

**GOVERNMENT OF INDIA  
STEEL  
LOK SABHA**

UNSTARRED QUESTION NO:2339  
ANSWERED ON:11.03.2010  
AGREEMENT BETWEEN SAIL AND KEIC  
Pandey Saroj

**Will the Minister of STEEL be pleased to state:**

- (a) whether a Memorandum of Understanding (MoU) has been signed between the Steel Authority of India Ltd. (SAIL) and Korea Export Insurance Corporation (KEIC);
- (b) if so, whether this MoU has been approved by the Government;
- (c) if so, the details thereof;
- (d) whether KEIC has been trading with SAIL prior to this agreement;
- (e) if so, the areas and the products thereof;
- (f) the trade policy of SAIL and KEIC in future; and
- (g) the benefits likely to be accrued through this agreement?

**Answer**

MINISTER OF THE STATE IN THE MINISTRY OF STEEL (SHRI A. SAI PRATHAP)

(a)to(c): Yes, Madam. An MoU has been signed between the Steel Authority of India Limited (SAIL) and Korea Export Insurance Corporation (KEIC) on 25th January, 2010. The MoU has been approved in the company as per the delegated powers.

(d)&(e): KEIC is not a trading organization, but it is a Governmental agency of Republic of Korea that promotes Korean Business entities, exports, overseas investments and other overseas businesses through its diverse programmes including its insurance and guarantee products. KEIC functions along the lines of the Export Credit and Guarantee Corporation (ECGC) in India.

Prior to signing of MoU, SAIL had approached KEIC to provide guarantee for arranging buyer's credit at competitive interest rates from international banks for financing Blast Furnace Project of IISCO Steel Plant, SAIL under their expansion programme. The technology & equipment for Blast Furnace Project are being supplied by POSCO, Korea.

(f)&(g): SAIL and KEIC, under the MoU have expressed their willingness to promote trade and/or investment and other forms of economic cooperation among themselves in their respective activities. For import of technology and equipment from Korea, SAIL will be able to get buyers' credit at competitive interest rates through the guarantee offered by KEIC to international banks.