

**GOVERNMENT OF INDIA  
EXTERNAL AFFAIRS  
LOK SABHA**

UNSTARRED QUESTION NO:4675

ANSWERED ON:25.08.2010

ASSISTANCE TO ETHIOPIA

Patel Shri Kishanbhai Vestabhai;Singh Dr. Raghuvansh Prasad;Singh Shri Uma Shanaker

**Will the Minister of EXTERNAL AFFAIRS be pleased to state:**

- (a) whether the Government is aware that Line of Credit of USD 640 million extended to the Government of Ethiopia is being utilised through an EPC contractor;
- (b) if so, the details thereof and the purpose for which the Line of Credit was extended;
- (c) whether any complaints regarding selection of EPC contractor and demand of commission by them have been received;
- (d) if so, the details thereof and the reaction of the Government thereto;
- (e) whether any inquiry has been conducted in this regard; and
- (f) if so, the details thereof and the outcome of the inquiry?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS (SMT. PRENEET KAUR)

(a) to (f) In response to a request of the Government of Ethiopia for the extension of a Line of Credit of US\$ 640 million for the development of the country's sugar sector, two tranches of US\$ 122 million and US\$ 166.23 million respectively have been sanctioned by Government. The guidelines of the Lines of Credit stipulate, inter-alia, that the projects undertaken by utilizing them have to be executed by the Indian companies. In keeping with this stipulation, the Government of Ethiopia has appointed Indian parties, including as engineering, procurement and construction (EPC) contractors, for undertaking the projects.

Complaints have been received including in respect of an EPC contractor. Certain Indian parties have also approached Indian Courts and the matter remains sub-judice.