



SDF disburses US\$13-million loan for purchase of Drukair ATR 42-600

Staff reporter

The SAARC Development Fund (SDF) disbursed loan amount US\$ 13-million which is equivalent to around Nu 918-million to Drukair Corporation Limited for the purchase of Drukair ATR aircraft on 20 September.

This is following the agreement signed between the Ministry of Finance, SDF and Drukair on 13 August 2019. Documents were signed by the Finance Minister, Lyonpo Namgay Tshering, Chief Executive Officer (CEO) of SAARC Development Fund Dr Sunil Motiwal and CEO of Drukair Corporation, Tandi Wangchuk.

CEO of SDF, Dr Sunil Motiwal said, "SDF financing would help Drukair Corporation Limited extend aviation connectivity with Bangladesh, India and Nepal and thus, providing economic connectivity and regional integration."

The press release from the SDF states that Bhutan attracts more than 254,704 regional and international tourists in a year and the ATR financing will help in further increasing these numbers.



The SDF will finance 70 percent of the aircraft cost amounting USD 13-million (around Nu 980-million) where Drukair will finance the remaining 30 percent (Pic: File photo)

Trade and economics, transportation, tourism is all the focus areas under the Economic & Infrastructure Windows of SDF and this project fulfills SDF's mandate of regional integration and collaboration through project financing.

The purchase of aircraft project for Drukair was approved by the 30th SDF Board of Directors meeting in December 2018.

"The project would not only help Bhutan promote its tourism sector but also ensure greater

connectivity to achieve economic development in the region. Thereby, promoting the welfare and prosperity of the people in SAARC region," said Dr Motiwal. It also benefits in the form of trade facilitation and tourism development for Bhutan.

The SDF, since its inception in April 2010 by the heads of the eight SAARC Member States, is mandated to build regional integration and economic cooperation through project funding in all the eight SAARC

member states – Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka. The Secretariat is based in the country.

The press release also states that currently, SDF is implementing 87 projects in 13 areas under the social window with fund commitment of US\$ 74.49-million and two more projects are approved in principle in social sector, five projects under the economic and infrastructure windows including two in-principle approved projects

with a fund commitment of US\$ 73-million and Micro, Small and Medium Enterprises (MSME) program with fund allocation of US\$ 50-million in SAARC Member States.

The cumulative fund commitment under the three funding windows including MSME Program stands at US\$ 197.4-million. Further, more than 10 bankable projects are also under active consideration of SDF to co-finance in SAARC Member States.

SDF has committed a total of US\$ 31.48-million for ongoing and future projects in Bhutan. Of the total, SDF has funded over 10 projects in Bhutan worth US\$ 8.48-million under its Social Window as grants, US\$ 13-million under the Economic Window for purchase of Drukair ATR aircraft and allocated US\$ 10-million under MSME funding scheme of SDF.

Meanwhile, the SAARC Development Fund's Social Window has supported a total of 10 projects in Bhutan worth US\$ 8.48-million. Seven of the 10 project were successfully completed.