

Govt likely to get \$4.7bln in oil, LNG credit facilities

ISLAMABAD: Pakistan is likely to grab \$4.7 billion in credit facilities for oil and liquefied natural gas (LNG) imports from the United Arab Emirates (UAE) and a financial institution with a gulf nation's deal expected to be concluded during an Emirati prince visit to the country on Sunday (tomorrow), senior officials said on Friday.

The officials said Abu Dhabi's Crown Prince Muhammad bin Zayed Al Nahyan is scheduled to visit Pakistan on January 6 and he would announce \$3.2 billion in oil credit facility. Besides, Jeddah-based International Islamic Trade Finance Corporation (ITFC) is also expected to give \$1.5 billion in annual credit facility to Pakistan for LNG import.

"Negotiations with Abu Dhabi have been matured, and during this visit, the crown prince would announce \$3.2 billion oil credit facility for Pakistan on the same line what the Saudi Arabia had announced recently," a top official told this scribe, requesting anonymity.

In October last year, Saudi Arabia agreed to give Pakistan \$3 billion in foreign currency support for a year and a further loan worth up to \$3 billion in deferred payments for oil imports to help stave off a current account crisis.

Two billion dollars have already been landed from Saudi Arabia for balance of payment support. In December last year, UAE announced to deposit \$3 billion to shore up Pakistan's foreign currency reserves.

All in all, the country is expected to receive nine billion dollars in credit facilities for oil and LNG imports from Saudi Arabia, UAE, ITFC and Qatar to foot its bloating import bills. Pakistan's annual oil imports are estimated at \$12.5 billion and almost half of it would be met through the credit facilities from Middle East countries.

The country's annual LNG import bill amounts to \$4.2 to 4.5 billion. It currently imports eight LNG cargoes every month. Of which, five are imported from Qatar and three from Geneva-based commodity trading firm Gunvor and Italian multinational oil and gas company Eni.

Officials said the government is also striving to get extension in LNG credit facility from Qatar and hopefully it would be successful. The officials said UAE and Saudi Arabia also planned to invest billions of dollars into several projects in the country. UAE would invest billions of dollars in new project of Pak Arab Refinery Limited (Parco) — a joint venture between Pakistan and Abu Dhabi. Parco is also setting up new coastal oil refinery with more than \$5 billion.

Besides, Saudi Arabia is also planning to establish a multibillion-dollar mega oil refinery in Gwadar. The two countries are expected to sign a memorandum of understanding next month. The oil refinery will be its biggest investment project in Pakistan.

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