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ECC approves package of export finance incentives

BUSINESS RECORDER

The Economic Coordination Committee (ECC) of the Cabinet on Monday approved a package of export finance incentives, including an enhanced EXIM-administered Export Finance Scheme (E-EFS), a new Long-Term Export Growth Financing Facility (LTEGFF), and a performance-based rebate on incremental exports aimed at boosting competitiveness, expanding export capacity, and accelerating foreign exchange earnings.

Federal Minister for Finance and Revenue, Muhammad Aurangzeb, chaired the meeting, which considered a summary submitted by the Finance Division and approved three dedicated export finance subsidy schemes for enhancing exports. These include an enhancement in the EXIM-administered Export Finance Scheme (E-EFS), launch of a new Long-Term Export Growth Financing Facility (LTEGFF), and a performance-based Rebate on Incremental Exports. The export package provides fixed low-rate financing, strengthens support for the export and import sectors, and places special emphasis on the inclusion of the SME sector. While approving the proposals, the Committee further directed that a six-month performance report be presented to assess the outcome of the schemes.

The Committee also considered a summary submitted by the Power Division and approved a Technical Supplementary Grant (TSG) of Rs 4 billion to meet the expenses relating to multiple international arbitration proceedings initiated by independent power plant (IPP) developers and major utility shareholders.

The ECC further approved another summary submitted by the Power Division on the proposal for adjustment of pensioners of closed Generation Companies (GENCOs) to their respective pension-disbursing Distribution Companies (DISCOs) for the payment of their retirement benefits.

The ECC further approved a summary submitted by the Petroleum Division regarding the declaration of the Pab reservoir in Rehman-8 ST-3 well as a Tight Gas Reservoir under the Tight Gas (Exploration & Production) Policy, 2011.

The ECC considered and approved a summary submitted by the Ministry of Overseas Pakistanis and Human Resource Development reflecting the budget estimates of the Employees' Old-Age Benefits Institution (EOBI) for FY 2025-26 and the revised budget estimates for FY 2024-25.

The Committee also approved a summary submitted by the Petroleum Division with a proposal for the tariff fixation for indigenous gas supplies made to RLNG-based power plants on the SNGPL network during April, May and June 2026.

The meeting was attended by Federal Minister for Planning, Development and Special Initiatives Ahsan Iqbal (virtually), Federal Minister for Commerce Jam Kamal Khan, Federal Minister for Education and Professional Training Dr. Khalid Maqbool Siddiqui, Federal Minister for Investment Qaiser Ahmed Sheikh (virtually), Federal Minister for Petroleum Ali Pervaiz Malik and Special Assistant to the Prime Minister on Industries and Production Haroon Akhtar Khan, along with federal secretaries and senior officials from the relevant ministries, divisions, and regulatory authorities.

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