

BGA/CUS/2023/225

01 October, 2023

## For all Honorable Members

Sub: Revised Pricing terms of USD and EURO financing under Green Transformation Fund (GTF).

Reference: FE Circular Letter No-13, Date: 26/09/2023.

Dear Honorable Members and Colleagues,

Assalamu Alaikum.

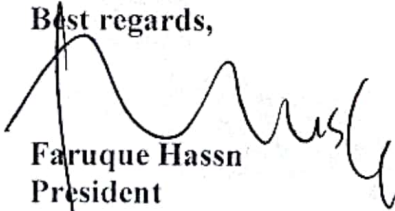
Kindly draw your attention to the above subject and reference. As global inflation rate has increased, central bank of almost all the country of the globe raised interest rates against various financing options. Due to which the interest rate of loans taken from Green Transformation Fund (GTF) in US dollar and Euro currency is constantly increasing. Some banks are charging interest rates up to 8%. As a result, the cost of funds is increasing for the purchase of capital machineries.

In line with the demands of the present BGMEA board, Bangladesh Bank has issued the circular mentioned in the reference by fixing the interest rate at maximum 5% at the customer level. The new interest rate will be effective from 01/07/2023.

We hope that now exporters of readymade garments and textile will be benefited by taking loan from this fund.

The circular of Bangladesh Bank regarding the issue is hereby attached for your necessary action.

Best regards,

  
Faruque Hassan  
President

Attachment: As per description.

**BANGLADESH GARMENT MANUFACTURERS & EXPORTERS ASSOCIATION (BGMEA)**

বাংলাদেশ পোশাক প্রস্তুতকারক ও রপ্তানীকারক সমিতি

— বাংলাদেশ জরি —

FE Circular Letter No. 13

Date: September, 26, 2023

All Authorized Dealers of  
Foreign Exchange in Bangladesh

Dear Sir,

Revised Pricing terms of USD and EURO financing under Green Transformation Fund (GTF).

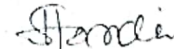
Please refer to FE Circular No. 02, dated January 14, 2016 and subsequent circulars/circular letters in terms of which Bangladesh Bank operates Green Transformation Fund (GTF) in US Dollar and Euro for extending loans to Authorized Dealers (ADs) for on-lending/re-financing to eligible borrowers to implement specified green/environment-friendly initiatives.

Given the global context of LIBOR cessation/discontinuation from 30<sup>th</sup> June, 2023 and rising interest rate trend in US Dollar and EURO financing globally, the pricing terms of US Dollar and EURO financing from Green Transformation Fund (GTF) has been fixed at 5% p.a. (Bangladesh Bank's margin 2% p.a. and ADs mark-up 3% p.a.).

The revised pricing is deemed to be effective from **01<sup>st</sup> July, 2023** and other instructions in this context shall remain unchanged.

Please bring the contents of this circular letter to the notice of all your concerned constituents.

Yours faithfully,



Md. Sarwar Hossain  
Director (FEPD)  
Phone: 9530123