

# AIIB looks to bankroll projects in Bangladesh

*Jin Liqun, president-designate of Asian Infrastructure Investment Bank, says in an exclusive interview with The Daily Star*

REJAUL KARIM BYRON and MD FAZLUR RAHMAN

The Asian Infrastructure Investment Bank or AIIB is exploring opportunities to fund projects in Bangladesh, encouraged by the country's keenness to be among the first borrowers of the newly established institution, its chief said yesterday.

Jin Liqun, president-designate of the China-led bank, said two experts, who are experienced in working in development support, would stay in Bangladesh for three more days to look at the potential projects that might be financed by the AIIB as soon as possible.

Asked whether Bangladesh has approached the AIIB for any specific project, he said: "We are working on it."

Liqun is now in Dhaka to attend the Bangladesh Development Forum 2015 -- a two-day gathering of government high-ups and development partners at Bangabandhu International Conference Centre.

The former vice finance minister of China is aware of the huge pent-up demand for infrastructure in Bangladesh, which needs roads, bridges, railways, electricity and water supply.

"It is not possible for one or two development institutions and bilateral donors to meet all the



Jin Liqun

needs. If some other institutions give you funds at a little bit higher cost you should take it because it is very important to complete these infrastructures projects as soon as possible, rather than waiting for concessional funding."

Bangladesh is a too big an apple for the AIIB to bite, according to Liqun.

"We will certainly try our best. We will be cooperating with the World Bank, the Asian Development Bank, German development bank KfW and some of the Chinese development banks. We are also willing to work with the US

and Japan. We are willing to work with anybody who will do a great job in your country."

Bangladesh deserves support in case of developing institutional capability, he said.

However, with the economy's gradual growth, Bangladesh will not require such support and it is not far off, according to Liqun. By 2030, the country may even donate money to other poor countries, he said.

Liqun praised Bangladesh's robust economic growth in the last seven or eight years. "This is remarkable. The credit goes to the government who has provided strong leadership and also to your great people."

He said he is certain Bangladesh would be a middle-income country by 2021 and a developed country by 2041.

Bangladesh is one of the 57 founding members of the Beijing-based bank when it was launched in the Chinese capital in June this year. The bank will, however, be formally inaugurated at the end of the year.

Liqun, who previously worked at the ADB, the China International Capital Corp and the China Investment Corp, said the AIIB would provide adequate support to all borrowing countries by treating all of them fairly.

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## Banks to get two more years to lower stock exposure

STAR BUSINESS REPORT

Banks will get two more years to bring down their capital market investment exposure to the permissible limit.

The banks will then lower their exposure by July 2016 to 25 percent of their total equity, which is a bank's paid-up capital plus reserve.

The capital market is being affected by the provision and there is a great pressure on commercial banks to reduce their exposure, Finance Minister AMA Muhith said yesterday.

"We are going to amend the law to extend the deadline," he told journalists after a meeting with Asian Development Bank's Vice-president Wencai Zhang at the Economic Relations Division in the capital.

The minister also informed the ADB about the latest move on the capital market exposure, as the lender is assisting Bangladesh in developing the market.

"The time extension would need approval from the cabinet, but my proposal will be to extend the period by two more years," he said. By the time, the banks should normalize their capital market exposure, Muhith said.

Capital market stakeholders, including merchant banks and stockbrokers, have long been requesting the government to extend the deadline.

The key index of the Dhaka Stock Exchange continued to decline for the eighth consecutive session yesterday and closed at 4,424.2 points after falling 9.36 points or 0.21 percent.

If the deadline is extended, merchant banks and stockbrokers believe that banks will be encouraged to actively participate in the ailing secondary market as institutional investors.

They also recommended calculation of the banks' total exposure to the stockmarket by taking into account their investment in non-listed securities such as investment in subsidiaries.

## Taka continues to weaken against dollar

STAR BUSINESS REPORT

The taka has continued to decline against the dollar in the past three weeks due to sustained demand for the greenback from banks and importers, according to data from the Bangladesh Foreign Exchange Dealers' Association.

The average BC (bills for collections/import payments) selling rate reached over Tk 80 a dollar yesterday, the highest since February 2013, BAFEDA data shows.

The banks' average BC selling rate was Tk 78.2 on October 26 and Tk 78.64 on November 3. This average rate ended at Tk 80.068 a dollar yesterday.

Citibank quoted the highest of Tk 80.95 for the BC selling rate a dollar yesterday, followed by Standard Chartered Bank with Tk 80.85. National Bank of Pakistan quoted the dollar price at Tk 78.80, the lowest rate.

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## Telekomasia to invest \$1b in hi-tech park

MUHAMMAD ZAHIDUL ISLAM

Telekomasia, a Singapore-based telecom services company, is keen to invest more than \$1 billion in Bangladesh to make tech-related products.

The company, owned by Bangladeshi entrepreneurs, signed a deal with the government on Friday.

The firm is mainly interested in investing in four major segments of the telecom and ICT sector, according to its Chief Executive Officer Md Shafayet Alam.

"We want to establish a private hi-tech park in Bangladesh and for doing that, we need support from the government," Alam told The Daily Star by phone from England on Saturday.

The deal was signed between Bangladesh Hi-Tech Park Authority and Telekomasia at an e-commerce fair in East London. A Bangladeshi company organised the two-day show, which was also attended by Commerce Minister Tofail Ahmed.

The Hi-Tech Park Authority signed three other deals at the show that will be materialised within a short time, said government officials who participated in the event.

Telekomasia specialises in integrated and innovative communications systems for fixed line and voice over internet protocol (VoIP) telephony,

broadband and data services, according to its website.

Alam said they have already taken 70 percent of their planned investment to Bangladesh as loans from three banks in Singapore.

"We are just waiting for a response from the government," Alam said. "The government offered us an investment opportunity at the Rajshahi hi-tech park but we are interested in building our project in Chittagong."

Alam said they want to assemble and make all types of telecom products that Bangladesh currently imports from China.

The company's revenue for 2014 stood at \$19.77 million, up from \$3.76 million in 2013, according to its financial statement.

It is also working with state-owned Bangladesh Telecommunications Company Ltd and some others in the country.

The three other deals that the Hi-Tech Park Authority signed were with Seemark BD, TechShed and PayZABD.

Hosne Ara Begum, managing director of Bangladesh Hi-Tech Park Authority, signed the agreements with the respective companies.

Seemark plans to invest more than \$50 million and intends to make software and hardware.

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## Focus more on aid utilisation Economist urges govt as Bangladesh is poised to shake off LDC tag

STAR BUSINESS REPORT

Bangladesh should focus more on aid utilisation for its economic development, as the country will no longer enjoy duty benefits after leaving the group of least developed countries by 2024, an economist said yesterday.

"If the pace of the current economic development continues, Bangladesh will get rid of the LDC status by the end of 2024," said Mustafizur Rahman, executive director of the Centre for Policy Dialogue (CPD).

Rahman spoke at a discussion on governance and development at the Bangladesh Development Forum (BDF) meeting at Bangabandhu International Conference Centre in Dhaka. Bangladesh should also increase regional cooperation for better business opportunities, he said.

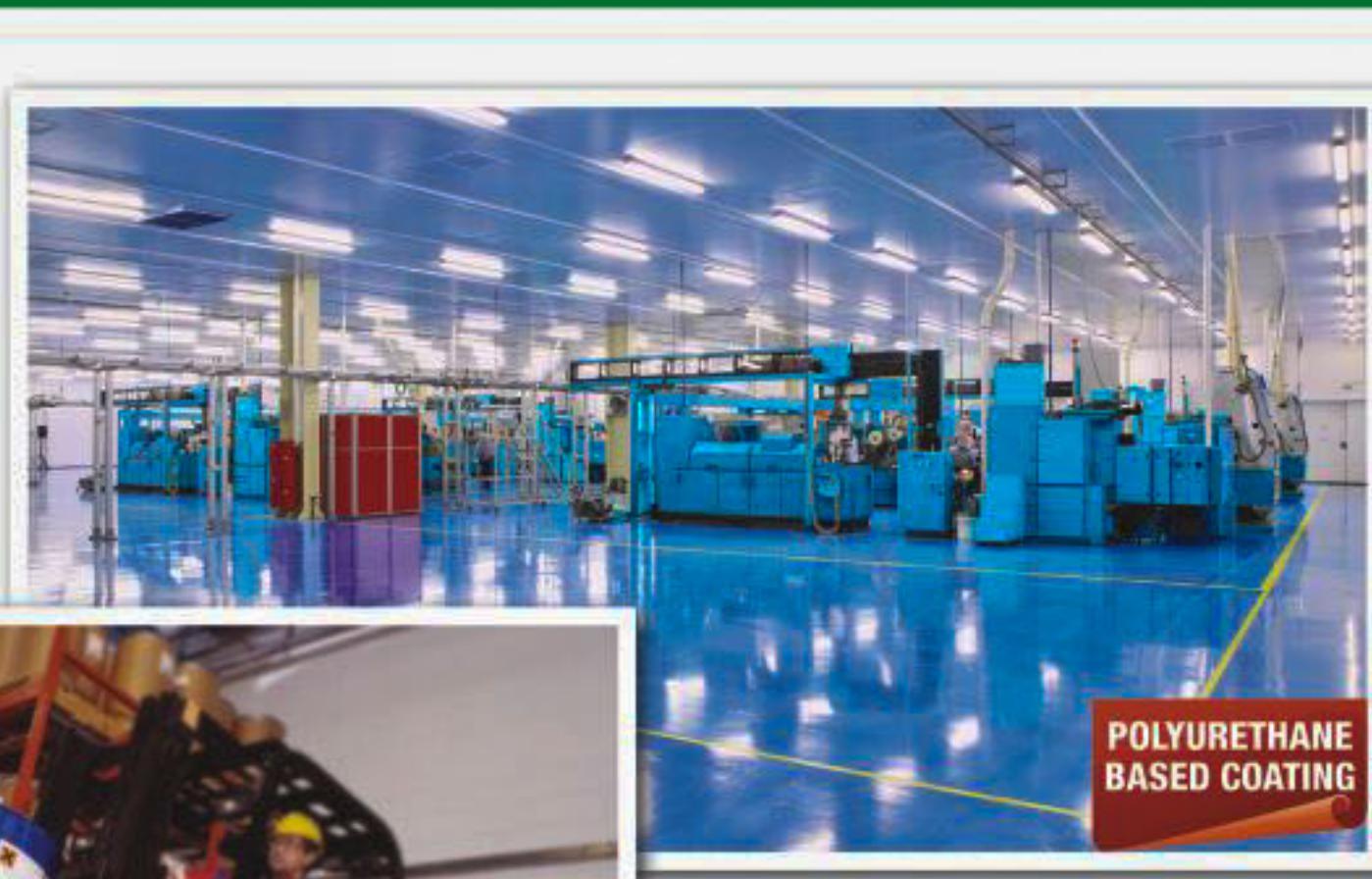
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