

# ADB to give \$11.1b for infrastructure development



**ADB's finance includes Tongi-Akhaura Dual Gauge Project, the Laksam-Chattoogram Dual Gauge Railway Project.**

PHOTO: STAR/FILE

STAR BUSINESS REPORT

The Asian Development Bank (ADB) will provide about \$11.1 billion to Bangladesh from 2021 to 2023 under its new country operations business plan.

Of the sum, \$5.9 billion will be given for firm projects and \$5.2 billion for standby projects, a number of officials of the lender said.

Projects include the Dhaka-Sylhet Corridor Road Project, the Daulatdia-Faridpur-Barishal Road Project, the Tongi-Akhaura

Dual Gauge Project, the Laksam-Chattoogram Dual Gauge Railway Project, the Dhaka-Cumilla Chord Line Project, and the Bangladesh Renewable Energy Project.

Yesterday ADB Country Director Manmohan Parkash informed Prime Minister Sheikh Hasina about the lender's plan during a courtesy call at the Gono Bhavan.

The ADB provided more than \$607 million in loans and grants to Bangladesh to expand the social safety net and manage the immediate impacts of the coronavirus pandemic after the

crisis hit the country in March last year.

More than \$560 million of other supports is helping create jobs and boost the rural economy.

The Manila-based lender is in talks with the government about a proposal for \$940 million in assistance from its Asia Pacific Vaccine Access Facility for Bangladesh's coronavirus vaccination programme.

Two \$500-million policy-based loans are also being processed in 2021 to support the health and finance sector recovery.

Considering the Covid-19 pandemic, the lender has adjusted its overall programme priorities in Bangladesh, emphasising health and social protection, food security, skills development, rural development, water and sanitation, and the financial sector.

Parkash handed a study on the coordinated and holistic development of the southwestern region to the prime minister.

The report indicates that the southwest region can greatly contribute to the economic growth of the country, with industrial output of about \$150 billion by target industries and 35 million of corridor-induced jobs by 2050, benefiting more than 40 million people.

"With smart investments in industry, infrastructure and human capital, the region can attract investment, create employment, and bring prosperity."

Completion of the Padma Bridge will unleash the further potential of Bangladesh, and it can become the perfect example for promoting holistic and inclusive development, officials said.

The ADB has initiated the preparation of a new Country Partnership Strategy for 2021-2025. It is fully aligned with the priorities of the Eighth Five-year Plan, the Perspective Plan 2041, the Bangladesh Delta Plan 2100 and the Strategy 2030 of the lender.

The new strategy will focus on addressing infrastructure deficit, skills development, making cities and urban centres more livable, agriculture and rural development, climate change and disaster resilience, strengthening health sector and social protection, gender equity, attracting private investment, and improving the business climate.

# Qatar Petroleum to supply 1.25m tonnes LNG to Bangladesh

Signs deal with Vitol

STAR BUSINESS REPORT

Qatar Petroleum said it entered into a long-term agreement with Vitol, allowing the Dutch energy giant to supply 1.25 million tonnes of liquefied natural gas to Bangladesh per year.

Under the deal, LNG deliveries will commence later this year, further demonstrating Qatar's continued commitment to meeting the growing needs of its customers for reliable LNG supplies, said Qatar Petroleum on its website.

"We are pleased to sign this SPA [sale and purchase agreement] with Vitol," said Saad Sherida Al-Kaabi, minister of state for energy affairs of Qatar and president and CEO of Qatar Petroleum.

"We look forward to commencing deliveries under the SPA to further contribute to meeting Bangladesh's energy requirements. This SPA also highlights our strong ability to meet the requirements of our partners and customers."

On February 17, the government approved two proposals to buy a total of 67.2 lakh MMBTU (million British thermal

unit) LNG from the spot market for Tk 623.64 crore to meet the growing demand for the super-chilled fuel.

Vitol Asia Pte Ltd of Singapore will supply the fuel.

In a spot market, financial instruments, such as commodities, currencies and securities, are traded for immediate delivery.

In September last year, Bangladesh moved to the spot market for the first time to purchase the fuel at a cheaper rate. At the time, Vitol Asia won the work order to deliver 3,490,200 MMBTUs for Tk 132.93 crore.

Bangladesh has two floating storage and regasification units. Exacerbate Energy of the US began supplying re-gasified LNG from its terminal in Moheshkhali in August 2017. It has a regasification capacity of 500 million cubic feet of gas per day.

In May 2019, Summit LNG Terminal Co Ltd, the country's second LNG terminal, began supplying re-gasified LNG. The unit has a capacity of supplying 500 million cubic feet of re-gasified LNG.



**The government will buy a 67.2 lakh million British thermal units of LNG from the spot market at Tk 623.64 crore.**

STAR/FILE



## GLOBAL BUSINESS

# How rich is Saudi Arabia? Kingdom does the math in balance sheet overhaul

REUTERS, Dubai

Saudi Arabia wants to demystify its finances.

The kingdom is working on creating a consolidated balance sheet of its assets and liabilities which will include items currently kept off the oil-rich economy's books, including the investments and debts of its powerful sovereign wealth fund.

"The main purpose of this programme is to have a financial equivalent of an MRI of the government balance sheet," a Finance Ministry spokesman told Reuters, adding that it would include assets and liabilities that are currently "off-balance sheet".

Saudi Arabia's Crown Prince and de facto ruler Mohammed bin Salman has put Public Investment Fund (PIF), Saudi Arabia's main sovereign wealth fund, at the centre of reforms aimed at diversifying the economy of the world's top oil exporter away from fossil fuel.

Under the prince's chairmanship, PIF has transformed



REUTERS/FILE

**Saudi woman walks at the Saudi stock market (Tadawul), in Riyadh, Saudi Arabia.**

from a sleepy sovereign wealth fund into a global investment vehicle making multi-billion dollar bets on hi-tech companies such as Uber as well as other equity investments and pledging tens of

billions of dollars to funds run by Japan's Softbank.

Its financial statements are not published and it does not feature in the kingdom's budget, which is publicly available.

Gulf countries don't typically publish information about their overall debts and assets but the PIF's riskier investment profile and infusion of state funding have made its opacity an issue for some investors.

"Transfers of wealth from liquid pools of assets like central bank reserves into PIF's less liquid (and less transparent) investments increases the overall risk profile of the public sector balance sheet," said Kirjanis Krustins, a director in Fitch's sovereign team.

"Debt investors would tend to see the government and its key government related entities such as PIF as representing substantially the same risk. Thus the leveraging up of the broader Saudi complex could at some point impact the government's own borrowing costs," he said.

The government media office did not respond to a request for comment.

The government started working in the second half of last year on the so-called Sovereign Asset and Liability Management

(SALM) framework and the spokesman said it was a 'long-term project' with no decision yet made on when and how its results would be disclosed.

"If we use benchmarks we will see countries spent a couple of years to implement the consolidation phase," he said of the project.

The PIF's finances are formidable.

Its assets have swelled to \$400 billion as of 2020 from \$150 billion in 2015, with the fund bolstered by an expected \$70 billion payday from Saudi Aramco, the state oil company, for PIF's stake in a petrochemical giant and a \$40 billion transfer from the central bank's foreign reserves.

It was also the recipient of nearly \$30 billion in proceeds from Aramco's initial public offering in 2019.

The fund has raised \$21 billion in loans between 2018 and 2019, and is finalising a new facility expected to be over \$10 billion in size, sources have said.

## NEWS In Brief

### Bharti Airtel ties up with Qualcomm for 5G rollout in India

REUTERS, Bengaluru

India's Bharti Airtel said on Tuesday it would collaborate with U.S. chipmaker Qualcomm for 5G services to the world's second largest wireless market.

The country's No. 2 telecom operator will use Qualcomm's Radio Access Network platform, which runs services on the cloud, to roll out 5G networks in the country, it said in a statement to stock exchanges.

India is yet to auction 5G airwaves, while telecom service providers globally are locked in a race for 5G roll out, which promises internet speeds up to 20 times faster than existing networks.

Meanwhile, Airtel rival Jio has said it has built an in-house 5G solution and is ready to roll out services as soon as airwaves are made available.

Jio's parent, Reliance Industries, last year raised about \$97 million from Qualcomm's investment arm for its digital unit that houses Jio.



REUTERS/FILE

**People visit a Qualcomm booth at the Mobile World Congress in Shanghai, China.**

# London will bounce back: Don't write off big cities yet, UK's Johnson says

REUTERS, London

It is premature to write off big cities such as London which will bounce back strongly as the pandemic wanes, British Prime Minister Boris Johnson said on Monday after unveiling a plan that will keep offices deserted for months more.

The COVID-19 pandemic triggered a sweeping reassessment of urban life and work, with some predicting that the world's premier financial centres such as New York, London, Shanghai and Tokyo could see capital and talent and ultimately decline.

Counting houses and skyscrapers across London's skyline -- from the hedge funds of Mayfair and the lawyers' chambers of Holborn to the trading floors of the City and Canary Wharf -- have emptied during almost a year of restrictions.

Big banks, law firms and investment funds sent all but a skeleton staff home months ago,

leaving one of the world's biggest global financial capitals without its bustle.

Shoe shops, coffee bars and pubs stand closed across the financial district, some permanently.

Asked by reporters if Britain's biggest cities needed a Marshall Plan to survive, Johnson said COVID-19 would accelerate some trends, opening up space for more residential accommodation.

"But you know I don't believe this is going to mean a fundamental change to the way our life in our big cities really works," Johnson, a former mayor of London, said. "Our great cities will bounce back."

He said the paradox was that the better people could talk electronically the more they craved human interaction.

"That I'm sure will come back and I think that London - our great cities - will be full of buzz, and life and excitement again, provided people have confidence



REUTERS/FILE

**Britain's Prime Minister Boris Johnson gathers his documents after a coronavirus disease pandemic media briefing at 10 Downing Street in London, Britain on Monday.**

about coming back," he said.

As he unveiled his four-stage plan for lifting the restrictions, Johnson cautioned that there would be no "zero COVID world", so people would have to get used

to the coronavirus as they have got used to the flu. But he gave no clear date for an end to working from home -- one of the biggest changes to working practices in decades.

Johnson said the government

would review the need for social distancing and face masks in a process that would conclude ahead of Step 4 of the restart plan, which would not come into force before June 21.

"People should continue to work from home where they can," Johnson told parliament.

The temporary end of the office has already forced companies to assess whether they need to pay for vast spaces in central London, while the city's transport system has been pushed towards insolvency by a lack of commuters.

As employers mull ways to cut costs in the worst economic slump since the Great Depression, some employees have been driven to distraction working from home while also home schooling. Some have found it liberating to cut out an expensive commute.

Facebook Inc. CEO Mark Zuckerberg said last year that about half its workforce would eventually do their jobs outside the office over the next five to 10 years.

### Bitcoin tumbles 17pc as doubts grow over valuations

REUTERS, London/Singapore

Bitcoin tumbled 17 per cent on Tuesday, sparking a sell-off across cryptocurrency markets as investors grew nervous at sky-high valuations and leveraged players took profit.

The world's biggest cryptocurrency suffered its biggest daily drop in a month, falling as low as \$45,000. Bitcoin was last down 11.3 per cent at 0939 GMT.

The drop extended a slump of nearly a fifth from a record high of \$58,354 hit on Sunday - though bitcoin remains up around 60 per cent for the year.

"The kinds of rallies we've been seeing aren't sustainable and just invite pullbacks like this," said Craig Erlam, senior market analyst at OANDA.

Ether, the world's second largest cryptocurrency by market capitalisation that often moves in tandem with bitcoin, also dropped more than 17 per cent and last bought \$1,461, down almost 30 per cent from last week's record peak.

Cryptocurrency markets have been running hot this year as big money managers and companies begin to take the emerging asset class seriously, piling money into the sector and driving confidence among small-time speculators.

A \$1.5 billion investment in the cryptocurrency by electric carmaker Tesla this month has helped vault bitcoin above \$50,000 but may now lead to pressure on the company's stock price as it has become sensitive to movements in bitcoin.