Medium Term Debt Management Strategy
Bangladesh

Period: FY2021-22 to FY2023-24

Debt Management Branch
Treasury and Debt Management Wing
Finance Division, Ministry of Finance

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List of Acronyms

ABP	Annual Borrowing Plan
ADB	Asian Development Bank
ADF	Asian Development Fund
AIIB	Asian Infrastructure Investment Bank
AT	Analytical Tool
ATM	Average Time to Maturity
ATR	Average Time to Re-fixing
BB	Bangladesh Bank
BIDF	Bangladesh Infrastructure Development Fund
CDMC	Cash and Debt Management Committee
CDMTC	Cash and Debt Management Technical Committee
CGA	Controller General of Accounts
COL	Concessional Ordinary Capital Resources Loan
DMFAS	Debt Management and Financial Analysis System
DMO	Debt Management Office
DPs	Development Partners
EDCF	Economic Development Cooperation Fund
EIB	European Investment Bank
ERD	Economic Relations Division
FD	Finance Division
FY	Fiscal Year
GDP	Gross Domestic Product
GE	Grant Element
GFN	Gross Financing Needs
GPF	General Provident Fund
G-Secs	Government Securities
HFT	Held-for-Trading
HTM	Held-to-Maturity
iBAS	Integrated Budget and Accounting System
IDA	International Development Association
IFI	International Financial Institution
IMF	International Monetary Fund
ISDB	Islamic Development Bank
JICA	Japan International Cooperation Agency
LDC	Least Developed Country
LIBOR	London Inter-Bank Offered Rate
MI	Market Infrastructure
MoF	Ministry of Finance
MTDS	Medium Term Debt Management Strategy
MTMPS	Medium Term Macroeconomic Policy Statement
NSC	National Saving Certificate
NSD	National Savings Directorate
NSS	National Saving Scheme
OCR	Ordinary Capital Resources
OD	Overdraft Current
PFM	Public Financial Management
PPP	Public and Private Partnership

PV	Present Value
RMG	Readymade Garments
SOE	State-Owned Enterprise
TA	Technical Assistance
T-Bill	Treasury Bill
T-Bond	Treasury Bond
TDMW	Treasury and Debt Management Wing
USD	United State Dollar
WB	World Bank
WMA	Ways and Means Advances

Abdur Rouf Talukder
Senior Secretary
Finance Division
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Foreword

It is a pleasure to see that the 2nd Medium-Term Debt Management Strategy (MTDS) of Bangladesh 2021: FY2021-22 to FY2023-24 is complete within the stipulated timeframe. Although a long time has elapsed between the first and the second MTDS, I hope that regular publication will continue in future. The task has been completed by the Debt Management Branch of the Finance Division with substantial assistance from the World Bank-International Monetary Fund Joint TA mission along with the SPFMS.

Low-cost and low-risk financing is always a big challenge for any government. The primary reason being there is always a fine line between productive borrowing and borrowing which becomes a deadweight to the economy. However, the Finance Division of Bangladesh is fully aware of the trade-off between benefit and risk of deficit financing and took a policy decision early on to keep the deficit around the 5 per cent of GDP threshold which had to be breached during the COVID years for obvious reasons. In this context, it is significant to note that Bangladesh never had any problem servicing any debt so far.

Bangladesh is expected to graduate from a least developed country to a developing one in 2026. It is a fitting and timely recognition of her achievements under the leadership of the honourable Prime Minister Sheikh Hasina in social as well as economic sectors. However, although LDC graduation is rightly deserved and reflects the correct assessment of Bangladesh's achievements so far, various sectors of the economy will face challenges. Public Debt Management is one such area of public finance that will, as a result of graduation, get opportunities to explore newer avenues for government borrowing vis-a-vis associated risks borne out of exposure to the pitfalls of international financing. As a result of this development and as part of a continuous up-gradation in the planning of deficit financing, the Finance Division is set to analyse, through the MTDS, the benefit and cost of various mixes of strategies for government borrowing in a more informed and rigorous manner.

It is also important to recognise that FD has already initiated various reforms including automation of NSC management, issuance of Sukuk, developing a benchmark yield of G-Secs, trading the G-Secs in DSE and CSE platform, strengthening the legal framework by updating the BGTB rules etc. FD has also undertaken the initiative to replace the colonial-era Public Debt Act 1944 with a comprehensive one by addressing all the current issues of debt management.

Finally, I would like to express my sincere appreciation to all involved in the process of consultation, preparation and publication of the MTDS, especially the officials of Debt Management Branch of Finance Division, FABA Wing of ERD, DMD of BB, NSD, Bank-Fund Joint Virtual TA Mission, Consultants of Debt Management Component of SPFMS Programme and Officials of WB and IMF local offices. I hope the MTDS 2021 will be able to identify more ideas of reform as well as strategies to successfully implement them.

7-07.22

Abdur Rouf Talukder

A H M Mustafa Kamal, FCA, MP
Minister
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Message

It is a great pleasure for me to be informed that the Finance Division, Ministry of Finance is going to publish the Medium Term Debt Management Strategy (MTDS) of Bangladesh (FY22-24). Bangladesh economy has been steadily and consistently growing high for more than a decade under the able leadership of the Hon. Prime Minister Sheikh Hasina which has now become an exemplary role model for the rest of the world. Leadership of our Hon. Prime Minister has lifted Bangladesh to a prestigious and respected height in the world. The congenial policy support, political stability, and prudent fiscal management are playing a very significant role in achieving the political and economic goals of the government.

We have been celebrating three glorious events concomitantly, the birth centenary of our Father of the Nation Bangabandhu Sheikh Mujibur Rahman, the golden jubilee of our independence and receiving the final UN recommendation for graduation from the least developed to a developing nation, added a historic milestone to our country. Our ultimate target is to become a knowledge based prosperous and happy nation by 2041 through implementation of five-year plans and perspective plan 2021-2041 while achieve agenda 2030 and become upper middle-income country by 2031. Policy supports must be in line with our development goals. Debt management is one of the most crucial fields of public financial management. The macroeconomic stability depends mostly on the debt sustainability of a country. The Finance Division along with other debt management entities is managing the government debt very efficiently. Bangladesh maintains a sustainable ratio of debt to GDP and it never faced any difficulty to service the debt. Bangladesh adopted prudent debt management policy resulting in a debt to GDP ratio of only 38% at the end of FY2020-21 which is well below the sustainable threshold determined by IMF.

The current MTDS will help to figure out the best borrowing portfolio for the government over the medium term with a lower cost and risk. It is very important on the eve of graduation from LDC to a developing country to combat the upcoming challenges of the economy. Moreover, to achieve the agenda of 2030, and 2031 Bangladesh needs to achieve GDP growth rate to 8.51% by FY2024-25 and needs to increase investment from 32% to 37% of GDP during the same period. It is noteworthy that the government has already spent on the stimulus and incentive packages to manage the COVID-19 pandemic amounting to about USD 22.08 billion (6.23% of GDP). The country will need more investment for development interventions including job creation to ensure a complete recovery from the COVID-19 pandemic as envisaged in the 8th FYP. Due to the increased amount of financing needs, the fiscal deficit will be increased substantially. In this context, the MTDS will help to choose the better strategy to achieve the financing target.

I firmly believe that this important publication will provide useful insights to the academia, researchers, practitioners and concerned stakeholders including development partners. I appreciate the hard works of the officials for publishing the Medium Term Debt Management Strategy (MTDS) of Bangladesh (FY22-24).

A H M Mustafa Kamal, FCA, MP

Executive Summary

Bangladesh will be graduating from a Least Development Country to a Developing Country in 2026. Graduation is not only opening enormous opportunities for further well-being of the people but also creates new challenges for the economy. Public Debt Management is one such area of public financial management where the country will face future challenges. Hence, FD took the initiative to prepare the second Medium Term Debt Management Strategy (MTDS) to mitigate the upcoming challenges by providing the best alternative financing options for its future debt portfolio.

Bangladesh conducted its first Medium-Term Debt Strategy in FY2014-15 for a 3-year horizon. However, as that is outdated, a need was felt to conduct the second MTDS. The current MTDS has been done based on debt data up to June 2020, but the latest available macro-economic indicators/data have been used where & when necessary. The structure of the report follows the specification set by the World Bank and IMF. A joint virtual WB-IMF TA Mission on MTDS was received for technical support and data validation, as well as to provide training on MTDS data preparation for the officials of debt management entities of the government. An MTDS working group was formed with members of relevant organisations.

The assumption of the baseline scenario has been aligned with the medium-term macro-economic policy statement of the government. The deficit target of the baseline is approximately 6 per cent of GDP which will decline gradually and the GDP growth rate will increase and is expected to come back to the pre-COVID level over the medium term. The gross financing assumptions are derived from the baseline scenario.

The current strategy has described indicators of the four sectors of the economy and gone on to analyse the macro-economic risks and their implications on the debt management of Bangladesh. This exercise showed that the major macro-economic indicators such as GDP, Fiscal Deficit, and Monetary conditions have a medium degree of risk and the Balance of Payment has a low level of risk for debt management. The structural factors of the economy, *inter alia*, graduation from LDC to developing country & IDA graduation, the dominance of the National Savings Certificate in deficit financing, contingent liabilities arising from government guarantees and PPPs and natural disasters due to the global warming and climate change, and their impact on debt management have also been assessed during the exercise. All the structural factors were found to be high-risk factors for debt management but graduation ranked as a medium level risk.

The analysis also considered a shock scenario on the exchange rate and interest rate. An additional 8% and 15% depreciation on top of the depreciation assumed in the baseline has been considered as a moderate and large shock, respectively. On the other hand, the interest rate increase in the international market by 200 bps is considered a moderate shock and 400 bps is an extreme case. It has been assumed that an extreme interest rate shock in the international market will translate into an increase in the interest rate of external official creditors by 100 bps.

Four strategies have been developed after careful analysis with separate combinations of gross financing sources. Strategy 1 is the status quo that represents the current financing mix, i.e. more reliance on National Savings Schemes. Strategy 2 and strategy 3 emphasise external financing and reduction in domestic financing. The main difference between these strategies, 2 & 3, is that strategy 2 has attached more importance to the concessional sources and strategy 3 has emphasised non-concessional sources of external financing. Strategy 4 has a similar combination as that of strategy 1, but rather than heavy reliance on NSCs, it focuses on long-term market financing, i.e. more issuance of Treasury Bonds and reform of the management and interest rates of the NSCs.

Strategy 2 is the most preferred strategy among the four strategies considering the cost and risk of new debt, as it puts more emphasis on concessional external financing. But, as the difference between commitment and actual disbursement of concessional financing is significant (excepting the COVID years) and LDC graduation may reduce the inflow of concessional external funds even further, strategy 4 has been considered the alternate strategy which focuses on long-term market borrowing intending to reform and reduce retail financing. Hence, the current MTDS recommends a blend of both strategies 2 and 4, i.e. strategy 2 should be adopted over the medium term in tandem with new and continuing reforms in the debt management, enabling the country to transition towards strategy 4 gradually in the long run.

There are a lot of challenges to implementing the approved strategy. The coordination among the debt management entities and strong monitoring are some of the many prerequisites to mitigate the implementation challenges and achieve the goals set out in the report. Continuing the ongoing reform initiatives is also imperative to meet the objectives of the current MTDS. It is expected that the existing coordination arrangement will play an important role in the smooth implementation of the MTDS.

1. Introduction

Bangladesh continues to be one of the fastest-growing economies in the world over the past decade with a stable macroeconomic environment. The country has made remarkable progress in poverty reduction, life expectancy, reducing child and mother mortality rates, sanitation and hygiene, female education, and women empowerment along with other social indicators. This improvement of the social indicators over the last decade was possible as a result of the government's unwavering commitment and sustainable economic growth. The decade-long sustained economic growth is in a large part attributable to the prudent economic policy and reform initiatives in the PFM arena. Policies that promoted financial inclusion and financial development enhanced growth as well. Consequently, the per capita GDP increased manifold and currently stands at US$ 2234 in FY2019-20[1]. As a result, Bangladesh is scheduled to graduate officially from being an LDC to a developing country in 2026.

Another important reflection of Bangladesh's ambitious but prudent economic policymaking and management has been the low level of debt. Since independence, Bangladesh has succeeded in maintaining a balanced debt portfolio. However, after graduation, it is expected that access to concessional finance will decrease and may dry up completely after a while. To maintain a level of financing necessary for materialising the Vision 2041, therefore, a strategy for accessing financing sources beyond the concessional window needs to be formulated and adhered to. The importance of having a Medium-Term Debt Strategy (MTDS)[2] in place is that it essentially enables the policymakers to look at the deficit financing of the country in an informed and coherent manner.

Bangladesh conducted its first MTDS in 2014, however, the analysis contained in it is not applicable anymore due to a long gap. Consequently, the Finance Division (FD) requested the International Monetary Fund (IMF) and the World Bank (WB) for a Virtual Technical Assistance (TA) Mission on MTDS. The Virtual TA Mission took place from 30 June to 08 July 2021. The Mission validated the debt data prepared by the FD and ran an orientation programme on the MTDS. They also applied the analytical tools (AT) and provided FD with its findings. The Mission also consulted with the high officials from FD, Economic Relations Division (ERD), Bangladesh Bank (BB), National Savings Directorate (NSD), and other relevant organisations. While preparing the present MTDS 2021, the TA Mission report has been taken into account.

[1] GDP per capita in FY2021-22 is US$ 2723 (Provisional)

[2] According to the World Bank, the Medium Term Debt Management Strategy (MTDS) is a framework to guide the debt management decisions and operations of government authorities. The MTDS links borrowing with macroeconomic policy; helps countries maintain sustainable levels of debt; and facilitates domestic debt market development. It helps to raise required fund of government at the lowest possible cost over the medium to long run, consistent with a prudent degree of risk. It is developed by the World Bank and IMF jointly for its member states to analysis the debt portfolio, management strategy and other relevant issues of government debt.

2. Scope and objectives

The analysis of MTDS has captured the central government debt data as of June 2020. However, the contingent liability of the government arises from the sovereign guaranty is not captured in the operation of the AT and the SOE debt as well.

MTDS framework analyses the costs and risks of financing, and the trade-offs between them, associated with extending the maturity profile of borrowing which helps to develop an effective medium-term debt management strategy for a country. The main objectives of the present MTDS 2021 are as follows-

a. To minimize the cost and risk of the government debt portfolio;

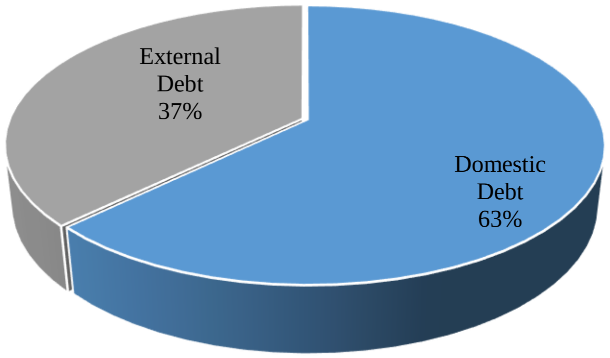
b. To borrow efficiently to remain within the government targets of the financing mix, as well as to ensure optimum utilisation of the borrowed fund.

c. To develop the domestic bond/debt market.

3. Debt Dynamics of Bangladesh: Total Debt Portfolio (as of June 2020)

Bangladesh is still enjoying concessional financing from bilateral and multilateral development partners (DPs). However, once it graduates to a Developing Country (2026), the access to concessional financing will gradually decline. Recognising the likely consequences, the government is adopting policies to deepen the country's financial sector as well as develop the domestic bond/debt market as an alternative source of financing. The government has also taken steps to minimise the debt market distortion by drastically reducing the high-administered interest rates of the retail instruments, and the GPF. As of June 2020, the composition of domestic and external government debt is 63 per cent and 37 per cent respectively. The debt portfolio is dominated by domestic debt, which is increasing gradually over time.

Figure 1: Total Debt Portfolio as of June 2020



Source: ERD, BB, NSD, and CGA

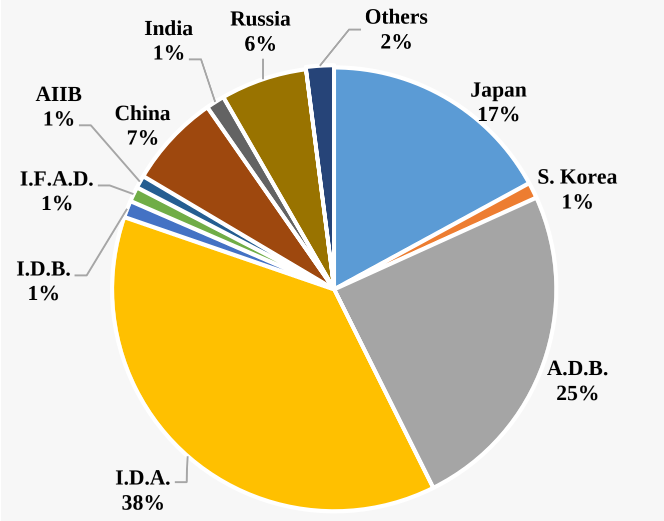
3.1. External Debt Portfolio

Bangladesh borrows both from multilateral and bilateral sources. The majority of these loans are concessional because of the development status of the country. Total external debt as of June 2021 is 37 per cent of the total outstanding debt.

3.1.1. External Debt Portfolio by Development Partner (DPs)

Figure 2a: External Debt Portfolio by DP

The external debt portfolio is dominated by the IDA loans, amounting to 38 per cent of total external outstanding debt, followed by ADB (25 per cent) and Japan (17 per cent). The borrowing from China and Russia[3] has increased significantly in recent years and the outstanding amount is 7 per cent and 6 per cent respectively, which are non-concessional.

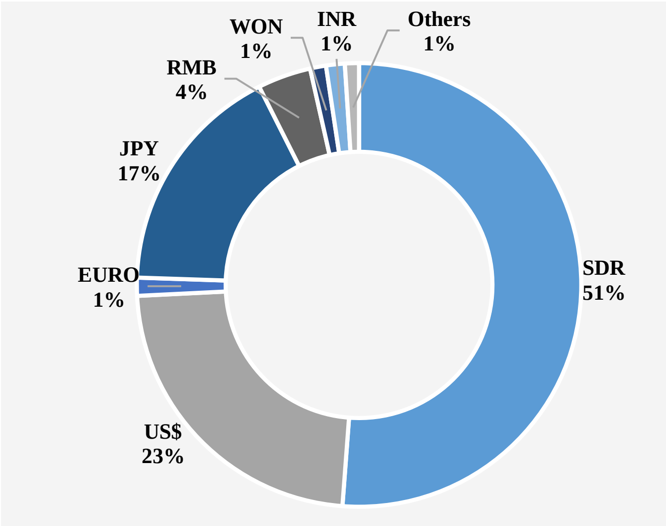


Source: FABA, ERD.

3.1.2. External Debt Portfolio by Currency

Figure 2b: External Debt Portfolio by Currency

Primarily, SDR, USD, JPY, RMB, and EURO represent the currency composition of Bangladesh's external debt. In terms of currency, external debt is dominated by the SDR followed by USD, Japanese Yen, and Chinese RMB. Currency risk remains low since almost 74 per cent of the external debt is comprised of relatively stable currencies like the SDR and the USD, 51 per cent and 23 per cent, respectively. A significant amount of Bangladesh's external debt is also in JPY (17 per cent).

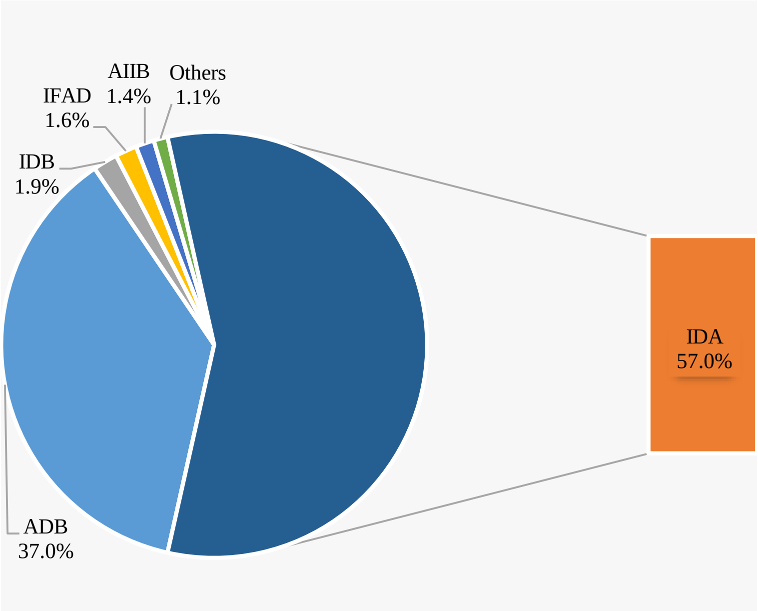


Source: FABA, ERD.

[3] Russia is not a traditional source of financing for Bangladesh. Bangladesh received a buyer's credit for the Ruppur Project, and as a result, external financing from Russia has become prominent and it will remain so for the project duration.

3.1.3. External Debt Portfolio by Source: Multilateral and Bi-lateral

Figure 2c: External Debt Portfolio by Multilateral DP

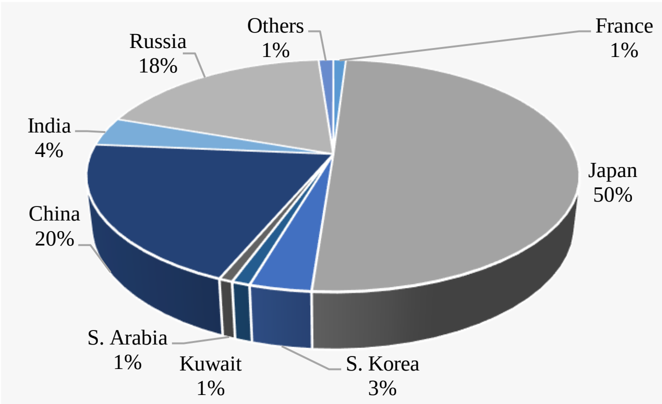


Source: FABA, ERD.

IDA is the top multilateral source of external financing for Bangladesh, with 57 per cent of total multilateral outstanding debt. ADB is the second largest (37 per cent) multilateral partner. The contribution of the rest of the multilateral development partners is much lower, but the scenario may change in the future due to the graduation from LDC to a developing country.

Figure 2d: External Debt Portfolio by Bilateral DP

Japan is the highest contributor to the bilateral external credit, 50 per cent of the total. Most of the Japanese loans are concessional, involving mostly mega infrastructure projects in the communication, port, and power sector of the country. Japan is followed by China, Russia, India, and South Korea.



Source: FABA, ERD.

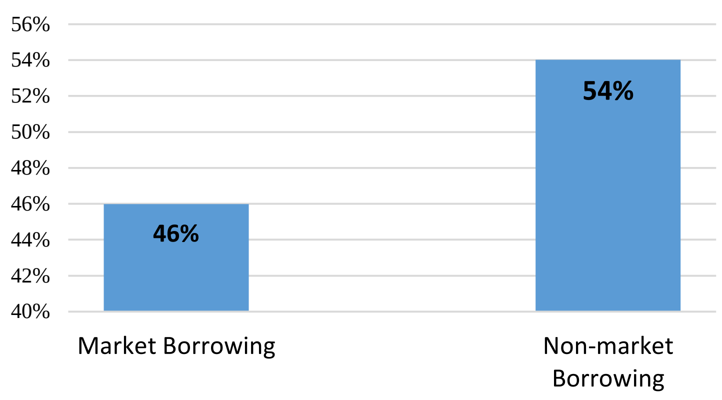
3.2. Domestic Debt Portfolio

Deficit financing of the government has increased manifold during the last decade. The financing need of the government has been increasing due to rising investment demand in the infrastructure (e.g. roads, ports, bridges, power & energy, etc.) as well as in the social sector (social safety net, health, education, women's development, etc.). This two-pronged public investment was necessary to give the economy a conducive investment environment on one hand and to bring about social harmony and justice on the other. Results were almost immediately visible in the mainstream economy (e.g. export, economic growth) and the social sector (e.g. success in SDGs, and different social indicators). As a whole, government financing from domestic sources has been increasing consistently over time, though the preference is still for external concessional financing due to its favourable terms and conditions. Considering the importance of financing from the domestic sources and apprehending a gradual contraction of concessional external financing, the government is trying to develop the domestic bond market and is implementing various reforms to that end.

3.2.1. Domestic Debt Portfolio: Market vs. Non-market (Retail)

So far, the government has been borrowing less from the market as compared to the non-market sources. Instruments that fall into the non-market or retail category are national savings certificates (NSCs) and the General Provident Fund (GPF). The interest rates in both the categories of non-market borrowing are administered and relatively higher than the market instruments (bank deposits and government securities) with similar maturity, thereby involving some fiscal costs. To minimize the fiscal burden gradually, the government has introduced substantial reforms in the management as well as in the interest rates of the non-market instruments to ensure transparency and to bring the interest rates, albeit administered, closer to the market. Along with the reduction in costs and risks to government finances, these reforms are expected to directly boost the activities towards developing the bond market. Further, the government has introduced Shariah-compliant Islamic Sukuk Bond in December 2020 to help develop the local bond market.

Figure 3a: Domestic Debt Portfolio by Source



Source: FD, BB, NSD

3.2.2. Domestic Debt Portfolio: Market Borrowing

Figure 3b: Government Security by Instrument

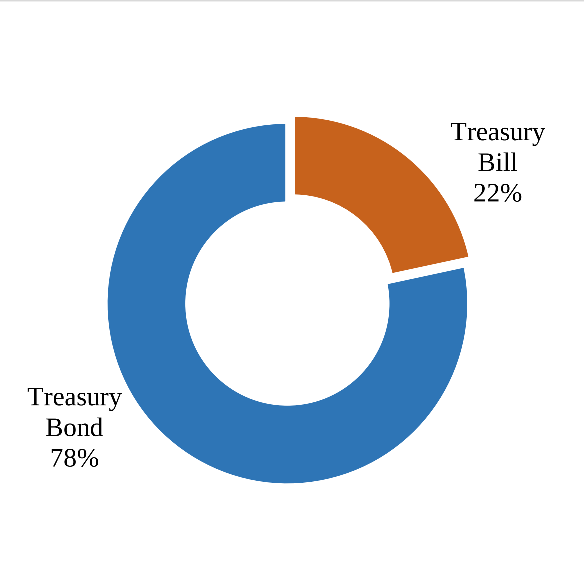
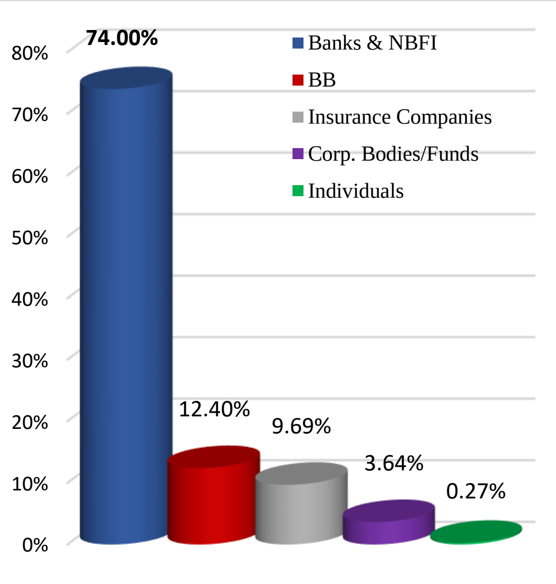


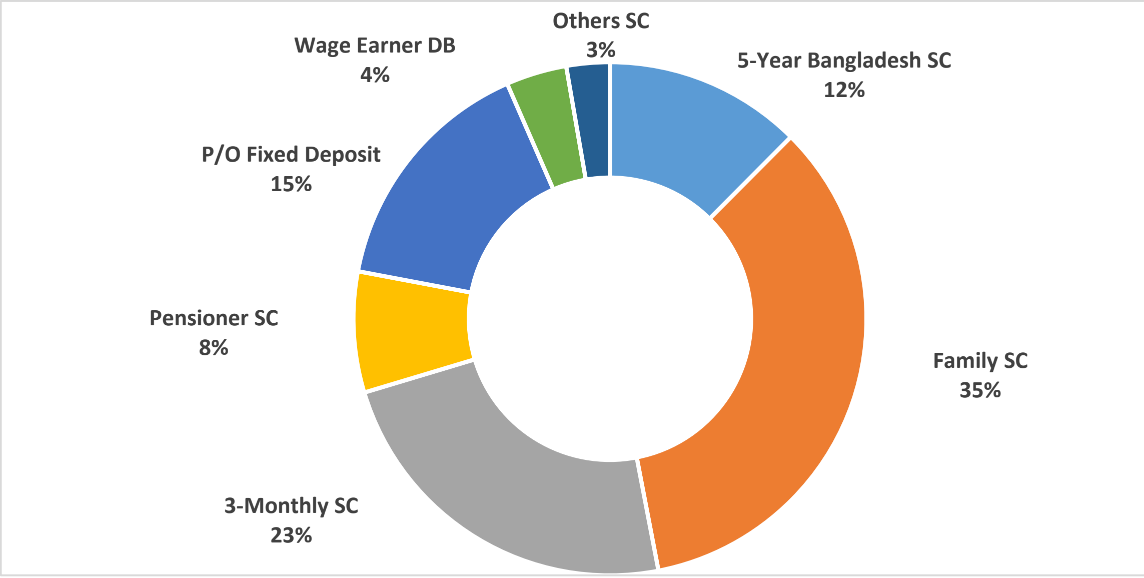
Figure 3c: Government Security by Investor



Source: FD, BB

As far as market borrowing is concerned, the government's emphasis is on borrowing through longer-term securities (treasury bonds (T-bonds)) to minimise costs and risks. The ratio of

Figure 3d: NSC Portfolio by Instrument



Source: NSD

outstanding T-bonds and T-bills (Treasury bills), as of June 2020, is 78 per cent and 22 per cent respectively. Most of the government securities are held by the banks and non-bank financial institutions followed by Bangladesh Bank and insurance companies. Individual investment in government securities is negligible and foreign investors are absent, which are considered two significant drawbacks of the government security market in Bangladesh.

3.2.3. Domestic Debt Portfolio: Non-market Borrowing by Instrument Excluding GPF

The national savings certificate constitutes the major share of the non-market-based financing of the government despite the fiscal burden caused by its interest costs. Currently, there are 11 Savings Schemes issued by the Department of National Savings (NSD). Of these 11, 97 per cent of the total outstanding of NSCs as of June 2020 belongs to the six savings schemes, namely, Family Savings Certificate, 3-Monthly Profit Bearing Savings Certificate, Post Office Fixed Deposit Scheme, 5 Year Bangladesh Savings Certificate, Pensioner Savings Certificate, and Wage Earner Development Bond. Family Savings Certificate alone accounts for 35 per cent of the total.

3.3. Redemption Profile of the Outstanding Debt Stock

The redemption profile of the outstanding debt is influenced by retail domestic debt instruments that are mainly 3-5 year-tenor savings certificates. The debt maturity in FY 2021 is the highest and it decreases gradually but remains comparatively high up to FY 2025. The Central Bank issues 5 types of T-bond with maturity periods ranging from 2 to 20 years and tries to maintain a stable redemption profile of the government securities (G-Secs). The redemption of external debt is relatively smooth. Most of the outstanding debt of the government is fixed interest-bearing which is shown by the red bar in figure 4b. 3 types of T-bills are most often used, 91-

day, 182-day and 364-day. Besides those, there are shorter-term T-bills that are seldom used and are known as cash management tools. The interest in T-bills is also fixed. Therefore, the debt profile is relatively secured in terms of interest sensitivity.

Figure 4a: Redemption Profile as of June 2020 (in million BDT)

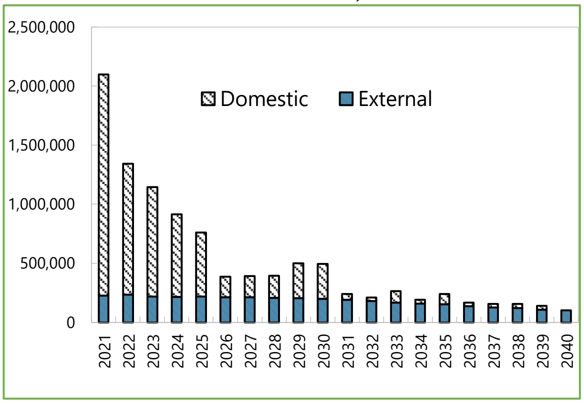
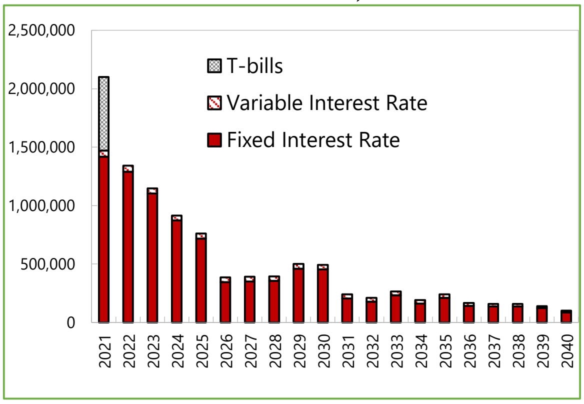


Figure 4b: Redemption Profile by interest type (in million BDT)



Source: MTDS AT

3.4. Cost-Risk Indicators of the Existing Debt Portfolio

3.4.1. Interest Costs

The weighted average interest rate of external debt is still very low, as this borrowing is through the concessional window at a very low borrowing cost of 1.1 per cent. But the share of external debt declined from 44.7 per cent of the total government debt at the end of June 2013 to 38.0 per cent at the end of June 2020. Compared to external financing, the financing from domestic sources increased, which is relatively costly. Especially, the predominance of NSCs among the domestic debt instruments makes the portfolio’s borrowing cost relatively high at 6.2 per cent. Even though the government has initiated and been implementing several reforms to rationalise the management of retail debt and the development of the domestic bond market, the excessive borrowing through retail instruments creates upward pressure on the government's interest expenditure, 2.2 per cent of GDP in FY2019-20, where the interest expense of external debt is only 0.1 per cent of GDP. It should, however, be noted that after graduation in 2026, Bangladesh’s access to concessional financing will gradually shrink which may create upward pressure on the interest expense of external borrowing as well.

3.4.2. Exchange Rate Risks

Supported by stability in the exchange rate movements and limited overall exposure to foreign currency debt, foreign exchange risk to the government debt portfolio remains low. Foreign currency debt amounted to 13 per cent of GDP at the end of June 2020 and its short-term debt component represented 7.2 per cent of the international reserves.

3.4.3. Refinancing Risks

Refinancing risk is low with the share of debt maturing in one year amounting to 7.5 per cent of GDP at the end of June 2020, largely contributed by the concessional external debt.

However, the refinancing risk profile marginally deteriorated with the share of debt maturing in one year increasing from 16.5 per cent of total debt at the end of June 2013 to 18.9 per cent at the end of June 2020 (Table 1). This is mainly due to the Average Time to Maturity (ATM) of total debt declining from 8.3 years at the end-June 2013 to 6.9 years at the end-June 2020 resulting from the rising share of semi-concessional external debt and non-marketable domestic debt.

3.4.4. Interest Rate Risks

Regarding the portfolio's exposure to interest rate risk which is measured by debt re-fixing in 1 year, one-fourth of the portfolio is exposed to interest rate changes owing to the share of the external debt portfolio at a variable rate. Due to the share of variable rate external debt, exposure to interest rate risk increased from 1.8 per cent of total debt in June 2013 to 6.9 per cent in June 2020.

Table 1: Cost-Risk Indicators of the Existing Debt Portfolio as of June 2020

Risk Indicators		External debt	Domestic debt	Total debt
Amount (in millions of BDT)		3,857,733.6	6,287,994.6	10,145,728.2
Amount (in millions of USD)		45,492.1	74,150.9	119,643.0
Nominal debt as per cent of GDP		13.8	22.5	36.3
PV as per cent of GDP[1]		10.8	21.1	32.0
Cost of debt	Interest payment as per cent of GDP	0.1	2.1	2.2
	Weighted Av. IR (per cent)	1.1	9.3	6.2
Refinancing risk	ATM (years)	11.8	3.7	6.9
	Debt maturing in 1yr (% of total)	5.1	28.0	18.9
	Debt maturing in 1yr (% of GDP)	0.8	6.7	7.5
Interest rate risk	ATR (years)	10.2	3.7	6.3
	Debt re-fixing in 1yr (% of total)	21.2	28.0	25.3
	Fixed-rate debt incl T-bills (% of total)	82.7	100.0	93.1
	T-bills (% of total)	0.0	9.4	5.7
FX risk	FX debt (% of total debt)			38.0
	ST FX debt (% of reserves)			7.2

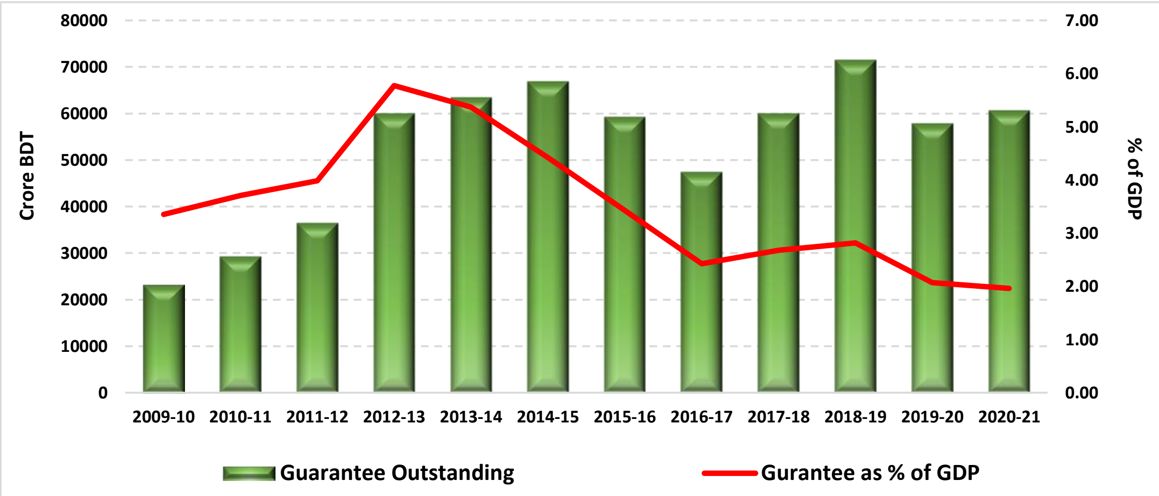
Source: MTDS AT

3.5.Contingent liability: Sovereign Guarantee and PPP

The current exercise of the MTDS did not consider the contingent liabilities of the government arising from the government guarantees and PPP, but it is always a significant threat to fiscal sustainability and macroeconomic stability if it is not managed and monitored closely by the concerned authorities. Even though the current explicit contingent liability is not big enough in terms of GDP, the rapidly growing number of large projects implemented through PPP and the sovereign guarantees given to the SOEs are a concern. Government can indeed shift its immediate fiscal burden by implementing big infrastructure projects through PPP, which can create some sort of fiscal space to allocate resources for other priority sectors of the economy.

The sovereign guarantee given by the government is increasing over time due to the implementation of some big development projects in thrust sectors of the economy, especially in the power, communication, IT, and agricultural sectors which are crucial for the economic development of the country. But the outstanding guarantee is decreasing in terms of GDP and it will continue due to the robust growth performance over the medium term that can be assumed from the post-pandemic economic recovery. The guaranteed loans are serviced regularly by the debtors and FD monitors debt servicing closely. This will reduce the risk of explicit contingent liability significantly. Apart from this, according to the PPP Authority, the ongoing, pipeline and in-principle approved PPP projects are 78 (most of these projects are in the communication, tourism, health, industry, and IT sectors with an estimated cost of USD 35,665 million)[4].

Figure 5: Guaranteed Debt Outstanding



Source: TDMW, FD

These projects not only can bring enormous benefits to the economy, but they can also create a huge drag on the economy if mismanaged. Thus the project selection, modalities, negotiation, concession agreement, and monitoring mechanism of the PPP project should be given more attention to avoid any future financing risks.

4. Medium Term Macro-Economic Outlook

Supported by a stable political environment and sound macroeconomic policies, Bangladesh remains one of the fastest-growing economies in the world over the past decade. The GDP growth rate reached a record high at 8.15 per cent in FY 2018-19. This inclusive & pro-poor nature of economic growth has helped improve social indicators along with most of the economic indicators. A very low fiscal deficit (within 5 per cent of GDP) coupled with consistent and high economic growth created a favourable atmosphere for sustainable debt management.

Table-2 summarises the key macroeconomic projections that have been used in the MTDS Analytical Tool to generate future paths for the debt service and its composition.

[4] The detailed list of Sovereign Guarantee and PPP projects are attached in Appendix-1 & Appendix-2 respectively

Table 2: The baseline macroeconomic assumptions as MTMPS

	2019-20	2020-21	2021-22	2022-23	2023-24
Budgeted Revenue and Grants	9.5%	11.4%	11.3%	11.3%	11.5%
Budgeted Primary Expenditure	12.9%	15.4%	15.5%	15.0%	15.0%
Primary Deficit	3.4%	4.0%	4.2%	3.7%	3.5%
Budgeted interest payments	2.1%	2.1%	2.0%	2.0%	2.0%
Fiscal deficit	5.5%	6.1%	6.2%	5.7%	5.5%
Real GDP growth rate[5]	5.2%	6.1%	7.2%	7.6%	8.0%
GDP (nominal, BDT million)[6]	27,963,783	30,873,000	34,560,402	38,776,813	43,642,289
Nominal growth rate GDP		10.4%	11.9%	12.2%	12.5%
International reserves (US$ million)	36,037	45,000	48,367	50,739	53,985

Source: MTMPS, FY2019-20, FD.

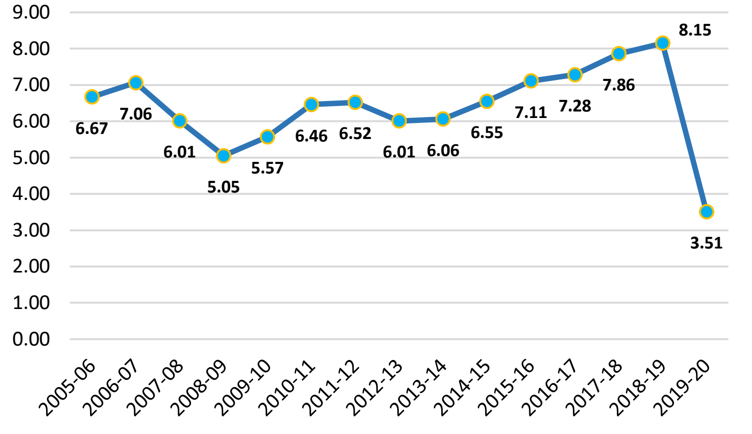
4.1. GDP and Investment

The government is trying to create a conducive environment for industrialisation to bring in consistent & inclusive economic growth by investing massively in the infrastructure, power & energy sectors. Examples of this huge public investment are mega projects such as Matarbari Deep Sea Port, Padma Bridge with railway connectivity, Ruppur Atomic Power Plant, Kornafuli Tunnel, Dhaka Metro Rail, Matarbari LNG terminal and other pipeline projects, the establishment of 100 SEZ, etc. These ongoing development projects have understandably widened the budget deficit and created upward pressure on the debt to GDP ratio in recent years. However, the robust economic growth helped to maintain the debt level within a sustainable limit for the country.

4.1.1. GDP Growth rate

The real GDP growth rate reached a record high at 8.15 per cent in FY2018-19. However, the economy almost grind to a halt in the second half of the fiscal year 2019-20 due to the SARS Covid-19 pandemic, and the growth more than halved, year-on-year at only 3.45 per cent. However, compared to the rest of the world, Bangladesh's economy did better and showed more resilience in the crisis. While the economic growth floundered and

Figure 6a: Real GDP Growth Rate



[5] Baseline assumption was done on the basis of the projection of MTMPS, FY2019-20. Meanwhile, the GDP data has been finalized by BBS. The growth rate of FY2019-20 and FY2020-21 is 3.45% and 6.94% respectively; and

[6] The nominal GDP is 26,500,649 and 28,339,444 million BDT respectively. Moreover, the base year of GDP has been changed from 2005-06 to 2015-16 recently, which was not considered in this exercise.

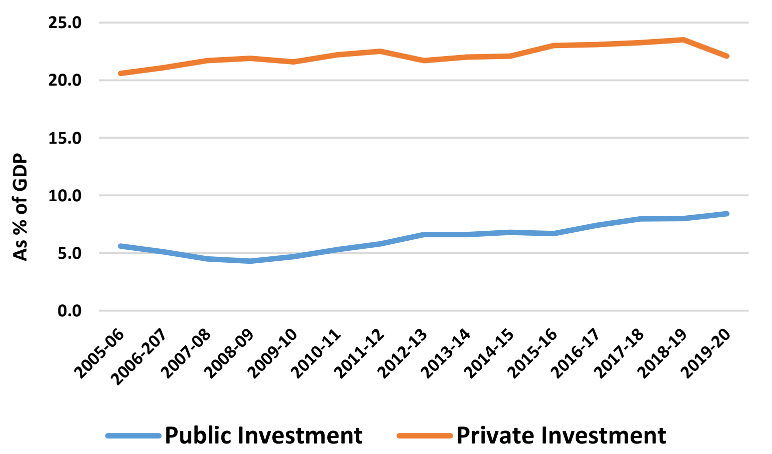
is yet to regain its pre-pandemic momentum, it somewhat bounced back to close to 7 per cent in FY2020-21. The government is implementing a series of stimulus packages equivalent to USD 15 billion to help economic recovery. The stimulus packages were, *inter* alia, increased public expenditure targeting job creation; fiscal stimulus to retain workers in the manufacturing sector; expansion of social safety-net programs for people living below the poverty line; and, expansionary monetary policy. While the prompt policy response has facilitated faster recovery, the pandemic-related spending, in turn, widened the fiscal deficit. Nevertheless, the deficit is contained at around 6 per cent of GDP.

As a whole, the GDP growth is expected to recover quickly and reach above 7 per cent supported by a robust rebound in exports, continued implementation of the stimulus packages, and accommodative fiscal and monetary policies.

4.1.2. Investment to GDP ratio

Resultant of the expansionary fiscal policy, public investment has been increasing over the years, but the performance of the private investment has not been encouraging, and (as a percentage of GDP) remained almost stagnant over the years. It even showed a downward trend in the recent past. The trend might have auto-corrected but the pandemic exacerbated the situation. It is, however, imperative to note that Bangladesh needs more investment to climb onto a double-digit growth trajectory which is in turn required to realize the aspiration of the Vision 2041. Understanding the importance, the government has been facilitating the private sector-led investment through initiatives, *inter alia*, improving the doing business index, establishing Economic Zones, and investing in infrastructure, power, and energy.

Figure 6b: Investment to GDP

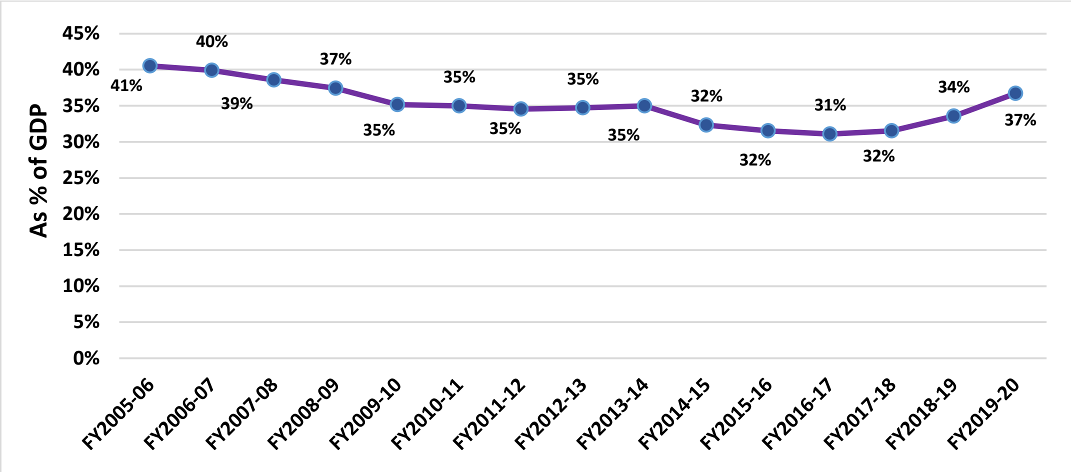


Source: Bangladesh Economic Review 2021, FD

4.2. Debt to GDP ratio and Financing Mix

The debt to GDP ratio represents the country's ability to pay back its debts. Bangladesh has been maintaining a low level of debt to GDP ratio since its independence. The low level of debt limits the country's exposure to shocks, domestic as well as external. As a result, the government has better manoeuvrability and can spend more on the priority/ thrust sectors without compromising the macroeconomic stability. While maintaining a steady declining trend until FY2016-17, the debt to GDP ratio has been increasing since then although remains within a comfort zone.

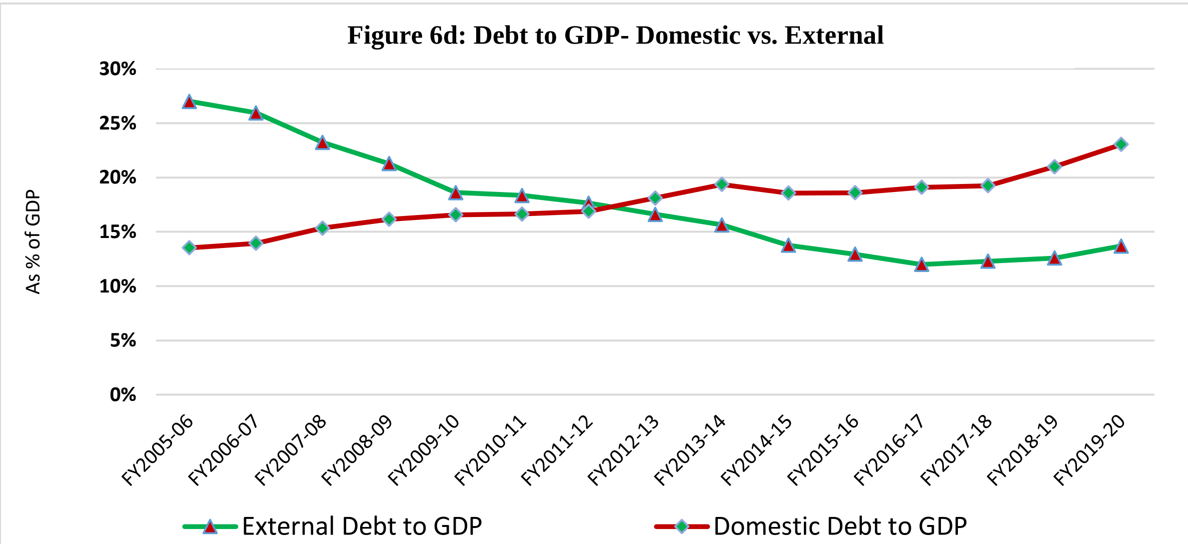
Figure 6C: Total Debt to GDP



Source: Bangladesh Economic Review 2021, FD.

As far as financing is concerned, there has been a shift from external to domestic sources in recent years. The financing from the external sources has reduced from 27 per cent in FY2005-06 to 13.68 per cent in FY2019-20, whereas financing from the domestic sources increased from 14 per cent to 24 per cent during the same period, as a percentage of GDP. This indicates some development of the domestic debt market and deepening of the overall financial sector, which is much needed for smooth navigation through the upcoming challenges of graduation. This positive movement is attributable to various reform initiatives being implemented by the government and the central bank.

With the increasing share of relatively costly domestic sources in the financing mix, the



Source: FD, ERD

Government's interest spending is increasing. This is, mainly, due to the dominance of the NSCs in domestic financing and their administered interest rates. The gradual contraction of concessional external financing and expansion of the semi-concessional external financing have also contributed to the rising interest expenditure.

As a whole, rising debt to GDP, increasing pressure on interest expenditure, and shrinking concessional external financing would be the major challenges of debt management in Bangladesh over the medium term. However, it is expected that an increase in revenue collection supported by planned modernization of revenue administration and a resurgence in economic growth resulting from a steady & proactive economic policy coupled with a series of continuing reforms will more than offset the challenges posed by high debt. Moreover, sustained macroeconomic stability resultant from well-coordinated fiscal and monetary policy, and a sound external sector will continue to help maintain the debt sustainability in the future.

4.3. Fiscal Sector

The robust economic growth of Bangladesh is an outcome of a combination of government policies that complemented each other. A prudent and consistent fiscal policy accompanied by a series of reform initiatives contributed the most to the high trajectory of growth over the past decade. Nonetheless, subdued revenue mobilisation and weak project implementation in the public sector remain to be the major concern on the fiscal front.

4.3.1. Revenue Mobilization as % of GDP

Revenue mobilisation is the weakest link of the fiscal sector. This weakness not only handicaps the government's ability to invest but also makes sustainable debt management difficult and sometimes, risky. The revenue as a share of GDP has remained persistently low.

Figure 6e: Total revenue to GDP

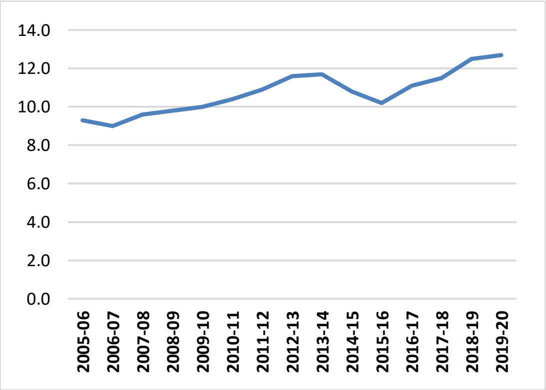
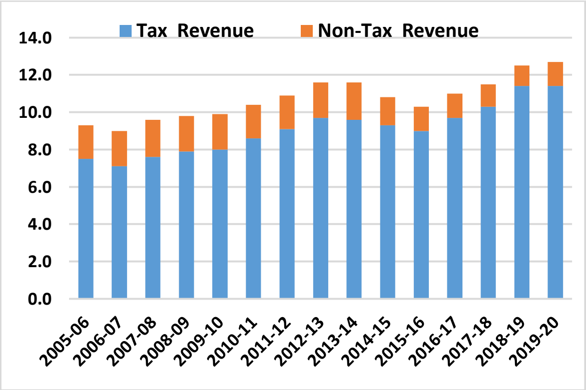


Figure 6f: Revenue to GDP: Tax vs. NTR



Source: Bangladesh Economic Review 2021, FD.

The total revenue as a share of the GDP was just over 12 per cent in FY2019-20 (figure 4e). The pandemic made this situation even worse in FY2020-21 as it slides further to 11.7 per cent[7] of GDP. More specifically, the fiscal space is constrained by very low tax revenue. In addition, the contribution of non-tax revenue has become narrower in the recent past, whereas tax revenue has grown marginally as a per cent of GDP. It is expected that reform initiatives such as enactment and enforcement of the new VAT law, automation of tax collection, the introduction of an automated Challan System in revenue collection and strengthening the capacity of NBR will enhance revenue mobilisation in the coming years which may ease the upward pressure on the debt.

[7] Provisional Data.

4.3.2. Budget Deficit and Expenditure as % of GDP

Although the gross public expenditure has been growing over the years, the government has established a track record of maintaining an overall deficit within 5 per cent of GDP. However, during the pandemic, the government had to allocate a lot more resources to the health sector. At the same time, the government offered a series of stimulus packages in the form of wage support, working capital loans, and social assistance to prop up the most vulnerable sectors, in particular, and provide adrenaline boosts to the sluggish economy, in general. Some space for additional spending was created through curtailing non-priority current spending and the suspension of low-priority capital projects. The spending, though widened the budget deficit, was necessary.

Figure 6g: Total revenue and Exp. as % GDP

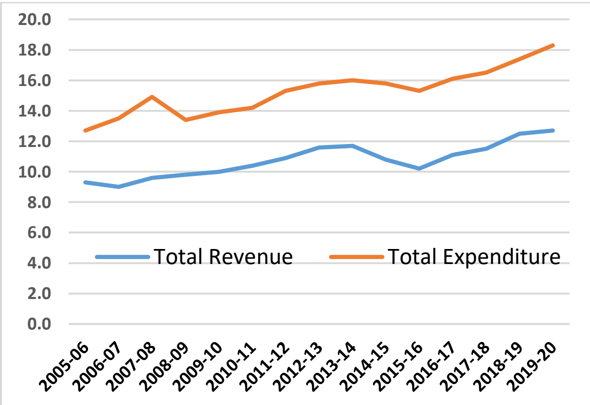
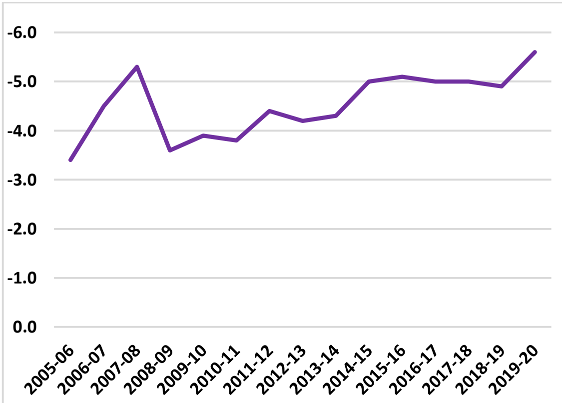


Figure 6h: Budget deficit as % GDP



Source: Bangladesh Economic Review 2021, FD.

While increased spending as an immediate policy response to the pandemic has been justified for a faster recovery, the upward trend of the debt to GDP ratio is an issue of concern for the medium and long term. The gap between total revenue[8] and expenditure as a per cent of GDP has widened in recent years. The budget deficit[9] was 5.5 per cent of GDP in FY2019-20 and it increased to 6 per cent of GDP in FY2020-21. Nevertheless, an expected boost in revenue mobilisation, efficient implementation of projects, and a gradual rebound of the economy are expected to bring the deficit back to the established target of 5 per cent of GDP and will allow the government more fiscal space to expand developmental and social spending.

4.4. External Sector

The external sector of the economy is performing reasonably well thereby helping to maintain macroeconomic stability and enhance growth.

4.4.1. The scenario of export, import, remittances, and foreign currency reserve

In general, exports, imports and remittances have shown a positive trend except for FY2019-20 which is an obvious consequence of the pandemic. The significant growth of imports is dominated by capital machinery and equipment, thereby having a positive impact on economic growth. In addition, the continuous and robust growth in remittances has provided extra room

[8] Revenue is excluding grants
[9] Deficit is also excluding grants

to undertake large projects that have an immediate impact on the economy and at the same time, maintain a relatively favourable BoP. It also helped to build a comfortable foreign exchange reserve. The foreign exchange reserve reached 36037 million USD in FY2019-20 and peaked at the end of June 2021 and reached US$ 46391 million.

Figure 6i: Growth rate of Export & Import

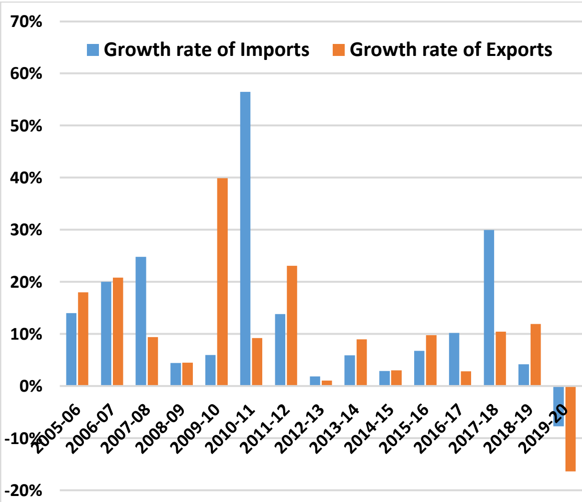


Figure 6j: Export, Import & CAB as % of GDP

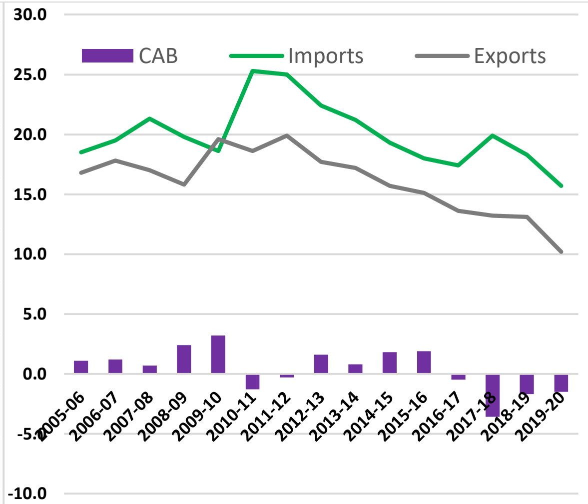


Figure 6k: Net inflow & growth of remittance

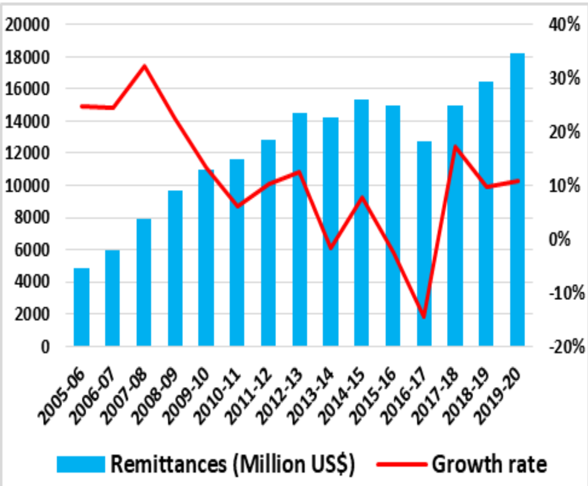
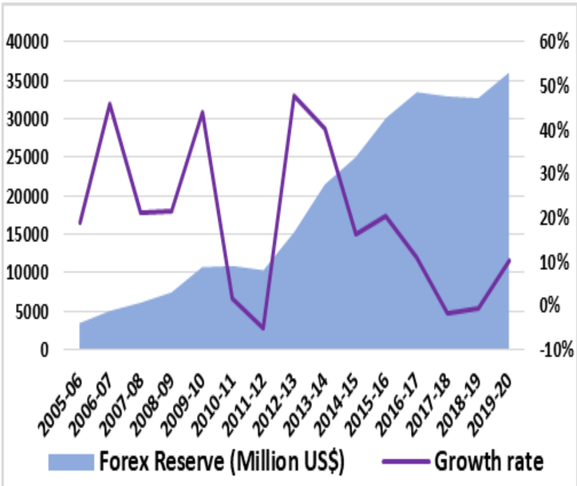


Figure 6l: Forex reserve and growth



Source: Bangladesh Economic Review 2021, FD and BB.

The government's cash incentives to the remitters sending remittances through the formal channel had a significant impact on the remittance inflow. The continuous growth of remittances as well as foreign currency reserves strengthened the external sector and reduced the vulnerability to service the external loans and other foreign obligations. It has also put Bangladesh in a positive light to the development partners and the foreign investors regarding the resilience and capability of the Bangladesh economy even in a worldwide pandemic.

4.4.2. External Debt Service to Export, Foreign Exchange Reserve, and Revenue

Figure 6m: External debt service to Export & Forex Reserve ratio

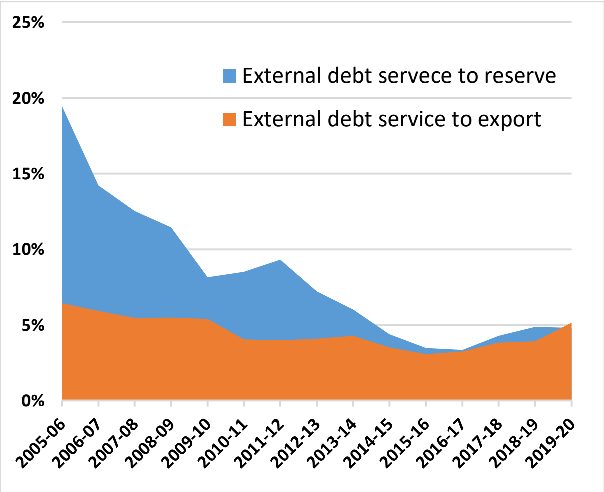
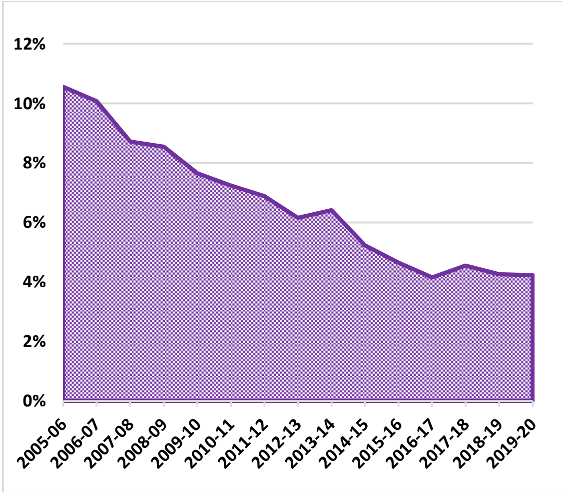


Figure 6n: External debt service to revenue ratio



Source: Bangladesh Economic Review 2021, FD and BB.

The external debt service to export, foreign exchange reserve, and revenue has declined over time. But the decline in debt service to export ratio from 6 per cent in FY2005-06 to 5 per cent in FY2019-20 is not satisfactory. It could have been better if the growth of export was much faster than that of debt service. However, a robust accumulation of reserves over the past years results in a decline in debt service to foreign exchange reserve ratio from 19 per cent in FY2005-06 to 5 per cent in FY2019-20. These indicators demonstrate a relatively comfortable environment for the debt management of the country.

5. Market environment

Bangladesh's economy is growing at a faster pace. However, it needs to grow even faster and for that to happen, the role of the market actors who are efficient and keyed into the developmental goals of the country is crucial. The financial sector is the most important part of the market as it enhances growth by helping to accumulate capital and ushers in technological progress. Recognising its importance, the government is implementing various reforms to address the weaknesses in the sector.

5.1. Money Supply, Inflation, Consumer Price Index, Real Interest Rate, and Exchange Rate

The broad money supply (M2) has increased over the years commensurate with the growth in the size of the economy of Bangladesh. Inflation has shown mostly a downward trend, coming down from 12 per cent in FY2007-08 to 5.5 per cent in FY2019-20. (CPI has increased during this time steadily dominated by food items remains a concern. The inflation of food items is also higher than the non-food item in recent years). The real interest rate has been declining over more than a decade with exceptions in FY2008-09, FY2013-14 & FY2018-19, which essentially indicates decreasing cost of funds. This is normally a good sign for private investment which, in reality, did not do much to spur the private sector to come forward with their investments in the productive sectors. The depreciation of BDT has remained moderate which is marginally favourable for export competitiveness and also, helps to maintain a predictable currency that does not spook the foreign creditors. On the other hand, as the external debt stock is low, the depreciation of BDT did not significantly impact debt management.

Figure 6o: Money supply and Inflation

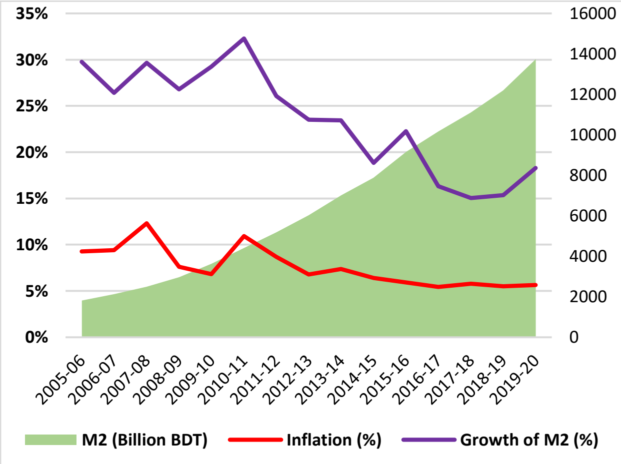


Figure 6p: CPI and Inflation

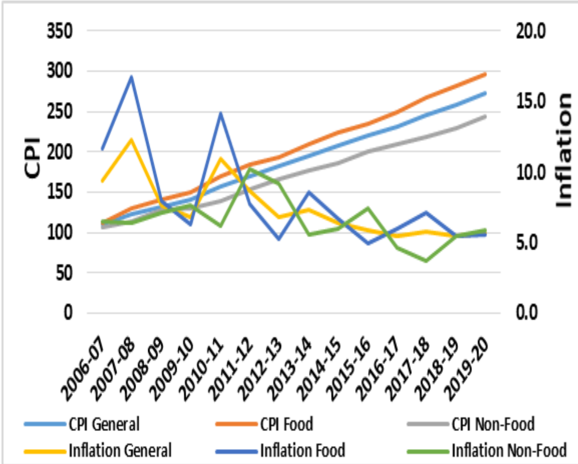


Figure 6q: Real Interest Rate

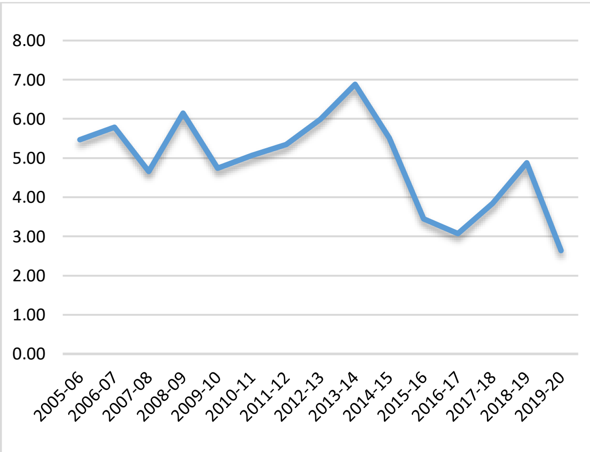
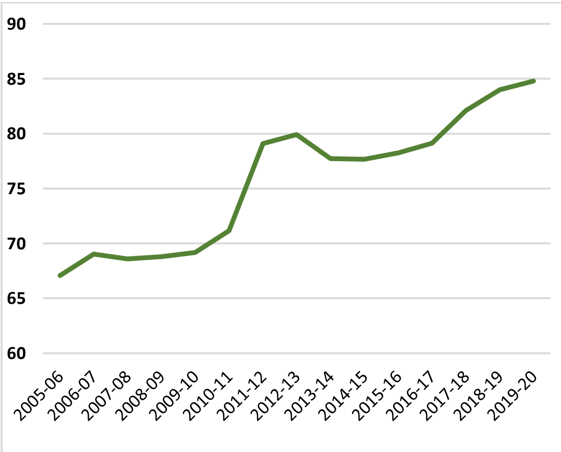


Figure 6r: Exchange Rate of BDT to USD



Source: Bangladesh Economic Review 2021, FD, and BB.

5.2. The domestic bond market and Capital Market

The financial sector of Bangladesh is developing gradually with supervision by the central bank. The major challenges of the financial sector are considered to be: an underdeveloped bond market for government security, Non-performing loans (NPL) in the banking sector, a volatile capital market, an underdeveloped insurance sector, and weak corporate governance. The government has initiated some reforms to develop the secondary bond market including its legal, regulatory, and operational framework, which could be the nucleus of the development of other indicators of the financial sector and a prospective source of long-term financing. NSCs, offering risk-free fixed interest rates above the market rates, is considered one of the major obstacles to the development of the domestic bond market. The government has automated the NSC management, lowered the interest rates of new issuances of NSCs, and linked rates to investment brackets to disincentivise investment from higher-income groups. This initiative, among others, will also improve the supply and regular issuance of government security, one of the pre-conditions to develop the secondary bond market and get an effective yield curve from the market.

6. Risks to the Baseline Macroeconomic Projections

While the economic outlook appears positive, some developments are probably transitory while some challenges remain with implications for debt management. Worldwide, there are ongoing waves of the Covid pandemic. In addition to the above growth risk to the budget, extending Covid support measures may be required with further fiscal implications. At the same time, the monetary situation, with excess liquidity and negative real interest rates, will redress itself (Table 3).

Table 3: Key Macroeconomic Risks and Implications for Debt Management Strategy

Indicators	Risks	Degree of Risk	Implications for Debt Management
GDP	A slowdown in economic growth due to second and third-round effects of the pandemic is still a real risk.	Medium	Growth risks can translate into lower government revenues and an increase in social expenditure, widening the fiscal deficit, and thereby, increasing the debt level and interest costs.
Fiscal Position	Extended Covid support measures may be required. While tax revenue is rising steadily, the tax base remains small.	Medium	Ongoing Covid support and/or a fall in taxes may lead to higher than anticipated financing needs and interest payments.
Balance of payments	Remittances provide a countervailing balance for oil price shocks. However, the recent surge in remittances may emanate from resettlement of the diaspora due to Covid-related factors which may have a permanent impact on future remittances growth.[10]	Low	Pressure on the external position may result in a weaker currency, directly affecting the external debt service in terms of local currency
Monetary conditions	Negative real interest rates and excess liquidity could be transitory with future recovery in credit offtake by the banking sector.	Medium	On reversing monetary policy, negative real rates, and inflation, borrowing costs of new debt in nominal terms would be increasing (especially for long-term domestic borrowing).
	Global inflation risk following shortages due to the recovery may feed through to domestic prices and lead to reversing the loose monetary policy stance.	Medium	

[10] Although the sharp rise in remittances in FY2021 has been due to a shift from informal to official channels of remittances being used by the diaspora, the risk of a lasting impact from diaspora resettlement cannot be ruled out.

7. Long-Term Structural Factors of Bangladesh Economy

Bangladesh is passing through a crucial phase of its history, as graduating from LDC to a developing country has multi-dimensional impacts on all sectors of the economy. According to the UN recommendation, the event will take place in 2026, two years later than the initial schedule of graduation due to the Covid. The up-gradation of economic status is long-awaited and prestigious for the nation, but some benefits that it is enjoying currently have to be sacrificed, especially the terms of trade and conditions of foreign financing will be tougher. As a result, the export sector will face new challenges, at the same time, less access to concessional financing will drive the government to borrow from semi-concessional and market sources which are relatively costly with rigid terms and conditions. This might be a drag on the economy as well as sustainable debt management. If it is not addressed in a cautious and planned manner. The graduation will also restrict the copyright/ patent facility that Bangladesh enjoys as an LDC. This will directly impact some important areas like the pharmaceutical sector as well as the production of services in the digital/ IT sector. The government is taking necessary measures including setting up appropriate sectoral committees. The committees are formulating policies and roadmaps for handling various aspects of graduation and mitigating the upcoming challenges.

7.1. Structural Risks for Debt Management

Debt management in Bangladesh has a key structural constraint, i.e. NSCs. The NSCs were initially introduced as a means of savings mobilization and to provide a safety net for certain groups of the population, including senior citizens and women. Contrary to its original goal, it has become a debt instrument for financing the government, making up 41 per cent of total debt. Interest payments to NSC holders take up to 60 per cent of the interest budget. While market-based rates have been falling over the recent years, NSC interest rates have remained unchanged at, on average, 11.5 per cent[11]. The widening spread seems a key driver of the recent volume increase. Recently the government has linked the issuance of NSCs to the purchasers' tax identification numbers (TIN). This requirement would make it possible to analyse the subscription pattern of NSCs by the income level enabling an assessment of the subsidisation of the NSC interest rate[12].

The mandatory savings policy for the public employees under the General Provident Fund provision is building significant future obligations as well, i.e., a debt of the government. Details of the financial operation of the GPF are a bit fungible due to its operational nature and are not considered a funded system. As interest is compounding each year until the retirement or a full withdrawal by an employee after a certain age of service, the interest cost doesn't directly hit the budget. At this stage of net contributions, the GPF currently finances fiscal deficits. As such, it would be useful to include this debt liability in the MTDS AT and more granularly analyse the cost-risk trade-off from this source. Thus, the financing from the GPF

[11] Before tax

[12] The interest rate of NSC has been reduced for the higher bracket of the investors in September 2021 to rationalize the subsidization, retaining the benefit for the marginal investors which is the main objective of NSC.

has been taken into account for a cost-risk analysis of current MTDS for getting a clearer picture of challenges for debt management.

Contingent liabilities of the government especially sovereign guaranteed debt of SOEs should ideally be included in comprehensive debt management. While the government-guaranteed debt remained low at 2.1 per cent of GDP at the end of FY2020-21, the contingent liabilities have not been considered in the model due to the less availability of detailed data. But the FD monitors the guaranteed debt regularly and remains cautious while providing a new guarantee for minimising the likely risks associated with it.

Table 4: Key Structural Risks and Implications for Debt Management Strategy

Source	Risks	Risk Level	Implications for Debt Management
Concessional financing sources	Access to concessional financing will decline due to graduation from LDC status.	Medium	Alternative financing from semi-concessional or market sources may open up but interest costs will rise.
National Savings Certificates	The NSC remains the major financing instrument to date despite some significant reform initiatives. The sensitivity of interest rate is apparent: when interest spreads increase, the volume jumps further.	High	Despite recent digitization and regulatory reforms, the NSC rates remain well above the market rate making it very costly and uncontrollable in terms of volume. The NSC constraints domestic financing via market-based instruments. This is also considered an impediment to developing the secondary bond market.
Contingent Liabilities	State-owned banks and enterprises contain hidden debt, potentially requiring bail-out support.	High	Risks of materialization of contingent liability risks, leading to debt liabilities by the government: • Balance sheet impact on State-Owned Commercial Banks from Covid-19 related regulatory forbearance which already has a high level of non-performing loans • Credit risk for SOE projects
Climate	The exposure to climate shocks is particularly relevant to Bangladesh and warrants a focus on climate financing	Medium	In the absence of centralised debt management with broad expertise, climate financing may not materialise.

8. Sources of Financing and Pricing Assumptions

The changing scenario of economic status will impact the country's potential funding sources and the costs and risks associated with financing availed from different sources.

8.1. External financing sources

The government has successfully diversified the financing from external official sources. Currently, the government has access to traditional concessional financing from the multilateral creditors, which include WB (IDA-Blend), ADB (Ordinary Capital Resources (OCR), and Concessional OCR Loan (COL)), and from the bilateral creditors, which include Japan (Japan

International Cooperation Agency: JICA), and South Korea (Economic Development Cooperation Fund: EDCF). In addition, since the last MTDS, the emerging creditors have played an increased role, which includes the Asian Infrastructure Investment Bank (AIIB), Islamic Development Bank (ISDB), European Investment Bank (EIB), China, and Saudi Arabia.

The current lending conditions have become less concessional. The lending terms from the major multilateral creditors have gradually shifted to slightly less concessional, though the Grant Elements (GE) remain above 35 per cent following the country's economic growth in the past 5 years. The World Bank shifted from IDA-only to IDA-Blend, and its interest rate increased, and the maturity period has been shortened. Also, ADB's OCR loans with variable interest rates increased. Further, an increase in the lending amounts from the emerging creditors resulted in a decline in the concessionality of the debt portfolio.

As a whole, the external financing sources are anticipated to become less concessional gradually, caused by the country's development trajectory. Followed by the major multilateral creditors, new lending terms from the traditional bilateral creditors are likely to be less concessional due to the graduation from LDC status. On the other hand, an improvement in the country's creditworthiness will enable the government to directly access the global capital markets, and potentially, issue an international bond, though it entails market-based costs.

8.1.1. External Debt Pricing Assumption

Relative to the last MTDS (2014), the current MTDS assumes less concessional terms, reflecting the current development in the external financing condition. Table 5 presents the lending terms, which are applied to the new external borrowings in the current MTDS. For the fixed interest rate instruments, which the government contracted in the past couple of years, the current interest rate levels are applied to future borrowings. For the variable interest rate instruments, which are based on the USD 6m LIBOR rates, the current fixed spread level is maintained. However, the future USD 6m LIBOR[13] or any other reference rate replaced in case of discontinuation of LIBOR is assumed to follow the current forward rate indicating rising LIBOR rates. The maturity and grace periods for new borrowings reflect the average of existing debt for each instrument.

Table 5: External debt pricing assumption

Instrument ID	Instrument Name	Interest rate type	Interest rate	Maturity (years)	Grace period (years)
USD_2	Multilateral_XDR_Fixed	Fix	2.00%	33	8
USD_3	Multilateral_USD_Floating	Variable	USD 6m LIBOR+70 bps	24	5
USD_4	Multilateral_USD_Fixed	Fix	2.00%	42	9
USD_5	Bilateral_USD_Fixed	Fix	1.00%	25	6
USD_6	Bilateral_USD_Floating	Variable	USD 6m LIBOR+140 bps	20	8
USD_7	Bilateral_JPY_Fixed	Fix	1.00%	36	10
EUR_8	Bilateral_EUR_Fixed	Fix	0.70%	23	8
USD_15	Retail_USD_Fixed	Fix	6.68%	3	2

[13] The LIBOR is supposed to be discontinued and a new suitable reference rate will be replaced after 31 December 2021.

8.2. Domestic sources

The G-Secs market provides a latent source of demand for absorbing new issuances in the absence of a vibrant market for alternative securities, however, the supply is strongly influenced by the flows in NSC retail instruments[14]. Due to the unabated flows in NSCs, the depth of the G-Secs market has been shrinking and has not grown above 10 per cent of GDP since FY2013-14. However, with growing borrowing requirements from the Covid-induced crisis, the trend has reversed with net issuance of G-Secs outstripping NSC sales since FY2019-20.[15] Demand for G-Secs has been stable as reflected by the bid-to-coverage ratio exceeding two since FY2013-14. The demand for bonds has been concentrated in maturities up to ten years, with around 85 per cent of the gross issuance evenly distributed across the 2, 5, and 10-year tenors during FY2019-20 and FY2020-21.

The G-Secs market is dominated by the banking sector which held around three-fourths of the outstanding stock at the end of FY2019-20, while domestic institutional investors held around one-tenth of the G-Secs. At the end of March 2021, G-Secs held by the banking sector represented 14.9 per cent of its total asset base, more than one-half of which were held in Held-to-Maturity (HTM) account. The domestic investor base could generate additional sources of demand for G-Secs with the evolving macro-financial conditions in the medium term. Any unfolding weakness in the banking sector health, especially in the state-owned commercial banks following the unwinding of regulatory forbearance could provide an additional source of demand for safe assets. At the same time, future growth of the domestic institutional investor base comprising pension funds, insurance companies, and mutual funds could also provide a fillip to greater demand.

8.2.1. Domestic Debt Pricing Assumption

In contrast to the current market conditions, the baseline scenario reflects the normalizing of the domestic market environment to the pre-pandemic level with rising yields over the medium term. Domestic yields at the end of FY2020-21 are at a historic low with negative real yields up to 10-year G-Secs, driven by monetary accommodation and liquidity overhang. To respond to the Covid-induced crisis, the policy rate and repo rate were reduced along with a significant injection of funds which may be challenging to sustain with reduced flexibility in the central bank's balance sheet and potential spill-over impact from the future increase in US interest rates. At the same time, a pick-up in private sector credit growth to a double-digit level is expected to warrant higher yield expectations with the disappearance of excess liquidity.[16] With around 42 per cent of marketable G-Secs held in Held-for-Trading (HFT) portfolio by the

[14] The stock market capitalisation of Dhaka Stock Exchange stood at 12.3 per cent at end-June 2020, less than one-fourth of other Asian emerging economies.

[15] Higher issuance of G-Secs increased the depth of G-Secs market to 10 per cent of GDP in FY2019-20 from 7.9 per cent in FY2018-19. The net issuance of G-Secs significantly outstripped sales of NSC in FY2019-20 although the wedge has narrowed in FY2020-21, thereby reversing the trend since FY2014-15.

[16] Private sector credit growth is expected to sharply increase from 8.4 per cent in FY/21 to 14.8 per cent in FY/22 as per the Monetary Policy statement of FY/22. Excess liquidity in the banking system stood at 7.5 per cent of GDP at the end of FY/21 with 65 per cent of the liquidity invested in G-Secs. At the same time, growth in banking sector deposits is projected to slow down with the normalization of remittances growth.

banking sector, any future rise in interest rates could result in an additional premium on future yields to compensate for the potential valuation loss on such holdings.

8.3. Financing Preference

The government aims to maximize the concessional financing to save borrowing costs, and the traditional sources will remain the government's preferred source of funding. The traditional external financing sources such as ADB, IDA, JICA, and EDCF remain cost-effective. If the external concessional financing appears to be not enough to meet the total financing requirement, the financing is planned to be sourced from the domestic market, through the issuance of government securities. The authorities are keen to strengthen the development of the domestic debt market by increasing the share of marketable securities in the medium term, and they embarked on policy reforms for the issuance of NSC. While the government aims to continue issuing Sukuks in the market, the issuance of Eurobond in the global market is not still seen as the first choice at this moment.

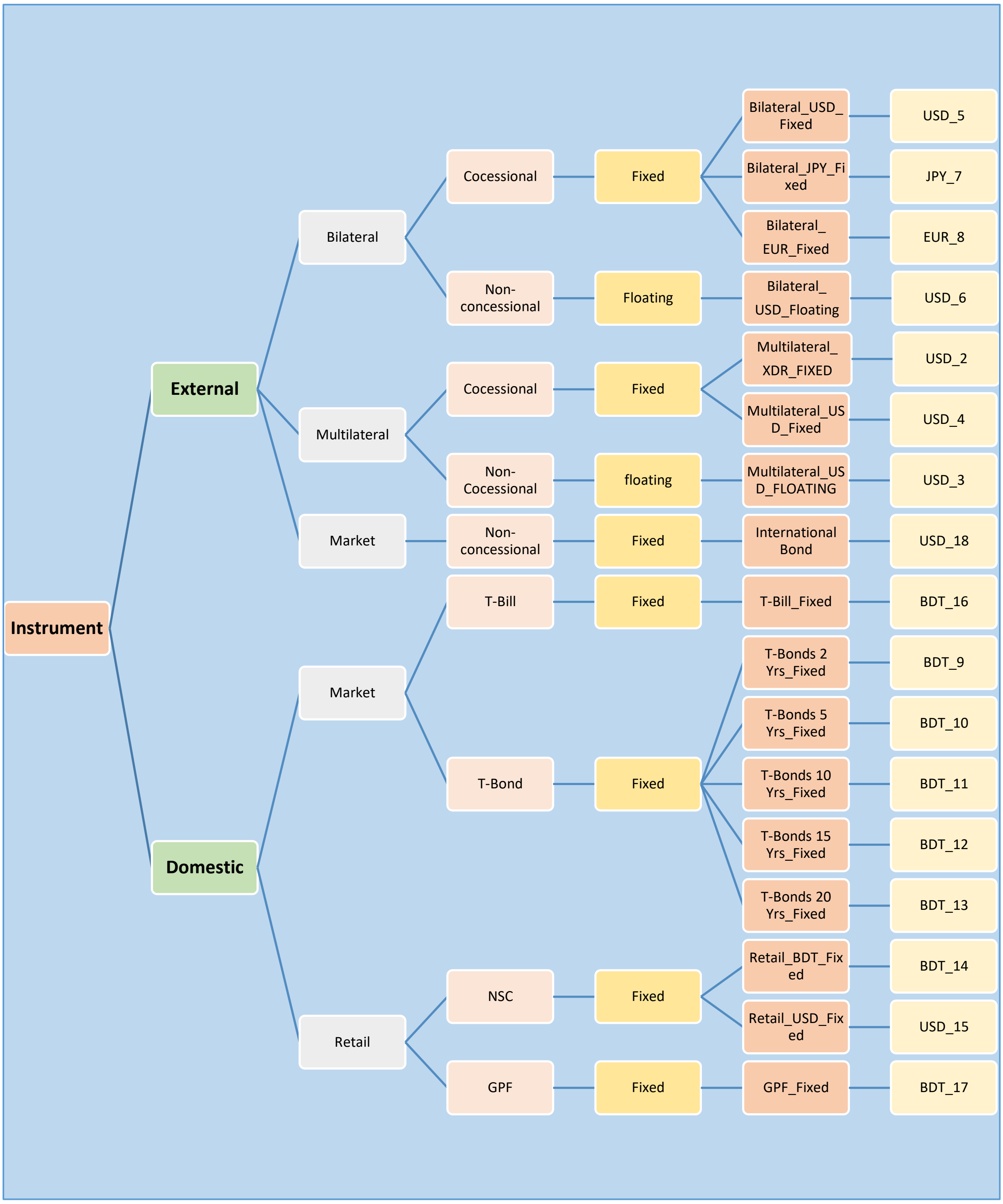
9. Assessment of Alternative Strategies based on the Cost-Risk Trade-off

9.1. Classification of Debt Instruments

The debt data has been prepared as representative instruments by 17 stylized instruments for the existing portfolio and an additional one (international bond) to be used for an alternative strategy. The MTDS requires that instruments in the existing debt portfolio must be classified into stylized instruments. Based on past borrowing decisions, those instruments were divided into Multilateral, bilateral, T-bonds, T-bills, Retail (NSC), and GPF. The portfolio of external debt was classified into concessional and non-concessional debt for loans from Multilateral and Bi-lateral sources where most of the external debt is concessional, with only one source (Bilateral floating) being non-concessional.[17] The country does not borrow from commercial sources or issue international bonds. Next, the portfolio was split into fixed and floating-rate instruments, with the fixed-rate share representing 88 per cent of the total. Currency aggregation was done keeping the main currencies of denomination (USD, EUR, and BDT). The portfolio of domestic debt was split into market and retail. T-bonds & T-bills are classified into the market instrument which is issued at market rate and NSC and GPF are classified into Retail instruments which are issued at administered rates.[18]

[17] The loans with GE of 35% or higher are considered concessional and less than 35% are considered non-concessional.
[18] The recently introduced Sukuk was classified under the 5-year G-Secs as they had similar tenor.

Figure 7: Flow-Chart of Representative Instruments used in MTDS AT

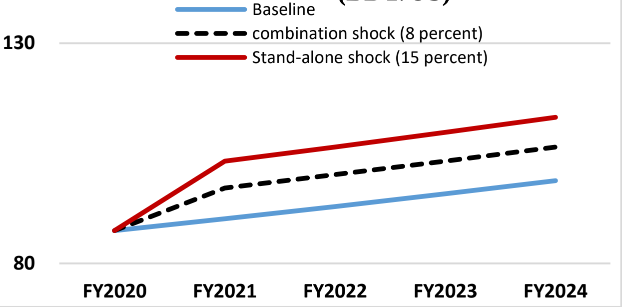


9.2. Description of Shock

The MTDS includes some shocks to be applied to the exchange rate and interest rates to assess the sensitivity of changes in market rates on the debt portfolio by implementing alternative debt strategies.[19]

Exchange rate (ER) shocks: In the baseline scenario, and based on the inflation differential with the US, the projected depreciation rate of the Taka vis-à-vis the US dollar is 3.1 per cent throughout the period. In addition, the analysis includes two ER shocks: (a) *Moderate shock:* an additional depreciation (on top of the depreciation assumed in the baseline) of 8 per cent in FY2021-22, which is applied in combination with the interest rate shock, and (b) *Large shock:* a depreciation of 15 per cent in FY2021-22. This shock is stand-alone.

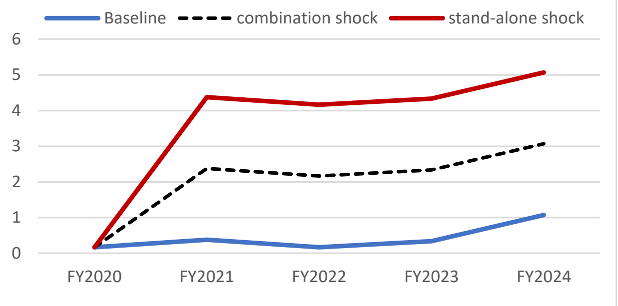
Figure 8a: Exchange rate assumption (BDT/US)



Source: MTDS AT

Shock to interest rates (IR): As with the exchange rate, there are interest rate shocks applied in this analysis: *(a) Moderate shock:* it is assumed that there is an increase in the international interest rate of 200 bps over the period FY2021-22/FY2023-24. This shock will impact external (variable rate) as well as domestic (marketable G-Secs) debt.[20] *(b) Extreme shock (stand-alone):* in this shock, the interest rate increase is 400 bps. Finally, it is assumed that given the size of the shock, official external creditors adjust the lending cost by raising the concessional rate by 100 bps to adjust their funding cost based on a sharp market re-pricing.

Figure 8b: 6-Month LIBOR USD



Source: MTDS AT

9.3. Description of Strategies

Four financing strategies are considered to meet the financing needs. The strategies reflect different ways to cover the Gross Financing Needs (GFN) during the period of FY2021-22 to FY2023-24. Provided that the government is not keen to consider the issuance of Eurobonds or any other International Bond during the horizon of this MTDS analysis, it has not been

[19] The shock scenarios applied in this analysis are similar to those applied in the previous MTDS report for FY2013-14.

[20] On the external side, the shock is applied to those loans at variable rates. On the domestic side, the assumption is that interest rate will go up in line with external rates and pricing of domestic instruments is assumed to be a function of international rates. As most of domestic instruments are issued at fixed rate, the shock will only affect the new debt issued in each year.

covered within any alternative strategy. The four alternative strategies are briefly described below.

Strategy 1: Status quo scenario (Continued Reliance on NSC)

Strategy 1 assumes the status quo, which replicates the financing pattern throughout FY20201-21 to the later years. The strategy envisages meeting 26.0 per cent of GFN through external financing. It also assumes a continued reliance on NSC (19.8 per cent of GFN), and T-bill issuances (20.0 per cent of GFN).

Table 6: Strategy 1 (per cent of GFN)

	FY2021	FY2022	FY2023	FY2024
External financing	26.0%	26.0%	26.0%	26.0%
Concessional (fixed interest rate loans)	17.5%	17.5%	17.5%	17.5%
Semi concessional (floating interest rate loans)	8.4%	8.4%	8.4%	8.4%
Domestic financing	74.0%	74.0%	74.0%	74.0%
NSC	19.8%	19.8%	19.8%	19.8%
T-bills	20.0%	20.0%	20.0%	20.0%
T-bonds	29.7%	29.7%	29.7%	29.7%

Source: MTDS AT

Strategy 2: MTMPS scenario (Higher External Concessional Borrowings)

Strategy 2 reflects the borrowing plan in Medium Term Macroeconomic Policy Statement (MTMPS) for FY2021-22 to FY2023-24, which aims to increase external financing. The strategy envisages meeting 36 per cent of GFN through external financing, and a marginal reduction in NSC by 5 percentage points by the end of FY2023-24. The shares of the concessional financing (fixed interest rate loans) and the semi-concessional financing (floating interest rate loans) are expected to increase, from the current level, by 5 percentage points respectively, to 22.5 per cent and 13.4 per cent of GFN in FY2023-24.

Table 7: Strategy 2 (per cent of GFN)

	FY2021	FY2022	FY2023	FY2024
External financing	26.0%	36.0%	36.0%	36.0%
Concessional (fixed interest rate loans)	17.5%	23.5%	21.6%	22.5%
Semi concessional (floating interest rate loans)	8.4%	12.4%	14.3%	13.4%
Domestic financing	74.0%	64.0%	64.0%	64.0%
NSC	19.8%	17.1%	15.8%	14.6%
T-bills	20.0%	12.2%	12.2%	12.2%
T-bonds	29.7%	28.1%	29.3%	28.9%

Source: MTDS AT

Strategy 3: Higher Share of External Semi-concessional Loans scenario

Strategy 3 assumes the government would access higher external financing, same as S2 by meeting 36 per cent of GFN through external financing. However, the semi-concessional financing will increase faster than the concessional financing, rising to 17.0 per cent of GFN by FY2023-24, which will be doubled from the current level. Meanwhile, the traditional concessional financing is expected to remain at the current level (18.9 per cent of GFN in FY2023-24).

Table 8: Strategy 3 (per cent of GFN)

	FY2021	FY2022	FY2023	FY2024
External financing	26.0%	36.0%	36.0%	36.0%
Concessional (fixed interest rate loans)	17.5%	18.0%	18.9%	19.9%
Semi concessional (floating interest rate loans)	8.4%	16.0%	17.8%	17.0%
Domestic financing	74.0%	64.0%	64.0%	64.0%
NSC	19.8%	17.2%	17.2%	17.2%
T-bills	20.0%	17.3%	17.3%	17.3%
T-bonds	29.7%	25.7%	25.7%	25.7%

Source: MTDS AT

Strategy 4: Greater NSC reforms and switching to the T-bonds scenario

Strategy 4 assumes a scenario with greater reform in NSC, where the share of NSC is expected to decrease to 5.1 per cent of GFN by FY2023-24, from 19.8 per cent in FY2019-20. At the same time, the T-bill issuances envisage a modest reduction, with the share of T-bills reducing to 15.5 per cent by FY2023-24. The reductions in NSC and T-bills are switched to greater issuance of the T-bonds, which is expected to increase by 20 percentage points from FY2020-21 to 49.0 per cent of total GFN in FY2023-24. In contrast, the share of external financing remains unchanged from S1.

Table 9: Strategy 4 (per cent of GFN)

	FY2021	FY2022	FY2023	FY2024
External financing	26.0%	26.0%	26.0%	26.0%
Concessional (fixed interest rate loans)	17.5%	17.5%	17.5%	17.5%
Semi concessional (floating interest rate loans)	8.4%	8.4%	8.4%	8.4%
Domestic financing	74.0%	74.0%	74.0%	74.0%
NSC	19.8%	8.0%	6.9%	5.1%
T-bills	20.0%	18.5%	17.0%	15.5%
T-bonds	29.7%	43.1%	45.7%	49.0%

Source: MTDS AT

9.4. Cost-risk Indicators: Baseline Scenario

The main cost-risk indicators for the four strategies considered in the MTDS under the baseline scenario suggest rising debt levels over the medium-term across all strategies while reliance on concessional external borrowings results in better risk exposure. A key output from this analysis suggests the debt level rise by 9.4 percentage points to 45.7 per cent of GDP by FY2023-24 under all the strategies (Table 10). Overall, strategy 2 seems to deliver the best cost-risk profile given its increased reliance on concessional external financing, except for its exposure to currency risk. Indicators of borrowing cost show that strategy 2 and 3 produces the lowest cost given their reliance on concessional financing.[21] In terms of refinancing risk, strategy 2 involves the lowest refinancing risk with its debt maturing in one year remaining at a low of 3.5 per cent of GDP by FY2023-24 and closely followed by strategies 3 & 4. On the other hand, regarding interest rate risk, strategy 4 produces the best ATR closely followed by strategy 2. Although strategy 2 scores the best, strategy 4 which relies more on G-Secs issuance along with reforms in NSC appears to be superior in terms of risk profile to strategy 1.[22] Strategy 4 has an additional benefit, the government would benefit from the development of the domestic bond market which is not reflected in the cost-risk indicators table.[23]

Table 10. Cost-risk indicators of the projected debt portfolio

COST-RISK INDICATORS - Baseline Scenario

Risk Indicators		2020	As at end 2024			
		Current	S1	S2	S3	S4
Nominal debt as percent of GDP		36.3	45.4	45.2	45.3	45.5
Present value debt as percent of GDP		32.0	39.3	38.3	38.4	39.4
Interest payment as percent of GDP		2.24	2.08	1.91	1.94	2.10
Implied interest rate (percent)		6.2	5.3	4.8	4.9	5.4
Refinancing risk2	Debt maturing in 1yr (as percent of total)	18.9	10.4	7.8	9.3	9.2
	Debt maturing in 1yr (as percent of GDP)	7.5	4.7	3.5	4.2	4.2
	ATM External Portfolio (years)	11.8	13.8	13.7	13.6	13.8
	ATM Domestic Portfolio (years)	3.7	5.7	5.3	5.6	6.6
	ATM Total Portfolio (years)	6.9	10.2	10.4	10.5	10.4
Interest rate risk2	ATR (years)	6.3	8.6	8.5	8.1	9.0
	ATR External portfolio (years)	10.2	11.0	10.5	9.7	11.0
	ATR Domestic portfolio (years)	3.7	5.7	5.3	5.6	6.6
	Debt refixing in 1yr (percent of total)	25.3	20.7	20.9	25.2	19.4
	Fixed rate debt incl T-bills (percent of total)	93.1	89.5	86.6	83.8	89.6
	T-bills (percent of total)	5.7	4.6	2.5	3.8	3.5
FX risk	FX debt as percent of total	38.0	41.0	46.5	47.4	40.7
	ST FX debt as percent of reserves	7.2	4.3	4.3	4.3	4.3

Source: MTDS AT

9.5. Cost-risk Indicators: Shock Scenarios

A cost-risk trade-off analysis suggests while all strategies perform very similarly for the debt-to-GDP measure, risks related to interest burden are superior for a strategy that relies on concessional loans and is closely followed by a strategy that relies on more marketable G-Secs. The following charts depict some cost-risk indicators at the end of the assessed period (FY2023-24) once shocks are applied. The debt-to-GDP ratio does not show much variation across strategies,[24] but still, it is reflecting what was observed above, that is strategy 2 is the one with the lowest cost and risks. In comparison, strategy 1 is the one with the highest cost

[21] In contrast, strategy 1 entails the highest cost as it is the one with continued reliance on NSC instruments, which are the most expensive form of borrowing. Thus, by FY/24, the implied interest rate increases to 5.8 per cent compared to a range of 5.1-5.6 per cent for the other alternative strategies (when measured in terms of GDP, the cost is 2.2 per cent vis-à-vis a range of 2.0-2.2).

[22] Although strategy 4 assumes reforms in NSC leading to lower sales of NSC, lower interest rates associated with such reforms are not explicitly assumed in the interest rate projections and could therefore score close to strategy 1 in terms of cost of debt.

[23] Note that the debt-to-GDP ratio (as of June 2020) in the table 10 is slightly lower (36.3) from the official number mentioned in the table 4c (36.7) due to data quality issues.

[24] Generally, a change in financing strategy takes time to feed through in the cost-risk parameters. The differences become more apparent when a longer horizon than three years is chosen.

and risk. In terms of interest burden measures (in per cent of GDP or revenues), the picture is similar, strategy 1 is the least preferred, and strategy 2 is slightly better than other strategies. As is seen above, strategy 4 shows a slightly lower cost but higher risk than strategy 1, even though both indicators are slightly worse than strategies 2 and 3. Noteworthy that this is happening because, by reforming the NSC market and issuing more market-determined instruments, strategy 4 is making the portfolio more sensitive to changes in interest rates. However, this cost should be weighed against the benefit brought about by this strategy.

Figure 9. Debt-to-GDP ratio

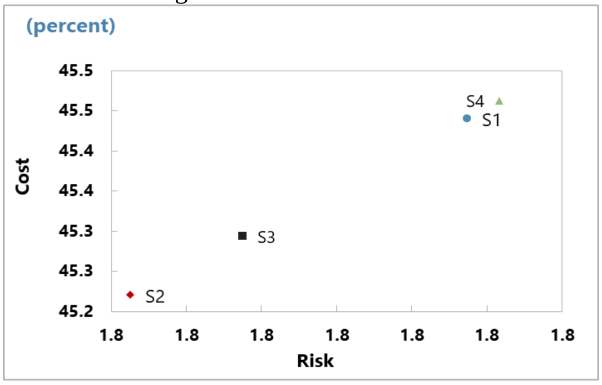


Figure 10. External Debt-to-GDP ratio

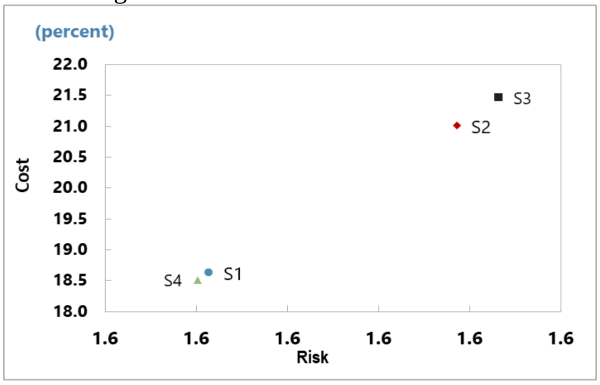


Figure 11. Interest-to-GDP ratio

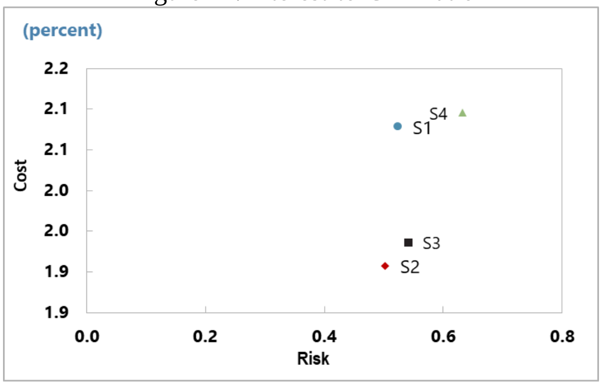
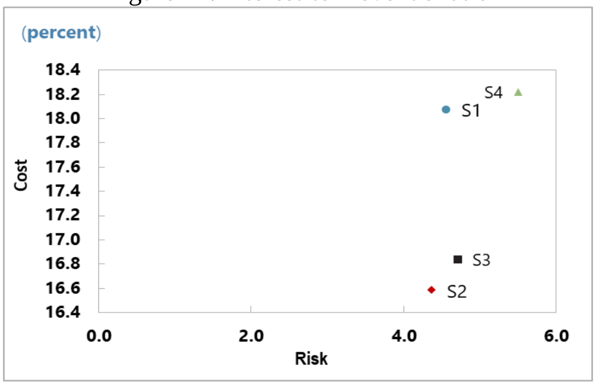


Figure 12. Interest-to-Revenue ratio



Source: MTDS AT

10. Recommendations

10.1. Benefits and Costs of Preferred Strategy

Even though strategy 2 (as articulated in the MTMPS) performs marginally better in terms of cost-risk trade-offs and also in terms of standalone risk exposures, it may not remain feasible for long. There has been a structural preference in budgetary projections on external loans, with the outcome of actual disbursements falling short by 63 per cent of the budgeted amount on an average during FY2016-17 and FY2019-20. Although the deviation with the actual outcome improved to 10 per cent in FY2020-21, mainly due to emergency financing provided by IFIs to deal with the Covid pandemic economic consequence, such volume of financing may not be available going forward as the impact of Covid dissipates. In addition, it is expected that the concessional financing window may remain open for some time even after 2026, *however*, given the growth trajectory, the IFIs and bilateral financing partners are also expected to squeeze the tap gradually. Moreover, this strategy would result in the highest exposure to currency risks which may be an important consideration from a long-term perspective as the economy opens up along with greater capital account liberalisation and associated exchange rate volatility. Thus, while strategy 2 remains the dominant strategy in the medium term, the government needs to consider other alternative strategies with relatively lower reliance on external concessional financing.

Strategy 3 is not considered a feasible strategy due to over-exposure to foreign currency debt highest among the four strategies, 47.4 per cent of total debt.

With the necessity to shift out of the current strategy (strategy 1) over time, and as the benefits from strategy 2 will phase out, strategy 4 appears to be the most beneficial in the long run with a focus on deepening the domestic debt market and considering other macro-financial issues. Besides contributing to capital market development for the economy, the sovereign balance sheet will have the lowest exposure to foreign currency risks. Greater reliance on local currency debt issuance will also avoid the need for sterilization especially when external borrowings are used for local currency project expenditure. This will therefore save interest costs associated with sterilization for the exchequer when compared to strategies with a higher degree of external borrowings. Such a strategy when accompanied by gradual reforms in the pricing of NSC, could also help to avoid the ongoing dis-intermediation of retail deposits for the banking sector with implications for the banking sector's resilience. This could be especially relevant when the high growth in remittances witnessed during the pandemic normalizes thereby inhibiting deposit growth.

With a growing volume of G-Secs, the repo market could be further deepened which could facilitate a stronger transmission mechanism of monetary policy. Moreover, a developed and deepening domestic bond market is one of the necessary preconditions for the transition from a middle-income country to a developed one. As the economy is graduating from LDC to a developing country by 2026 officially, it needs to create room and take necessary measures to develop the domestic bond market for keeping the pace of economic growth through maintaining fiscal sustainability and avoiding the middle-income trap as a developing country.

But, as the difference between commitment and actual disbursement of concessional financing is significant (excepting the COVID years) and LDC graduation may reduce the inflow of concessional external funds even further, strategy 4 has been considered the alternate strategy which focuses on long-term market borrowing intending to reform and reduce retail financing. Hence, the current MTDS recommends a blend of both the strategies 2 and 4, i.e. strategy 2 should be adopted over the medium term in tandem with new and continuing reforms in the debt management so as to transition towards strategy 4 gradually in the long run.

The Finance Division, among other entities, duly recognises the necessity of reforms. Recently initiated but the long-overdue overhaul of the NSCs and GPF management, as well as pricing reforms, points to the commitment of the government to that end.

10.2. Implementation of the Preferred Strategy: Challenges and Way Forward

The implementation of the strategy would be a challenge for the debt management entities if the recommended reforms are not possible to carry forward. Implementation challenges arise when actual borrowing operations are not properly aligned to the approved strategy. Formally adopting a debt management strategy facilitates a proper structure of delegation and accountability. The MTDS provides an opportunity to communicate important reforms/policy measures that would require to be initiated to support the strategy. This would work only in conjunction with solid accountability, requiring accurate and timely reporting. It also needs active coordination among the debt management offices. It is expected that the currently prevailing coordination among the offices through CDMC, CDMTC, and MTDS working groups, where the FD debt management branch is playing a catalytic role, would help implement the strategy to a great extent. Importantly though, the strong commitment to implementing the debt management strategy from the highest policy level remains unwavering and will go a long way to implement the current MTDS.

Appendix-1

List of Guarantees/Counter Guarantees

(Valid beyond June 30, 2020)

(Tk. in crore)

Sl No	Purpose of Guarantee/ Counter Guarantee	In Favour Of	Date of Issue /Extension	Guaranteed Amount	Outstanding Amount
Agriculture				**8,055.37**	**3,680.94**
1	Agricultural Credit Programme of Bangladesh Krishi Bank (cumulative arrear for the period before 31/12/2003)	Bangladesh Bank	6/29/2004 (29/08/2009)	3,355.27	2,057.94
2	Agricultural Credit Programme of Bangladesh Krishi Bank (2003-04)	Bangladesh Bank	1/27/2004 (29/08/2009)	300.00	4755.27
3	Agricultural Credit Programme of Bangladesh Krishi Bank (2004-05)	Bangladesh Bank	17/08/2004 (29/08/2009)	500.00	
4	Agricultural Credit Programme of Bangladesh Krishi Bank (2007-08)	Bangladesh Bank	11/25/2007 (29/08/2009)	500.00	
5	Agricultural Credit Programme of Bangladesh Krishi Bank (2008-09)	Bangladesh Bank	1/2/2009 (29/08/2009)	100.00	
6	Agricultural Credit Programme of Rajshahi Krishi Unnayan Bank (cumulative arrear for the period before 31-12-2003)	Bangladesh Bank	29/6/2004	1,275.10	623.00
7	Agricultural Credit Programme of Rajshahi Krishi Unnayan Bank (2003-04)	Bangladesh Bank	1/31/2004 (29/08/2004)	200.00	1025
8	Agricultural Credit Programme of Rajshahi Krishi Unnayan Bank (2004-05)	Sonali, Janata, Agrani, Rupali Bank	11/12/2004 (29/08/2009)	300.00	
9	Agricultural Credit Programme of Rajshahi Krishi Unnayan Bank (2005-06)	Bangladesh Bank	20/12/2005 (29/08/2009)	125.00	
10	Agricultural Credit Programme of Rajshahi Krishi Unnayan Bank (2007-08)	Bangladesh Bank	11/25/2007 (29/08/2009)	200.00	
11	Agricultural Credit Programme of Rajshahi Krishi Unnayan Bank (2008-09)	Bangladesh Bank	2/1/2009 (29/08/2009)	200.00	
12	Agricultural Credit Programme of Rajshahi Krishi Unnayan Bank (2019-20)	Bangladesh Bank	29/06/2019	500.00	500.00
13	Agricultural Credit Programme of Rajshahi Krishi Unnayan Bank (2020-21)	Bangladesh Bank	20/03/2020	500.00	500.00
Biman				**13,727.63**	**10,279.00**
1	Senior Loan for purchasing 1st 777-300 Boeing by Bangladesh Biman	JP Morgan	20/10/2011	1,079.50	324.00
2	Senior Loan for purchasing 2nd 777-300 Boeing by Bangladesh Biman	JP Morgan	20/10/2011	1,088.00	346.00
3	Senior Loan for purchasing 3rd 777-300 Boeing by Bangladesh Biman	US EXIM	5/2/2014	1,173.00	611.00
4	Senior Loan for purchasing 4th 777-300 Boeing by Bangladesh Biman	JP Morgan	21/03/2014	1,173.00	612.00
5	Senior & Junior Loan for purchasing 1st 737-800 Boeing and Junior Loan for purchasing 2nd 737-800 Boeing by Bangladesh Biman	Sonali Bank	9/3/2017	565.25	233.00
6	Senior Loan for purchasing 2nd 737-800 Boeing by Bangladesh Biman	US EXIM	22/06/2017	332.78	247.00
7	Senior Loan for purchasing 1st 787-8 Boeing by Bangladesh Biman	HSBC	22/11/2018	881.22	771.00
8	Junior Loan for purchasing 1st 787-8 Boeing by Bangladesh Biman	HSBC	22/11/2018	205.95	180.00
9	Senior Loan for purchasing 2nd 787-8 Boeing by Bangladesh Biman	HSBC	12/8/2018	882.56	791.00
10	Junior Loan for purchasing 2nd 787-8 Boeing by Bangladesh Biman	HSBC	12/8/2018	207.36	186.00
11	Loan for purchasing 3rd 787-8 Boeing by Bangladesh Biman	Sonali Bank	17/07/2019	1,045.50	977.00
12	Loan for purchasing 4th 787-8 Boeing, an APU, and a spare engine by Bangladesh Biman	Sonali Bank	9/3/2019	1,258.00	1,227.00

13	Loan for purchasing 1st & 2nd 787-9 Boeing and a spare engine by Bangladesh Biman	Sonali Bank	12/12/2019	2,709.00	2,654.00
14	Loan for purchasing 3 Dash-8 Q 400 Aerocraft, a spare engine, and an APU	Sonali Bank	28/10/2019	126.51	120.00
15	Loan for Working Capital of Bangladesh Biman under Motivational Package for Corona outbreak situation	Sonali Bank	4/5/2020	1,000.00	1,000.00
Energy				1,700.00	1,198.50
1	Financing from ITFC to import Crude and Refined Petroleum by BPC	Bangladesh Bank	1/1/2018	850.00	595.00
2	Financing from ITFC to import Crude and Refined Petroleum by BPC	Bangladesh Bank	1/1/2018	425.00	178.50
3	Financing from ITFC to import Crude and Refined Petroleum by BPC	Bangladesh Bank	1/1/2018	425.00	425.00
Telecom				1,460.90	1,168.72
1	Bangabandhu Satellite Lauching Project (BSLP)	HSBC	24/9/2016	1,460.90	1,168.72
Power				50,512.01	33,741.95
1	Financing for Ashugonj 450MW CCPP by APSCL	HSBC (UK) Ltd (Security Agent).	27/12/2012	3,360.00	2,458.83
2	Financing for Ashugonj 225MW CCPP by APSCL	Standard Chartered Bank	17/01/2013	1,544.00	1,188.52
3	BPDP-RPCL Powergen co. Ltd	ICBC, Jiangshu	23/10/2013	1,112.00	1,112.00
4	BPDB for Shahjibazar 330 MW CCPP Power Plant	HSBC,ICBC, China EXIM	15/04/2014	2,057.12	1,587.66
5	Barapukuria 275 MW Coal Power Extension Project (3rd Phase)	ICBC Bank, China	16/02/2015	1,824.00	1,744.14
6	Ghorasal 365 MW CCPP	ICBC Bank, China	16/02/2015	1,768.00	1,755.50
7	Chapainawabgonj 100 MW ± 10% HFO Power Project	HSBC	4/11/2015	904.00	711.13
8	Ghorasal 3rd Unit Re-power Project	HSBC	11/5/2016	2,664.00	2,391.12
9	Bibiyana III -400 MW Gas based CCPP Project	JBIC	11/5/2016	2,240.00	1,596.66
10	Sirajganj 225 MW Combined Cycle Power Plant (2nd Unit) Project by Northwest Power Generation Co Ltd	Standard Chartered Bank	15/11/2015	1,702.69	1,358.32
11	Sirajganj 225 MW Combined Cycle Power Plant (3rd Unit) Project by Northwest Power Generation Co Ltd	Standard Chartered Bank	10/1/2017	1,672.20	1,487.22
12	Rampal 1320 MW Coal-Fired Power Plant Project implemented by BIFPCL.	EXIM Bank of India	9/4/2017	12,800.00	3,902.89
13	1320 MW Paira Thermal Power Plant implemented by Bangladesh-China Power Company (Pvt) Ltd (BCPCL) -Loan Agreement	EXIM Bank of China	31/12/2017	16,864.00	12,447.96
BCIC				15,850.00	5,443.82
1	Ghorasal-Polash Urea Fertilizer Project	JBIC	7/11/2019	1,050.00	2,672.54
2	Importing Urea by BCIC	Sonali Bank Ltd.	01.07.2018	3,000.00	1,628.51
3	Importing Urea by BCIC	Janata Bank Ltd.	01.07.2018	1,000.00	644.74
4	Importing Urea by BCIC	Rupali Bank Ltd.	01.07.2018	200.00	148.95
5	Importing Urea by BCIC	Bangladesh Krishi Bank	01.07.2018	400.00	281.02
6	Importing Urea by BCIC	Basic Bank Ltd.	01.07.2018	200.00	68.06
Miscellaneous				7,433.81	5,140.14
1	Working Capital loan for sugar mills under Bangladesh Sugar and Food Industries Corporations	Sonali Bank Ltd.	18/06/2007	40.00	30.44
2	Working Capital loan for sugar mills under Bangladesh Sugar and Food Industries Corporations	Janata Bank Ltd.	18/06/2008	30.00	50.23
3	Transferring existing Cash Credit loan balance of Jute mills under BJMC to a blocked account	Sonali, Janata, Agrani, Rupali	8/2/2010	637.53	637.53
4	Working capital for 16 running mills of BJMC	Sonali Bank Ltd.	15/9/2010	109.85	109.85
5	Working capital for 16 running mills of BJMC	Janata Bank Ltd.	15/9/2010	264.10	264.10
6	Working capital for 16 running mills of BJMC	Agrani Bank Ltd.	15/9/2010	62.95	62.95

7	Working capital for 16 running mills of BJMC	Rupali Bank Ltd.	15/9/2010	63.10	63.10
8	To sustain the ongoing micro-credit program of Ansar VDP Unnayan Bank	Bangladesh Bank	18/11/2009	20.00	20.00
9	To sustain the ongoing credit program of Ansar VDP Unnayan Bank	Bangladesh Bank	5/4/2015	100.00	100.00
10	Loan from BB by Ansar-VDP Bank	Bangladesh Bank	14/12/2015	15.00	15.00
11	Loan from BB by Ansar-VDP Bank	Bangladesh Bank	12/2/2018	200.00	200.00
12	Loan from BB by Ansar-VDP Bank	Bangladesh Bank	9/4/2017	100.00	100.00
13	LOAN from BB by Karmasangsthan Bank	Bangladesh Bank	24/12/2015	15.00	15.00
14	LOAN from BB by Karmasangsthan Bank	Bangladesh Bank	30/10/2017	100.00	100.00
15	LOAN from BB by Karmasangsthan Bank	Bangladesh Bank	25/06/2018	100.00	100.00
16	Import of Suger by TCB under LTR facility	Sonali Bank Ltd.	28/01/2019	12.72	5.92
17	Import of Soabin Oil by TCB under LTR facility	Sonali Bank Ltd.	28/01/2019	19.46	8.61
18	Import of Red Lentil by TCB under LTR facility	Sonali Bank Ltd.	9/9/2019	4.09	3.84
19	Import of Soabin Oil by TCB under LTR facility	Sonali Bank Ltd.	11/12/2009	13.19	12.11
20	Purchase of Suger by TCB under LTR facility	Sonali Bank Ltd.	11/12/2019	13.98	12.83
21	Purchase of Cheak Pea by TCB under LTR facility	Sonali Bank Ltd.	15/03/2020	16.39	14.81
22	Purchase of Red Lentil by TCB under LTR facility	Sonali Bank Ltd.	15/03/2020	5.46	5.20
23	Purchase of Red Lentil by TCB under LTR facility	Sonali Bank Ltd.	15/03/2020	4.06	3.38
24	Import of Onion by TCB under LTR facility	Sonali Bank Ltd.	15/03/2020	5.33	4.94
25	Purchase of Suger by TCB under LTR facility	Sonali Bank Ltd.	15/03/2020	15.49	14.75
26	Purchase of Soabin Oil by TCB under LTR facility	Sonali Bank Ltd.	15/03/2020	13.53	12.89
27	Purchase of Soabin Oil by TCB under LTR facility	Sonali Bank Ltd.	30/04/2020	41.63	41.63
28	Purchase of Soabin Oil by TCB under LTR facility	Sonali Bank Ltd.	30/04/2020	45.20	45.20
29	Purchase of Soabin Oil by TCB under LTR facility	Sonali Bank Ltd.	30/04/2020	45.20	45.20
30	Purchase of Red Lentil by TCB under LTR facility	Sonali Bank Ltd.	30/04/2020	21.42	21.42
31	Purchase of Dates by TCB under LTR facility	Sonali Bank Ltd.	30/04/2020	2.69	2.69
32	Purchase of Dates by TCB under LTR facility	Sonali Bank Ltd.	30/04/2020	4.38	4.38
33	Import of fertilizer by BADC	Sonali Bank Ltd.	26.07.2018	2,500.00	2,008.71
34	Import of fertilizer by BADC	Janat Bank Ltd.	26.07.2018	2,500.00	795.10
35	Land Acquisition of BEZA for Shrihatwa Economic Zone	Bangladesh Infrustructure Finance Ltd (BIFFL)	06.10.2015	292.06	208.33
Total amount of Guarantee/Counter Guarantee				98,739.72	60,653.07

EXPLANATORY NOTES

* The Government provides Guarantees and Counter-Guarantees against loans negotiated by various State-owned financial and non-financial enterprises. Most of them are for implementing different public policies and programs. If the contracting organizations fail to pay their loan in time, the guarantees are invoked and the liabilities for payment are passed on to the Government. Consequently, this may have future fiscal implications. For transparency, a list of such guarantees (valid beyond 30th June 2020) is appended.

* Each Guarantee/Counter Guarantee in this list has been demonstrated in face value and the outstanding amount has been shown against each Guarantee also.

Appendix-2

List of Ongoing, Pipeline and in principle approved PPP Projects

(Source: PPP Authority)

SL	Sector	Project Name	Ministry/Division	Contracting Authority	Status	Project Cost US$m	Private Partner
1	Health	Hemodialysis Centre at National Institute of Kidney Diseases and Urology (NIKDU) and Chittagong Medical College Hospital.	Ministry of Health and Family Welfare	DGHS	Operational stage	3	Sandor Dialysis Services Bangladesh Pvt. Ltd. (International)
2	Transport	Dhaka-Elevated Expressway	Bridges Division	Bangladesh Bridge Authority	Construction Stage	1,243	Italian-Thai Development Company Ltd (International)
3	Transport	Upgrading of Dhaka Bypass to 4 Lane (Madanpur-Debogram-Bhulta-Joydebpur).	Road Transport and Highways Division	Roads and Highways Department	Construction Stage	359	Sichuan Road and Bridge Group Consortium (International)
4	Real Estate	Construction of High-rise Residential Apartment Building for Low and Middle Income Group of People at Jhilmil Residential Project Dhaka.	Ministry of Housing and Public Works	Rajdhani Unnayan Kartripakkha (RAJUK)	Construction Stage	1,174	BNG Global Holdings SDN BHD (International)
5	IT	Bangabandhu Hi-Tech City (Block 2&5)	ICT Division	Bangladesh Hi-tech Park Authority	Construction Stage	210	Summit Technopolis
6	IT	Bangabandhu Hi-Tech City (Block 3)	ICT Division	Bangladesh Hi-tech Park Authority	Construction Stage	25	Bangladesh Technosity Limited
7	Transport	2 Jetties at Mongla Port through PPP.	Ministry of Shipping	Mongla Port Authority	Construction Stage	94	Powerpac Ports Limited (Local)
8	Industry	Economic Zone 4: Mongla.	Prime Minister's Office	BEZA	Construction Stage	12	Powerpac Economic Zone Private Limited (Local)
9	Industry	Economic Zone 2: Mirsarai.	Prime Minister's Office	BEZA	Construction Stage	735	POWERPAC-East West- GASMIN Consortium (Local)
10	Health	Oboshor: Senior Citizen Health Care and Hospitality Complex at Sreemangal.	Ministry of Social Welfare	Department of Social Services	CP Stage	10	Universal Medical College and Hospital Limited (Local)
11	Real Estate	Construction of Satellite Township with Multi-storied Flat Building at Section 9, Mirpur.	Ministry of Housing and Public Works	National Housing Authority	CP Stage	44	Tropical Homes Ltd. (Local)
12	Industry	Development of Textile Mill at Demra, Dhaka.	Ministry of Textile and Jute	BTMC	CP Stage	40	Consortium of Tanjina Fashion
13	Industry	Development of Textile Mill at Tongi, Gazipur.	Ministry of Textile and Jute	BTMC	CP Stage	50	Consortium of Orion
14	Water, Sanitation & Hygiene	Installation of Water Supply, Sewerage, Drainage System & Solid Waste Management System in Purbachal New Town.	Ministry of Housing and Public Works	Rajdhani Unnayan Kartripakkha (RAJUK)	CP Stage	80	Delcot Bangladesh
15	Health	Medical College and Modernization of Railway Hospital at CRB in Chittagong.	Ministry of Railway	Bangladesh Railway	CP Stage	47	United Group
16	Transport	Improvement of Hatirjheel (Rampura Bridge)-Shekherjaiga-Amulia-Demra Road.	Road Transport & Highways Division	Roads and Highways Department	CP Stage	261	Consortium of CCCCL and CRBC

17	Real Estate	Development of Shopping Mall with Hotel-cum-Guest House at Bangladesh Railway Land near Chittagong Railway Station, Chittagong	Ministry of Railway	Bangladesh Railway	CP Stage	6	Epic Group
18	Tourism	Development of Integrated Tourism & Entertainment Village at Cox's Bazar.	Ministry of Civil Aviation and Tourism	Bangladesh Parjatan Corporation (BPC)	Contract to be Signed	100	Orion Group (Local)
19	Tourism	Establishment of 5 Star Hotel with other Facilities at the Existing Parjatan Motel Sylhet Compound of BPC Sylhet.	Ministry of Civil Aviation and Tourism	Bangladesh Parjatan Corporation (BPC)	CCEA Final Approval	20	
20	Real Estate	Development of Market, Residential Apartments and Resort on the Land of "No-view Guesthouse" at Chittagong under BJMC through Public Private Partnership	Ministry of Textile and Jute	BJMC	CCEA Final Approval	22	Ranks and Rangs FC Consortium
21	IT	Info Sarkar3 (Component 1 -1307 union)	Information and Communication Technology Division	Bangladesh Computer Council	Procurement Stage	350	TBD
22	IT	Info Sarkar3 (Component 2 -1293 union)	Information and Communication Technology Division	Bangladesh Computer Council	Procurement Stage	350	TBD
23	Health	Development of Occupational Diseases Hospital, Labor Welfare Center, and Commercial Complexes at Tongi, Gazipur, PPP Basis.	Ministry of Labor and Employment	Department of Labor (DoL)	Procurement Stage	35	TBD
24	Real Estate	Construction of multistoried Commercial cum Residential Apartment complex with modern amenities at Nasirabad, Chittagong Under PPP.	Ministry of Housing and Public Works	National Housing Authority	Procurement Stage	200	TBD
25	Real Estate	Shopping Mall with Hotel-cum-Guest House on the unused Railway land in Khulna.	Ministry of Railway	Bangladesh Railway	Procurement Stage	30	TBD
26	Transport	Construction of Laldia Bulk Terminal.	Ministry of Shipping	Chittagong Port Authority (CPA)	Procurement Stage	300	TBD
27	Transport	Payra Port Coal Terminal	Ministry of Shipping	Payra Port Authority	Procurement Stage	660	TBD
28	Tourism	Establishment of Three Star Standard Hotel and other Facilities of Existing Hotel Pashur Compound of BPC at Mongla Bagerhat.	Ministry of Civil Aviation and Tourism	Bangladesh Parjatan Corporation (BPC)	Procurement Stage	15	TBD
29	Health	Development of Occupational Diseases Hospital, Labor Welfare Center, and Commercial Complexes at Chasara, Narayanganj, PPP Basis.	Ministry of Labor and Employment	Department of Labor (DoL)	Procurement Stage	35	TBD
30	Tourism	Establishment of Intl. Standard Tourism Complex at Existing Motel Upal Compound of BPC at Cox's Bazar.	Ministry of Civil Aviation and Tourism	Bangladesh Parjatan Corporation (BPC)	Procurement Stage	45	TBD

31	Tourism	Establishment of a Five Star Standard Hotel along with an Application Hotel and Training Centre on existing land of BPC at Muzgunni, Khulna.	Ministry of Civil Aviation and Tourism	Bangladesh Parjatan Corporation (BPC)	Procurement Stage	30	TBD
32	Tourism	Establishment of 5 Star Hotel at Zakir Hossain Road, Chittagong	Ministry of Railway	Bangladesh Railway	Procurement Stage	50	TBD
33	Industry	Development of Cotton Mills project in Tangail	Ministry of Textile and Jute	BTMC	Procurement Stage	150	TBD
34	Industry	Development of BTMC Textile Mills: R R Textile Miles Limited	Ministry of Textile and Jute	BTMC	Procurement Stage	50	TBD
35	Industry	Development of BTMC Textile Mills: Magura Textile Miles Limited	Ministry of Textile and Jute	BTMC	Procurement Stage	50	TBD
36	Industry	Development of BTMC Textile Mills: Dost Textile Limited	Ministry of Textile and Jute	BTMC	Procurement Stage	50	TBD
37	Industry	Development of BTMC Textile Mills: Rajshahi Textile Miles Limited	Ministry of Textile and Jute	BTMC	Procurement Stage	50	TBD
38	Transport	Construction of a New Inland Container Depot (ICD) near Dhirasram Railway Station.	Ministry of Railway	Bangladesh Railway	Detailed Feasibility Study	153	TBD
39	Transport	Build and Construct Khulna Khan Jahan Ali airport	Ministry of Civil Aviation and Tourism	Civil Aviation Authority of Bangladesh	Detailed Feasibility Study	300	TBD
40	Transport	Construction & Operation of Inland Container Terminal (ICT) at Khanpur.	Ministry of Shipping	BIWTA	Detailed Feasibility Study	30	TBD
41	Industry	Development of Economic Zone (EZ) at Jamalpur with Private Sector participation.	Prime Minister’s Office	BEZA	Detailed Feasibility Study	40	TBD
42	Health	Medical College & Nursing Institute and Modernization Railway Hospital of Kamlapur.	Ministry of Railway	Bangladesh Railway	Detailed Feasibility Study	100	TBD
43	Transport	Comprehensive Non-Intrusive Inspection (NII) Project under PPP	Ministry of Finance	National Board of Revenue	Detailed Feasibility Study	100	TBD
44	Transport	Gabtoli - Nabinagar PPP Road.	Road Transport and Highways Division	Roads and Highways Department	Detailed Feasibility Study	340	TBD
45	Transport	Circular Railway Line	Ministry of Railway	Bangladesh Railway	Detailed Feasibility Study	8373	TBD
46	Transport	Improvement of Chattogram to Cox's Bazar Highway through PPP	Road Transport and Highways Division	Roads and Highways Department	Detailed Feasibility Study	1462	TBD
47	Water, Sanitation & Hygiene	Development of Integrated Wastewater Management System for Gazipur City Corporation	Local Government Division	Gazipur City Corporation	Detailed Feasibility Study	64	TBD
48	Transport	Detailed Design, Construction, Operation, and Maintainance of Mass Rapid Transit (MRT) Line-2	Road Transport and Highways Division	DMTCL	Detailed Feasibility Study	3479	TBD
49	Transport	Construction of Bridge on Bhulta-Araihazar-Bancharampur road over the river Meghna	Bridges Division	Bangladesh Bridge Authority	Detailed Feasibility Study	878	TBD

50	Industry	Central Effluent Treatment Plant-CETP	Prime Minister's Office	BEZA	Detailed Feasibility Study	22	TBD
51	Industry	Development of BTMC Textile Mills: The Asiatic Cotton Miles Limited	Ministry of Textile and Jute	BTMC	Detailed Feasibility Study	50	TBD
52	Industry	Development of BTMC Textile Mills: Jolil Textile Limited	Ministry of Textile and Jute	BTMC	Detailed Feasibility Study	50	TBD
53	Industry	Development of BTMC Textile Mills: Bengal Textile Limited	Ministry of Textile and Jute	BTMC	Detailed Feasibility Study	50	TBD
54	Industry	Development of BTMC Textile Mills: Sundarbon Textile Miles Limited	Ministry of Textile and Jute	BTMC	Detailed Feasibility Study	50	TBD
55	Industry	Development of BTMC Textile Mills: Amin Textile Limited	Ministry of Textile and Jute	BTMC	Detailed Feasibility Study	50	TBD
56	Industry	Development of BTMC Textile Mills: Rangamati Textile Miles Limited	Ministry of Textile and Jute	BTMC	Detailed Feasibility Study	50	TBD
57	Industry	Development of BTMC Textile Mills: Dinajpur Textile Miles Limited	Ministry of Textile and Jute	BTMC	Detailed Feasibility Study	50	TBD
58	Industry	Development of BTMC Textile Mills: Daroyani Textile Limited	Ministry of Textile and Jute	BTMC	Detailed Feasibility Study	50	TBD
59	Industry	Development of BTMC Textile Mills: Afsor Cotton Mills Limited	Ministry of Textile and Jute	BTMC	Detailed Feasibility Study	50	TBD
60	Transport	Construction of Bay Terminal	Ministry of Shipping	Chittagong Port Authority (CPA)	Advisor Appointment	2089	TBD
61	Health	Medical College and Modernization of Railway Hospital at Saidpur in Nilphamary.	Ministry of Railway	Bangladesh Railway	Advisor Appointment	75	TBD
62	Health	Medical College and Modernization of Railway Hospital at Paksey in Pabna.	Ministry of Railway	Bangladesh Railway	Advisor Appointment	75	TBD
63	Health	New Modern Medical College & Hospital of 250 beds on the unused land in Khulna.	Ministry of Railway	Bangladesh Railway	Advisor Appointment	100	TBD
64	Real Estate	Construction of High-rise Apartment at Purbachal New Town Project	Ministry of Housing and Public Works	Rajdhani Unnayan Kartripakkha (RAJUK)	Advisor Appointment	500	TBD
65	Real Estate	Mirpur Integrated Township Development (Phase-ll)	Ministry of Housing and Public Works	National Housing Authority	Advisor Appointment	974	TBD
66	Transport	Multimodal Hub at Kamalapur Railway Station	Ministry of Railway	Bangladesh Railway	Advisor Appointment	2595	TBD
67	Transport	Construction of Outer Ring Road	Road Transport and Highways Division	Roads and Highways Department	Advisor Appointment	1529	TBD
68	Transport	Improvement of Dhaka (Joydebpur)-Mymensingh Highway (N3) into Expressway	Road Transport and Highways Division	Roads and Highways Department	Advisor Appointment	394.5	TBD
69	Agricultur e	Composite Rice Mills	Ministry of Food	Directorate General of Food	Advisor Appointment	170	TBD
70	Transport	Equip, Operate and Maintain Patenga Container Terminal	Ministry of Shipping	Chittagong Port Authority (CPA)	Advisor Appointment	58	TBD

71	Transport	Multimodal Hub at Bimanbandar Raiway Station	Ministry of Railway	Bangladesh Railway	Advisor Appointment	200	TBD
72	Education	The Innovation & Innovator Cell (IIC) development under Public Private Partnership.	Ministry of Education	The IIC – Innovation & Innovator Cell, KUET	Advisor Appointment	10	TBD
73	Transport	2nd Padma Multipurpose Bridge at Paturia-Goalundo.	Bridges Division	Bangladesh Bridge Authority	CCEA Approved (In Principle)	1500	TBD
74	Transport	Light Rapid Transit system for Narayanganj City	Local Government Division	Narayanganj City Corporation	CCEA Approved (In Principle)	200	TBD
75	Energy	Construction of LPG Import, Storage and Bottling Plant at Kumira or any Suitable Place at Chittagong Including Import Facilities of LPG, Jetty, Pipeline and Storage Tanks under PPP.	Energy and Mineral Resources Division	Bangladesh Petroleum Corporation	CCEA Approved (In Principle)	50	TBD
76	Transport	Payra Port Transshipment Container Terminal	Ministry of Shipping	Payra Port Authority	CCEA Approved (In Principle)	300	TBD
77	IT	IT Village at Mohakhali.	Information and Communicatio n Technology Division	Bangladesh Hi-tech Park Authority	CCEA Approved (In Principle)	20	TBD
78	Transport	Construction of Dhaka East-West Elevated Expressway	Bridges Division	Bangladesh Bridge Authority	CCEA Approved (In Principle)	2050	TBD
Total Investment						35,665	