

Statement VIA

Loans & Advances and Other Non-Development Expenditure

(Taka in Crore)

| Description | Budget 2006-07 | Revised 2005-06 | Budget 2005-06 |
|--|-------------------|--------------------|-------------------|
| A. Receipts | | | |
| Financial Institution | 45 | 68 | 49 |
| Non-Financial Institutions | 1204 | 1317 | 1150 |
| Government Employees | 92 | 92 | 92 |
| Sub-Total - Receipts : | 1341 | 1477 | 1291 |
| B. Payments | | | |
| Non-Financial Institutions | 10 | 210 | 10 |
| Government Employees | 120 | 120 | 120 |
| Sub-Total - Payments : | 130 | 330 | 130 |
| Loans & Advances - Net (B-A) : | -1211 | -1147 | -1161 |
| C. Payment of liabilities vested upon Government : | 0 | 1115 | 0 |
| Loans & Advances and Payment of Liability - Net (B-A+C) : | -1211 | -32 | -1161 |
| D. Structural Adjustment Expenditure : | 0 | 200 | 750 |
| E. Non-ADP Employment Generation Programmes : | 548 | 350 | 491 |

Explanatory Notes :

1. The Government provides Guarantees and Counter Guarantees against loan negotiated by various State-owned financial and non-financial enterprises. Most of them are for implementing different public policies and programmes. If the contracting organisations fail to pay their loan in-time, the guarantees are invoked and the liabilities for payment are vested upon the Government. Consequently, this has future fiscal implication. For the first time, to improve transparency, a list of such guarantees and counter guarantees (valid beyond 30th June 2006) is appended below:

List of Guarantees & Counter Guarantees (Valid beyond 30 June, 2006)

(In Million US\$)

| Sl. No. | Purpose of Guarantee/Counter Guarantee | Issue Date | Amount | Duration |
|-------------------------------|---|---------------|--------|------------|
| <u>Guarantee (A) :</u> | | | | |
| 1 | ICB Debenture | 30/11/1997 | 8.54 | 30/11/2011 |
| 2 | Collection of 10 Metric ton 9 Pound and 15 Metric ton 75 Pound 'A' Rail by Bangladesh Railway from China National Machinery and Equipment Import & Export Corporation (CNMEC) | 04/11/1999 | 14.80 | 24/10/2011 |
| 3 | Procurement of Coastal Ship, Ferry and Sea Truck by BIWTC from CMC Hitran International Ship Building Co. | 07/03/2000 | 100.00 | 07/04/2014 |
| 4 | Establishment of District Level Digital Telephone from China National Machinery and Equipment Import & Export Corporation (CNMEC) | 09/03/2000 | 240.00 | 02/12/2016 |

List of Guarantees & Counter Guarantees
(Valid beyond 30 June, 2006)

(In Million US\$)

| SL NO. | Purpose of Guarantee/Counter Guarantee | Issue Date | Amount | Duration |
|--------------------------------------|--|------------|-----------------|------------|
| <u>Guarantee (A):</u> | | | | |
| 5 | Extension of some Electric Plants of Power Development Board by M/S China National Electric Wire & Cable Import/Export Corporation | 27/07/2000 | 86.91 | 28/10/2012 |
| 6 | Implementation of Greater Dhaka Electricity Distribution Project (Phase- 4) by Dhaka Electric Supply Authority (DESA) from GIETC, China. | 17/06/2001 | 75.23 | 15 Year |
| 7 | For BMRE of Karnaphuli Paper Mill under BCIC from M/S China National Electric Wire & Cable Import/Export Corporation. | 10/07/2001 | 87.11 | 15 Year |
| 8 | Maintenance & Modernization of Ghorasal Heat Electricity Centre (1st & 2nd Unit) by M/S Technopromex Part (TPE) | 10/07/2001 | 17.72 | 26/04/2010 |
| 9 | Establishment of 230 KV Electric Plant in Baghabari, Sirajgonj and Bogra | 18/09/2003 | 8.93 | 12 Year |
| 10 | Implementation of the Project for Installation of Digital Radio Links and Digital Telephone Exchanges at Chittagong Hill Tracts | 25/07/2004 | 162.06 | 30/10/2021 |
| 11 | Supplying the Goods and Rendering Services for Bogra-Barapukuria 230 KV Transmission Line Project by M/S China National Electric Wire & Cable Import/Export Corporation. | 28/04/2005 | 15.94 | 12 Year |
| 12 | For increasing the Over Draft Limit of Bangladesh Petroleum Corporation (BPC) from Janata Bank to Purchase Crude and Refined Petroleum Products | 30/04/2005 | 153.85 | Unlimited |
| 13 | Financing of Submarine Cable Project | 04/05/2005 | 60.00 | 10 Year |
| 14 | Upgradation of CC Limit of Sonali Bank | 02/11/2005 | 214.29 | 1 Year |
| 15 | Upgradation of CC Limit of Janata Bank | 02/11/2005 | 42.86 | 1 Year |
| 16 | Upgradation of CC Limit of Krishi Bank | 02/11/2005 | 28.56 | 1 Year |
| 17 | BPC Loan for Procurement of Refined Oil from Sonali Bank | 20/11/2005 | 857.14 | Unlimited |
| 18 | Loan to meet Capital crisis of BJMC by Sonali, Rupali, Janata and Agrani Bank | 27/02/2006 | 55.21 | 1 Year |
| 19 | Loan to 2 Jute Mills of BJMC by Rupali Bank | 17/05/2006 | 21.09 | 31/12/2006 |
| 20 | Loan to 3 Jute Mills of BJMC by Janata Bank | 17/05/2006 | 10.97 | 31/12/2006 |
| 21 | Loan to 5 Jute Mills of BJMC by Agrani Bank | 17/05/2006 | 10.86 | 31/12/2006 |
| Sub-Total (A) : | | | 2,272.07 | |
| <u>Counter Guarantee (B):</u> | | | | |
| 1 | Establishment of Boro Pukuria Electric Centre Project. | 08/09/2002 | 225.96 | 01/10/2017 |
| 2 | Loan to Ansar VDP Development Bank by Bangladesh Bank | 17/09/2002 | 1.70 | 16/09/2007 |
| 3 | Import of Fertilizer by BCIC under IDB Loan | 29/05/2006 | 30.00 | 1 Year |
| Sub-Total (B) : | | | 257.66 | |
| Grand Total (A+B) : | | | 2,529.73 | |

2. In FY 2005-06 to meetup the liquidity of BPC three year bond amounting Taka one thousand crore has been issued in favour of Sonali Bank.