

**Government of the People's Republic of Bangladesh**  
**Ministry of Finance**  
**Economic Relations Division**  
**ADB-4 Branch**  
**Sher-e-Bangla Nagar, Dhaka.**

**PRESS RELEASE**

A Loan Agreement to the tune of US\$ 167 million has been signed today (29 December 2016) in Dhaka between the Government of Bangladesh and the Asian Development Bank (ADB) to finance the Natural Gas Infrastructure and Efficiency Improvement Project. Mr. Mohammad Mejbahuddin, Senior Secretary, Economic Relations Division (ERD), Ministry of Finance and Mr. Kazuhiko Higuchi, Country Director, Bangladesh Resident Mission, Asian Development Bank signed the loan Agreement on behalf of the Government and ADB respectively. A number of senior officials of the Government and ADB were present at the signing ceremony.

Natural Gas Infrastructure and Efficiency Improvement Project is a 06-year term Project (July 2016-June 2022) and the total estimated cost of the Project is US\$ 453 million out of which ADB will provide US\$ 167 million (US\$100 million OCR and US\$ 67 million ADF) and AIIB US\$ 60 million as Loan. Rest of the amount i.e. US\$ 226 million will be borne by the Government of Bangladesh.

Both ADF and OCR Loan is Refundable in 25 years with a Grace period of 5 years. The interest rate on ADF loan is only 2% for the whole of the Loan period and the rate of interest on OCR Loan is LIBOR based with 0.15% Commitment Charge on the undisbursed Loan and 0.10% Maturity Premium.

The Energy and Mineral Resources Division is the Sponsoring Division and Gas Transmission Company Ltd (GTCL) & Bangladesh Gas Fields Company Limited (BGFCL) are the executing Agencies of the project. The main objective of this project is to improve gas production efficiency and expand gas pipeline transmission capacity.

The main components under this Project are-

- (i). Installation of Wellhead Compressors at Location-A of Titas Gas Field;
- (ii). Construction of Chittagong-Feni-Bakhrabad Gas Transmission Parallel Pipeline Project.

ADB is one of the largest multilateral Development Partners of Bangladesh, extending assistance to the country since it became the member of it in 1973. ADB's total loan to the socio-economic development of Bangladesh stands at more than US\$ 15.5 billion. The development assistance of ADB mainly focuses on Power, Energy, Local Government, Transport, Education Agriculture. Water Resources and Governance Sectors of Bangladesh.

*ADB*  
*29.12.2016*  
(Md. Waliullah Mia)  
Deputy Secretary