IDA NEWS RELEASE NO. 81/10

October 30, 1980

IDA ASSISTS SMALL-SCALE INDUSTRY PROJECT IN BANGLADESH

The International Development Association (IDA), an affiliate of the World Bank, today announced the approval of a credit of SDR 26.7 million ($35 million) to help finance a third small-scale industry project in Bangladesh.

The $50 million project is designed to increase productivity, employment and exports of Bangladesh's small-scale and cottage industries by providing financial and technical assistance and marketing services. The Government of Bangladesh will utilize $5 million of the credit to provide technical and marketing services and will reapply $30 million to Bangladesh Bank which in turn will channel the funds to small-scale enterprises through three of the country's largest commercial banks--Janata, Sonali and Agrani.

The project is expected to generate about 14,000 new jobs and provide additional income to some 20,000 workers and rural households.

The IDA credit to Bangladesh is for 50 years, including 10 years of grace. It is interest free, except for a service charge of 3/4 of 1% to meet IDA's administrative costs.

NOTE: IDA credits are denominated in SDRs (Special Drawing Rights), which are valued on the basis of a "basket" of currencies. The U.S. dollar equivalent of the SDR amount of the IDA credit reflects the exchange rates existing at the time of negotiation of the credit.
TECHNICAL DATA

PROJECT: Third Small-Scale Industry

COUNTRY: Bangladesh

TOTAL COST: $50 million

IDA FINANCING: Credit of SDR 26.7 million ($35 million), standard IDA terms

OTHER FINANCING: Government of Bangladesh and participating banks and small-scale enterprises

IMPLEMENTING ORGANIZATIONS: Janata Bank, Sonali Bank, Agrani Bank

Government Contact: External Resources Division, Ministry of Finance, Government of the People's Republic of Bangladesh, Dacca, Bangladesh

PROJECT DESCRIPTION: Cables: BAHIRSAMPAD, Dacca

Telex: BAHISAMPAD 886

The credit will provide $30 million to help finance the small-scale and cottage industries (SCI)'s term lending requirements to establish an SCI Refinance Unit in the Bangladesh Bank for rapid project review and refinancing; provide incentives to participating commercial banks to increase financing of viable SCIs; and provide technical and marketing services.

PROCUREMENT: The contracts for goods procured outside Bangladesh and costing $6,000 or more per item or $30,000 per contract would be through international shopping procedures on the basis of at least three price quotations.

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ESTIMATED COMPLETION DATE 1984
IDA ASSISTS AGRICULTURE AND INDUSTRY IN BANGLADESH

The International Development Association (IDA), an affiliate of the World Bank, today announced the approval of a credit of SDR 49.5 million ($65 million equivalent) to provide foreign exchange to Bangladesh for the import of raw materials, components and equipment to help industrial, construction and agricultural sectors to realize more of their potential.

The credit will also support the policy improvements of the Government of Bangladesh designed to increase foodgrain production and improve foodgrain policies. The credit will benefit the following industries: textiles; pulp and paper and board; steel and foundry; chemicals and pharmaceuticals; sugar; export-oriented industries; and construction. The agricultural sector also will benefit, from the import of diesel fuel, pesticides and irrigation equipment.

The IDA credit to Bangladesh is for 50 years, including 10 years of grace. It is interest free, except for a service charge of 3/4 of 1% to meet IDA's administrative costs. Implementation of the project will be the responsibility of the Ministry of Finance. Its address is:

External Resources Division
Ministry of Finance
Government of the People's Republic of Bangladesh
Dacca, Bangladesh

(Cable address: BAHIRSAMPAD, Dacca)

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The INTERNATIONAL DEVELOPMENT ASSOCIATION (IDA), an affiliate of the WORLD BANK, has approved a credit of SDR 26.7 million ($35 million equivalent) to help finance a third small-scale industry project in Bangladesh. The $50 million project is designed to increase productivity, employment and exports of the country's small-scale and cottage industries by providing financial and technical assistance and marketing services. The project is expected to generate about 14,000 new jobs and provide additional income to some 20,000 workers and rural households. (Refer to IDA News Release No. 81/10)

IDA has approved a credit of SDR 49.5 million ($65 million equivalent) to provide foreign exchange to Bangladesh for the import of raw materials, components and equipment to help industrial, construction and agricultural sectors to realize more of their potential. The credit will also support the policy improvements of the Government of Bangladesh designed to increase foodgrain production and improve foodgrain policies. (Refer to IDA News Release No. 81/5)

Among those present at the signing of the credit documents on October 17, 1980, were, seated from left to right: Mr. M. Syeduz Zaman, Alternate Executive Director of WORLD BANK/IDA for Bangladesh; Mr. M. Narasimham, Executive Director of WORLD BANK/IDA for Bangladesh; His Excellency Tabarak Husain, Ambassador of Bangladesh to the United States; and Mr. Michael H. Wiehen, Director, South Asia Programs, WORLD BANK/IDA.

Please credit: WORLD BANK PHOTO by G. Franchini.