

Apr-Jun, 2013

Quarterly Infrastructure Finance Review



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1.0. Infrastructure Finance Overview

Table A: Infrastructure Project Financing Profile of Banks & DFIs

(Amount in Billions)	Periods			% Change	
	Jun-12	Mar-13	Jun-13	QoQ	YoY
Amount Outstanding	286.3	281.5	267.0	-5.2%	-6.7%
NPLs	17.5	19.9	18.6	-6.3%	6.5%
Disbursements (Cumulative)	343.5	356.9	360.1	0.9%	4.8%
No. of Projects (*Cumulative)	348	367	370	0.8%	6.3%
Total Sanctioned Amount	480.8	494.5	505.4	2.2%	5.1%
*Cumulative number of projects is the total number of projects less the matured ones.					

Cumulative disbursements to Infrastructure sectors saw a rise of about Rs. 3.2 Billion at the end of Jun-13.

There is no denial of the fact that infrastructure is critical for national productivity and economic growth of any country. Further, infrastructure investment and consumption of infrastructure services have significant implications for achievement of sustainable development objectives, as infrastructure services encourage new investment and underpin many aspects of economic and social activity.

At the end of Jun-13, the total amount outstanding against infrastructure sectors saw a decline of 5.2 percent when compared with preceding quarter i.e. Mar-13, while the decline recorded YoY basis was 6.7 per cent. While, a sector-wise analysis revealed that the lion's share (66.3 percent) in total outstanding infrastructure project financing remained with Power Generation sector and Telecom sector followed it with 19.2 percent.

Amount outstanding against infrastructure sectors saw a decline of about Rs.14.5 Billion when compared QoQ basis.

Although, Non Performing Loans have lesser significance in Infrastructure projects, because of their long term nature, nevertheless there was a decline of 7.7 percent on QoQ basis.

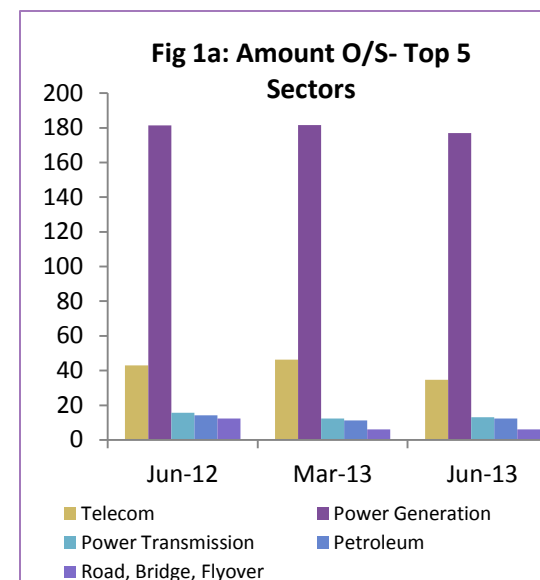
The following sections present outstanding financing, disbursements, number of projects, non performing loans, amount sanctioned, and sectoral share. It is pertinent to mention here that the data/figures pertain to the existing projects excluding the matured ones at the end of June, 2013.

2.0. Outstanding Portfolio

Total amount outstanding, against infrastructure finance, at the end of Jun-13 was Rs. 267.0 billion when compared with Rs. 281.5 billion at the end Mar-13, recording a decline of Rs. 14.5 billion primarily led by Telecom Sector and followed by Power Generation. Moreover, the decline recorded, on YoY basis, was 6.7 percent. Most of the key infrastructure sectors witnessed decline except Petroleum sector that saw a growth of 11.5 percent when compared with preceding quarter ending Mar-13. Following is the list of top infrastructure sectors where lending has been made by the formal sector:-

- a) Telecom
- b) Power Generation
- c) Power Transmission
- d) Petroleum
- e) LPG Extraction/ Distribution
- f) LPG Import & Distribution
- g) Oil & Gas Exploration/Distribution
- h) Road, Bridge, Flyover
- i) Water Supply, Sanitation

Of the 09 major infrastructure lending sectors under review, three sectors i.e. Petroleum, Power Transmission and LPG Import/Distribution saw growth while remaining 6 sectors witnessed declining trends on QoQ basis.



Box 1: Infrastructure Project Finance Guidelines

- SBP's Guidelines on Infrastructure Project Finance can be accessed at
- <http://www.sbp.org.pk/ihfd/2010/Annex-CL1.pdf>

At the end of Jun-13, a segregate review of Infrastructure sectors and financing patterns showed that Power Generation sector recorded a decline of 2.6 percent QoQ basis, while Power Transmission recorded a growth of 6.2 percent. Further, LPG Import/Distribution sector recorded a growth of more than 265 percent, Petroleum sector showed a growth of 11.5 percent, and LPG Extration/Distribution sector witnessed a growth of 29.2 percent, while, Oil & Gas Exploration/ Distribution also saw a decline of 10.1 percent, Telecom 25.2 percent, and when compared with preceeding quarter of Dec-12.

3.0. Non Performing Loans

At the end of Jun-13, total amount of Non Performing Loans (NPLs) decreased to Rs. 18.6 billion from Rs. 20.0 billion at the end of Dec-12; registering a decline of 6.7 percent. The decline in Infrastructure NPLs, on QoQ basis, was mainly attributable to Power Generation sector while, on YoY basis, NPLs saw a growth of 6.5 percent led by Power Generation and Telecom sectors.

Furthermore, at the end of the period under review, a sectoral analysis revealed that the major share (43.0 percent) in NPLs pertained to Power Generation Sector, followed by Telecom and Power Transmission with 28.2 and 12.3 percent respectively whereas the remaining 16.4 percent was the share of all other infrastructure sectors.

4.0. Banking-sector wise Share

At the end of Apr-Jun'13 quarter, following the usual trend, private sector banks' share remained the highest in the total outstanding amount against infrastructure sectors with 70.9 percent followed by public sector banks with 20.5 percent, DFIs with 5.4 percent, foreign banks with 1.8 percent, and Islamic banks with 1.5 percent.

Moreover, at the end of Jun-13, total amount sanctioned for infrastructure sectors saw a growth of 2.2 percent QoQ basis and stood at Rs. 505.4 billion. Of this amount, the share of private sector banks was 77.6 percent followed by the share of public sector banks with

Box 2: Training Program on Islamic Infrastructure Project Finance

A one day's training program on Islamic Infrastructure Project Finance was held on May 21, 2013 at SBP-BSC, Lahore. Soft copies of the presentations and the program brochure can be accessed via the link:-

<http://www.sbp.org.pk/departments/ihfd/fin.htm>

Non Performing Loans witnessed a decline of 6.7 percent, QoQ basis.

Cumulative Amount Sanctioned by Banks & DFIs for infrastructure projects at the end of Jun-13 was Rs. 505.4 billion.

16.4 percent, DFIs with 3.6 percent, foreign banks with 1.3 percent, and Islamic banks with 1.0 percent.

At the end of Mar-13, Cumulative Disbursements saw a growth of 0.9 percent, QoQ basis, mainly attributable to disbursements by private sector banks and stood at Rs. 360.1 billion. Almost similar patterns of share, in total cumulative disbursements, observed by private sector, public sector, DFIs, foreign and Islamic banks as specified for outstanding and total sanctioned amount above.

As per the data reported by banks & DFIs for the period Apr-Jun, 2013, among the Islamic banks, two Islamic banks made Islamic project financing and their total outstanding was Rs. 3.9 billion against Infrastructure sectors.

5.0. Disbursements

During the quarter (Apr-Jun' 13) under review, an amount of Rs. 9.3 billion was disbursed towards infrastructure sectors against Rs.10.3 billion in the corresponding quarter (Apr-Jun'12) of 2012. The growth recorded, in disbursements; to infrastructure sectors was more than 37 percent when compared with preceding quarter (Dec-Mar'13) mainly attributable to Petroleum sector.

At the end of Jun-13, Rs. 360.1 billion was the total cumulative amount disbursed to all infrastructure sectors. Of which 58.7 percent was the share of Power Generation followed by Telecom with 16.0 percent, Power Transmission 7.2 percent, and Petroleum with 5.9 percent.

At the end of the quarter under review, cumulative disbursements saw a growth of about 1 percent QoQ basis, however, on YoY basis; a growth of 4.8 percent was recorded primarily attributable to Petroleum (48 percent) and followed by Telecom sector (7.9 percent).

Box 3: Petroleum Policy of 2012

The government of Pakistan announced **Petroleum Exploration and Production Policy 2012** in August, 2012, which would help achieve maximum self-sufficiency in energy and promote exploration and production activities by providing competitive incentives to the investors.

<http://www.mpn.gov.pk/>

During the quarter under review, disbursements to infrastructure sectors saw a growth of 1 percent.

Cumulative Disbursements saw a growth of 4.8 percent YoY basis primarily attributable to Petroleum Sector.

6.0. Number of Projects

At the end of the period under review, out of 370 infrastructure projects, 242 were undertaken by private sector banks, 58 by public sector banks, 4 by foreign banks, 5 by Islamic Banks and 61 by DFIs.

During the quarter under review 11 new projects have been undertaken by the industry for Infrastructure sectors.

11 new projects were undertaken by the industry during the quarter Apr-Jun'13, of which 7 were undertaken by private sector banks, 2 by Public Sector Banks, and 1 each by foreign banks category and DFIs.

A sectoral review showed that the Power Generation sector undertook 4 new projects, Power Transmission 2, Petroleum 2, Road/Flyovers/Bridge 2, and 1 in Telecom sector.

7.0. Amount Sanctioned

At the end of the period under review, Rs. 505.4 billion was the total amount sanctioned by the banks and DFIs for Infrastructure projects against an amount of Rs. 494.5 billion at the end of Mar-13, recording a growth of 2.2 percent, QoQ basis.

The share of Power Generation sector was the highest with 52.7 percent in total amount sanctioned (Rs. 505.4 billion) followed by Telecom, Petroleum and Power Transmission with 19.2 percent, 9.3 percent and 6.9 percent respectively.

The lions share in total sanctioned amount by Banks & DFIs for infrastructure sectors was that of private sector banks.

Of the Rs. 505.4 billion, the lion's share of 76.4 percent is the part of private sector banks followed by 16.4 percent of public sector banks..

8.0. Infrastructure Finance News

Following part briefly mentions important news pertaining to infrastructure projects during the quarter (Apr-Jun, 2013) under review. However, for further details the relevant hyperlinks may be visited.

Financing power project: Government mulls increase in surcharge, expensive bank loan

<http://tribune.com.pk/story/487224/financing-power-project-government-mulls-increase-in-surcharge-expensive-bank-loan/>

Islamabad, January 01, 2013: As Chances of Neelum Jhelum hydropower project coming to a standstill are increasing due to a whopping financing gap of Rs.145 billion, the government is considering increasing the 'Neelum Jhelum surcharge' by 100% for all electricity consumers to partly cover the deficit.

Stakeholders working on the Neelum Jhelum project informed the premier that the financing gap has jumped to Rs.145 billion, including Rs.45 billion rupee components. To bridge the gap, officials of the ministries of finance and water and power tabled two financing plans for the premier's consideration. Besides doubling the surcharge, they proposed utilization of Rs. 20 billion of Wapda's hydroelectric receivables. On the external front, they proposed to take an expensive loan of \$526 million from Standard Chartered Bank at a rate of 8% and \$130 million from the European Investment Bank. There were no concrete proposals for the remaining foreign currency gap of \$354 million.

Market Trends: Renewables Growth Shifting from Europe to Emerging Markets

<http://www.renewableenergyworld.com/rea/news/article/2013/04/market-trends-renewables-growth-shifting-from-europe-to-emerging-markets>

London, April 04, 2013: Triodos Investment Management BV, an arm of Dutch lender Triodos Bank NV, plans a clean-energy fund focused on emerging markets as growth in the industry shifts away from Europe.

The fund will invest in the "more developed" emerging nations and center on wind, solar and hydropower, said Matthew Clayton, executive director for Bristol, England-based Triodos Renewables Plc, a fund under Triodos Investment Management.

Renewables fund managers, facing slower growth in Europe, are looking to new markets to tap expanding economies and accelerating power demand. While Asia's biggest emerging nations for clean energy are China and India, others such as South Korea and Thailand are starting to attract more investment.

Plastic waste recycling, treatment still a big challenge in Pakistan

<http://pakobserver.net/detailnews.asp?id=202916>

Lahore, April 07, 2013: Plastic waste recycling and treatment has emerged as a challenging task in recent years due to ascending trends in use of plastic products and lack of proper disposal system.

In Pakistan, 47 percent of solid waste remains uncollected in the country and that the mixing of polythene bags with human, animal and industrial residues worsens the problem. Although, Pakistan Environment Protection Agency (Pak-EPA) has banned use of black polythene bags but it is not sufficient to save the environment. We need a mass awareness campaign and cooperation of the people to control the use of polythene bags.

According to different studies, more than a million birds, marine mammals and sea turtles dies every year from eating plastic. According to the United Nations Environment Programme, there are 46,000 pieces of plastic litter floating in every square mile of ocean. Plastic bags are considered especially dangerous to sea turtles, who mistake them for jellyfish, a main food source. Currently, 86% of all known species of sea turtles have had reported problems of entanglement or ingestion of marine debris.

Rs.200m sought to resettle displaced families

<http://www.thenews.com.pk/Todays-News-4-169993-Rs200m-sought-to-resettle-displaced-families>

Karachi, April 08, 2013: Around Rs.200 million have been sought to resettle the people displaced by the construction of Darawat Dam off Super Highway in Jamshoro district.

The dam was inaugurated by the president on March 8 to help irrigate around 25,000 acres of surrounding lands by storing rainwater.

An allocation of Rs.1.2 billion was made in the project summary of Darawat Dam approved by the Executive Committee of National Economic Council (ECNEC) for the relocation, resettlement, compensation and rehabilitation of displaced people. The grant was to be provided by the Sindh government, according to the Wapda Hyderabad's chief engineer, Ghulam Ali Soomro.

Standard Bank Group, ICBC sign South African renewable energy project financing deal

http://www.pv-tech.org/news/standard_bank_group_icbc_sign_south_african_renewable_energy_project_financ

April 08, 2013: Standard Bank Group and ICBC will provide R. 20 billion (US\$2.2 billion) to fund renewable energy projects in South Africa. Standard Bank Group and the Industrial and Commercial Bank of China (ICBC) have inked a Rs.20 billion (US\$2.2 billion) deal to fund renewable energy projects in South Africa.

Under the terms of the deal, the banks will jointly provide debt financing for projects awarded preferred bidder status under the country's Renewable Energy Independent Power Producer Procurement (REIPPP) programme. Standard Bank will also act as the lead arranger for the projects.

Nepalese government to finance hydro projects above 15 MW

<http://hydro.energy-business-review.com/news/nepalese-government-to-finance-hydro-projects-above-15mw-080413>

April 08, 2013: The Hydroelectric Investment and Development Company (HIDCL) has extended its finance provision to hydropower projects of capacity above 15MW in Nepal. Earlier, the federal body provided monetary aid to the projects with generation capacity of more than 25MW. As per the new regulations, it will provide funds of up to NPR.200m (\$2.25m) for medium-size projects under consortium model, reported Hydroworld.com.

HIDCL CEO Deepak Rauniyar remarked that the company has implemented the move to provide the finance to the projects, as it poses a major challenge for medium-size projects developers.

Rising NPAs, a major concern for financing infra projects: bankers

<http://www.thehindu.com/business/govt-to-make-all-efforts-to-push-stalled-projects-chidambaram/article4594658.ece>

Mumbai, April 09, 2013: Growing non-performing assets (NPAs) is a major hurdle for providing more finances to infrastructure projects, bankers told Finance Minister P. Chidambaram.

“We conveyed to the Finance Minister that due to current dispensation regarding NPAs, there are difficulties in providing more finances,” State Bank of India Chairman Pratip Chaudhuri said, while talking to reporters after a meeting the Finance Minister had with bankers and industrialists here. There would be more meetings and the government would take a final action, he added. “In the pre-policy meeting with the Reserve Bank of India (RBI), we have asked for at least a 50-basis point cut in the Cash Reserve Ratio. As till the time CRR is not cut, the interest rate will not come down only with the repo rate cut. It is difficult to have a rate cut (by SBI) before the policy,” Mr. Chaudhuri said.

India aims to double its renewable energy capacity to 55000 megawatts by 2017

http://www.upi.com/Business_News/Energy-Resources/2013/04/18/India-to-boost-clean-energy/UPI-14981366306351/

New Delhi, April 18, 2013: India aims to double its renewable energy capacity to 55,000 megawatts by 2017, Indian Prime Minister Manmohan Singh said. The initiative would include exploiting non-conventional energy sources such as solar, wind power and energy from biomass, Singh told the Clean Energy Ministerial Meeting Wednesday in New Delhi.

Noting that developing countries account for 82 percent of the world's population but use 55 percent of available global supply of energy, Singh said their efforts to achieve economic growth to improve living standards will increase the demand for energy.

E-Waste Legislation Could Prove a Major Boon to GTSO's Recycling Initiative

http://online.wsj.com/article/PR-CO-20130419-908618.html?mod=googlenews_wsj

SAN JOSE, April 19, 2013: New legislation to keep more e-waste out of landfills could prove to be a major boon in Green Technology Solutions' (OTCBB: GTSO) expansion efforts into the billion-dollar urban mining industry.

Electronic products have become the fastest-growing portion of the solid waste stream in the U.S., posing a daunting challenge to government agencies that oversee landfills. Many discarded electronics contain toxic materials such as lead and mercury, making their improper disposal a risk to human health and the environment.

These risks have prompted 22 states to pass legislation since May 2009 to regulate e-waste recycling and ban certain electronics from landfills. Texas Rep. Gene Green has pledged to introduce a bill known as the Responsible Electronics Recycling Act (RERA) in this session of Congress that would restrict the export of e-waste to developing nations for dumping.

Solid waste management: ICT looks towards local traders to fund project

<http://tribune.com.pk/story/537997/solid-waste-management-ict-looks-towards-local-traders-to-fund-project/>

Islamabad, April 20, 2013: After failing to get funds for its solid waste management project in rural areas, the Islamabad Capital Territory (ICT) has decided to approach local traders to generate funds for the plan. "We have been waiting for the release of funds amounting to around Rs.15 million for the past two years, but to date there has been no progress. We have decided to generate funds for the project by engaging local traders," said Islamabad Deputy Commissioner Amir Ali Ahmed, while talking to The Express Tribune.

"Currently, there is no garbage collection system in place for the rural areas of the capital which contributes to communicable diseases and environmental pollution," he said.

Central Bank to ease collateral requirements for project financing and development projects

http://abc.az/eng/news_01_05_2013_73255.html

May 01, 2013: The Central Bank of Azerbaijan and the country's largest corporate bank PASHA Bank have completed consultations on issues of collateral within project financing. PASHA Bank's chairman of board Farid Akhundov says that CBA's liberal approach towards the assessment of the collateral required for project financing gladdened them.

"Based on the legislation and regulatory standards of the CBA itself, we expected more stringent assessments, and were pleasantly surprised by the position of specialists from the Central Bank. In the process of consultations the CBA announced its readiness to mitigate regulatory requirements for project financing, for the expansion of its practice in the country.

ADB makes first equity investment in Indian renewable energy firm

http://www.thehindubusinessline.com/companies/adb-makes-first-equity-investment-in-indian-renewable-energy-firm/article4673357.ece?ref=wl_opinion

New Delhi, May 01, 2013: The Asian Development Bank on Wednesday announced its first equity investment in India's private sector renewable power generation. The Philippines-based bank has decided to invest \$30 million in Hyderabad-based NSL Renewable Power Private Ltd. ADB did not divulge the percentage of stake it is buying in the firm. NSL Renewable has a book value of Rs. 525 crore as on March 31.

The investment is also ADB's first private sector assistance to India's hydropower sector. The bank, with participation from nearly 67 countries, invested \$2.3 billion in renewable projects in Asia in 2012-13.

World Bank may allocate additional funding on waste project in Azerbaijan

<http://www.azernews.az/business/53288.html>

May 02, 2013: The World Bank (WB) and the Azerbaijani government began official negotiations on additional funding for an Integrated Solid Waste Management Project.

The Solid Waste Management Project was approved by the WB's Board of Directors in June 2008. A relevant loan agreement between the bank and Azerbaijan was signed on May 20, 2009. The total project cost is \$41.5 million of which \$29.5 million falls to the WB's 20-year loan and the rest is funded by the government of Azerbaijan.

Banks advised not to reject loans for renewable energy projects: Government

http://articles.economictimes.indiatimes.com/2013-05-03/news/39009455_1_power-sector-renewable-energy-projects-clean-energy

New Delhi, May 03, 2013: The government on Friday said banks have been advised not to reject financing proposals for renewable energy projects on the grounds that power sector as a whole is under stress.

Minister of State for Finance Namo Narain Meena in a written reply to the Lok Sabha said that banks are providing loans to renewable energy projects. "To promote clean energy, banks have been advised by the government to play a pro-active role in financing renewable energy projects and not to reject any proposal for financing otherwise viable renewable energy project on the ground that power sector as a whole is under stress," he said.

IFC plans to fund renewable energy projects in Azerbaijan

<http://www.neurope.eu/article/ifc-plans-fund-renewable-energy-projects-azerbaijan>

May 04, 2013: The International Finance Corporation (IFC), intends to expand the practice of granting loans to banks in Azerbaijan to finance renewable energy and energy efficiency (RE/EE-credit) projects.

On 30 April, IFC Representative in Azerbaijan Aliya Azimova said the Corporation is ready to accept proposals from banks to start financing projects in the field of renewable energy and energy efficiency.

IFC previously announced that it plans provide a loan to Bank Respublika to begin financing projects in this sector as well as expand lending to small and medium enterprises (SME).

HIDC studying possible financing of three hydropower projects

<http://ekantipur.com/2013/05/07/business/hidc-studying-possible-financing-of-three-hydropower-projects/371254.html>

Kathmandu, May 07, 2013: Hydroelectric Investment and Development Company (HIDC) has been conducting studies to possibly finance three more hydropower projects after funding the 42 MW Mistri Khola project.

The government-owned company established to finance hydro projects has been reviewing the documents of Upper Dordi (25 MW), Lower Modi (30 MW) and Khani Khola I (25 MW). The capacity of Khani Khola I is being enhanced to 40 MW. A consortium of banks led by Nepal Investment Bank Limited (NIBL) has sought HIDC financing for Upper Dordi and Lower Modi while Prime Bank wants financing for the Khani Khola project.

Overseas debt norms relaxed for infrastructure firms

http://articles.economictimes.indiatimes.com/2013-05-15/news/39281867_1_low-cost-housing-projects-national-housing-bank-housing-finance-companies

New Delhi, May 15, 2013: India has eased overseas debt norms for infrastructure firms allowing oil marketing companies to finance short-term credit through external commercial borrowings but kept the overall limit unchanged for the fiscal. "The RBI has allowed oil marketing companies to finance part of their short-term trade credit requirement through overseas debt," said RBI deputy governor HR Khan, while briefing reporters after a meeting of the high-level committee on external commercial borrowing (ECBs) chaired by department of economic affairs secretary Arvind Mayaram. The panel kept the overall limit unchanged, he added.

The financing of infrastructure projects

<http://www.livemint.com/Opinion/9ZuQTD15272Q2mul3yg8UM/The-financing-of-infrastructure-projects.html>

May 15, 2013: In the 12th Five-Year Plan, the Planning Commission of India has identified an infrastructure investment requirement of \$1 trillion. The government of India alone cannot fund this requirement and it has to depend on the private sector either directly or through public-private partnership (PPP) initiatives to help finance nearly half of the investment needed.

A coordinated effort is required from the government, Reserve Bank of India, Securities and Exchange Board of India and Insurance Regulatory and Development Authority (IRDA) to create a vibrant bond market. Introducing a suitable mechanism for credit enhancement enables corporate with lower credit rating to access the bond market.

Sberbank Kazakhstan and Development Bank of Kazakhstan to jointly finance projects

<http://en.tengrinews.kz/finance/Sberbank-Kazakhstan-and-Development-Bank-of-Kazakhstan-to-jointly-finance-19610/>

May 22, 2013: Kazakhstan-based subsidiary of the Russia's Sberbank and Development Bank of Kazakhstan (DBK) have signed a memorandum on cooperation to jointly finance large-scaled investment projects, Newkaz.ru reports.

The memorandum seeks to develop commercial ties in order to finance companies willing to launch large-scaled investment projects. The memorandum covers joint efforts to finance projects, joint project expertise and exchange of expertise.

IDB to finance construction of Turkmenistan-Tajikistan-Afghanistan railroad

<http://en.trend.az/capital/business/2154348.html>

Azerbaijan, May 25, 2013: The Islamic Development Bank will finance implementation of the Turkmenistan-Tajikistan-Afghanistan railway project, the Turkish news agency Cihan reported on Thursday. Such a statement came from the bank's president Ahmed Mohammed Ali, who takes part in the 38th meeting of the IDB Board of Governors in Dushanbe.

This large-scale project was launched at the trilateral meeting of the heads of Tajikistan, Turkmenistan and Afghanistan, held on March 20 in Ashgabat. Following the meeting, a memorandum of understanding was signed.

German bank invests in Pakistan energy sector

<http://paktribune.com/business/news/German-bank-invests-in-Pakistan-energy-sector-11226.html>

Lahore, May 28, 2013: A delegation of the KfW Development Bank, Germany, headed by Dr Claudia Loy called on WAPDA Chairman here on Monday and discussed with him the matters relating to financing of various hydropower projects.

The KfW Development Bank is providing 97 million Euros for the construction of 122 MW-Keyal Khwar and has also committed to co-finance the 35 MW-Harpo Hydropower Project along with its French counterpart AFD by providing 20 million Euros. In addition, the KfW Development Bank has also shown interest in financing the 80 MW-Phandar Hydropower Project.

State Bank approached to finance Vizhinjam Project

<http://newindianexpress.com/cities/thiruvananthapuram/State-Bank-approached-to-finance-Vizhinjam-Project/2013/05/30/article1611954.ece>

May 30, 2013: State Bank Group chairman Pratip Chaudhuri has said that the State Bank has been approached to finance the Vizhinjam International Container Transshipment project and Kochi Metro Rail project.

Chaudhuri told media persons that a decision in this regard would be taken only after deciding on the repayment mode. Financial assistance will be given only after considering the type of project, implementation and repayment. Chaudhuri said that at present the State Bank was supporting all ventures in Kerala as the majority of the deposits are from the state. On funding the flyovers in the state, he said that it depended on the funding pattern.

Even if the Reserve Bank of India (RBI) cuts the repo rate, the interest rate will not come down. To make the Cash Reserve Ratio (CRR) more effective, there should be a system to provide interest rate by RBI for CRR.

India's 100-MW Tidong hydel project receives IFC investment

<http://www.hydroworld.com/articles/2013/05/india-s-100-mw-tidong-hydel-project-receives-ifc-investment.html>

New Delhi, May 31, 2013: Green energy producer NSL Renewable Power has received US\$5 million in financing from the International Finance Corporation (IFC) that will be used in part to fund its 100-MW Tidong hydroelectric project, Indian sources report. "IFC's support to NSL Renewable Power will also help the company benchmark its environmental and social standards to global best practices," Thomas Davenport, IFC's director for south Asia, said in a release. HydroWorld.com reported earlier this month that the Tidong hydropower plant had received a \$30 million investment from the Asian Development Bank (ADB).

NBP to finance energy, farming sectors

<http://pakobserver.net/detailnews.asp?id=208589>

Karachi, June 02, 2013: NBP "will finance energy-related project on top priority". "So far, some 10 energy projects had been initiated in the country, of which seven have been financed by the NBP. Of these seven, five have already commenced operations and two more are expected to become operational shortly. On the whole, as much as financing facility worth Rs. 125 billion had been extended to the energy sector. Cut in key policy rate, 2012 was a difficult year for commercial banks because of persistent reduction in discount rates that significantly impacted the net interest income of all banks.

World Bank's "indirect" boost for Padma Bridge

<http://bdnews24.com/economy/2013/06/17/world-bank-s-indirect-boost-for-padma-bridge>

June 17, 2013: World Bank will continue financing important projects in Bangladesh that will help the country 'self-finance' the Padma bridge project, its country representative says. The lender's Bangladesh Representative Johannes Zutt said on Sunday that the Padma bridge will not be funded directly, but the financing of other frontline projects will continue.

"Our assistance in other projects will free the government (of Bangladesh) off pressures and help self-funding the Padma bridge," Zutt told the media at the World Bank's Dhaka office.

Education and infrastructure were the two key sectors in which the World Bank's funding will continue, he said. "This means we are helping bridge the Padma indirectly," Zutt said when asked whether it was possible for Bangladesh to do the Padma project on its own.