

## Bangladesh inks deal with India

Bangladesh on Wednesday signed a \$4.5-billion loan deal with India for developing its infrastructure, health and education.

The agreement was signed here in the presence of Finance Minister Arun Jaitley and his Bangladesh counterpart, A.M.A. Muhith, by Bangladeshi Economic Relations Division Secretary Kazi Shofiqul Azam and Managing Director of the Export-Import Bank of India David Rasquinha.

### Projects identified

Mr. Jaitley said 17 development projects had been identified under the deal. Of the total amount, about \$500 million will be used for setting up new economic zones for Indian and other investors, said officials of the Finance Ministry and the Bangladesh Economic Zones Authority.

Bangladesh will use the funds for 17 priority infrastructure projects, which include electricity, railways, roads, shipping and ports.

As with previous line of credit (LoC) agreements, Bangladesh will pay an interest rate of 1% a year. It will have 20 years to pay back the loans, with a grace period of five years.

Mr. Jaitley said Bangladesh had developed significantly on the socio-economic front in the past seven years. "We have stood by Bangladesh's attempts to develop and we will do so in the future. This significant agreement is a continuation of that effort."

Mr. Muhith said Bangladesh and India have "excellent relations at the moment." "They stood by us during our Independence struggle. We hope they will continue to do so in the future."

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