

Bangladesh toll road paves the way for new partnership

By Daniel Yu



A partnership agreement to build a US\$400 million flyover toll road project in Dhaka, Bangladesh, has been signed between CRCC International and Silk Routes Financials. The project sponsors are looking at a variety of financing options including tapping the Islamic finance market.

According to Bobby Tay, advisor to Silk Routes Financial, a boutique corporate advisory firm based in Singapore, the partnership model is the first of its kind for PPP (public-private partnerships) that CRCC International has entered into. "It would open up many opportunities for investment in the future," he adds.

CRCC International is a unit of China Railway Construction Corp, one of the largest integrated construction groups globally. Operating under the state-owned Assets Supervision and Administration Commission of the State Council of China, it was listed on the Shanghai and Hong Kong exchanges on March 2008.

The partnership is looking at a variety of projects launched by China along the Belt and Road countries. In Bangladesh, other projects being considered include another toll road in Chittagong and a 1,320MW coal power plant with Power China and the government of Bangladesh.

Beyond Bangladesh, Tay says infrastructure projects in countries such as Pakistan, Sri Lanka and the Maldives are being considered. "There are also discussions on partnership in the area of green projects such as garbage recycling and renewable energy," he adds.

Tay believes the use of Islamic finance in funding projects along the Belt and Road countries is ideal given that most of them have a Muslim majority population. "Islamic finance is a good way to open funding sources. This is something that we are all eager to get involved in."





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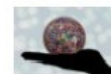
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