



## SPPL Syndicated Loan Agreement Signing Ceremony\*

Speech by **Dr. Atiur Rahman**, Governor, Bangladesh Bank

Organized by: **Citi Bank**  
01 February, 2010

### *Chief Guest*

Managing Director, City Bank Ltd, the lead arranger; Managing Directors/CEOs of other participating banks and financial institutions, Managing Director of SPPL the borrower project, other distinguished guests;

Assalamu alaikum, and a very good evening to you all.

I am very happy to be invited to this syndicated loan agreement signing ceremony for the fair sized private sector petrochemical project that will process naphtha from local refineries into some further value added petrochemical products for import substitution. *Today's signing of this syndicated loan agreement for Taka 2.24 billion for an energy sector project is a strong affirmation of rebound in investment confidence in Bangladesh*, following some months in slowdown in the uncertainties of global downturn triggered by the global financial turmoil. This sizeable loan syndication participated by 13 local banks and financial institutions is also a reaffirmation of the strength and resilience of our financial sector that came out virtually unruffled from the global financial turmoil; well positioned to support the real sector, unlike financial sectors in mature advanced economies needing very massive rescue packages for their own survival. BB will continue extending guiding and helping hand to our financial sector in building up further on the strengths, in terms of good corporate governance and careful risk management, prudent growth promoting investments avoiding creation of speculative asset price bubbles, and entrapment of households into indebtedness for needless ostentation and conspicuous consumption.

I wish and hope for early successful completion and pressing of the project into commercial operation, and I look forward to seeing public issue of equity over the medium term. I hope the lead arranger and syndicate participants will alertly preserve for this loan asset a quality high enough to permit outright or securitized trading in

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\* SPPL stands for *Super Petrochemical (Pvt.) Limited*

events of unforeseen liquidity needs. These secondary transactions in loan assets are important aspects of market deepening that we need to foster in term financing.

I would also wish to remind the syndication participants and other financiers present here not to neglect agriculture and SMEs in their lending activities. One reason why recovery from the global downturn is weaker in USA and UK than in Asia is that SME's in the West are still finding it hard to obtain new loans or renewal of past loans, even though larger corporates are no longer seriously constrained by lack of financing from the financial and capital markets. GOB and BB acting promptly to uphold domestic demand and output activities with the needed support for SME and agricultural financing helped to protect our economic growth from severe impairment in the global downturn. Bankers must not be found wanting in willingness and initiative expected of them in the same cause of fostering inclusive broad based growth. As things are unfolding, I can confidently reassure you all that there has already been a turnaround in the investment climate. This is being reflected in the form of growing opening of import LCs, higher container movements and stability of foreign exchange reserve despite growing remittances. Today's event is yet another indication that investment is indeed picking up and clouds of uncertainties are disappearing. If we can keep up this upbeat trend, surely Bangladesh will be able to achieve its targeted 6 percent plus economic growth this fiscal.

I would like to conclude here wishing good speed for commencement and rapid execution of the project with this syndicated financing line, thanking you all for your patient attention.

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