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Bangladesh's Largest Urea Fertilizer Plant supported by HSBC

The Hongkong and Shanghai Banking Corporation Limited (HSBC) has jointly arranged USD 1.3 Billion equivalent financing for Bangladesh Chemical Industries Corporation (BCIC) to set up its Ghorasal Polash Urea Fertilizer Project, under the Ministry of Industries, Government of the People's Republic of Bangladesh. HSBC is acting as the Joint Mandated Lead Arranger, Co-Arranger, Lender, Agent, Security Agent, and Account Bank in this financing. This is the largest financing backed by Export Credit Agency (ECA) ever completed in Bangladesh.

BCIC is owned by the Government of the People's Republic of Bangladesh with the responsibility to manage the chemical and allied sectors – mainly fertilizer production, import and distribution. This new 2,800 metric tons per day Urea Fertilizer Plant will be replacing two of BCIC's oldest plants – Urea Fertilizer Factory Ltd ("UFFL") and Polash Urea Fertilizer Factory Ltd ("PUFFL"). The new plant will produce 924,000 metric tons per year (more than three times the current output of UFFL and PUFFL) using the same volume of natural gas. The installation of greener and more fuel-efficient technology will produce high quality urea fertilizer and significantly improve agricultural yields.

Mr Nurul Majid Mahmud Humayun MP, Honorable Minister, Ministry of Industries; Mr Kamal Ahmed Mojumder MP, Honorable State Minister, Ministry of Industries; His Excellency Mr Naoki Ito, Ambassador of Japan; Mr Md Abdul Halim, Secretary, Ministry of Industries; Mr Md Abul Kalam Azad, Principal Coordinator- SDG Affairs, Prime Minister's Office, Mr. Md. Haiul Quaium, Chairman, BCIC and Mr. Md. Rajiour Rahman Mollick, Project Director, GPUFP were present among other high officials from the Government. Mr Nobumitsu Hayashi, Deputy Governor, JBIC; Mr Masafumi Nakada, President, NEXI, Japan; Ms Laura Galvin, Regional Head of International Countries, Commercial Banking, HSBC Asia Pacific; Mr Francois de Maricourt, Chief Executive Officer, HSBC Bangladesh and Mr Md Mahbub ur Rahman, Deputy CEO and Country Head of Wholesale Banking, HSBC Bangladesh, were present along with other senior officials from participating lenders and financing institutions.

Chief Guest, Mr Nurul Majid Mahmud Humayun MP said, “Bangladesh and Japan both are also collaborating in the areas of Industry, Infrastructure, Communication, ICT, Agriculture, Textile, Power, Health and Education & other prospective sectors. I am confident that the new fertilizer factory will ensure availability of urea fertilizer to the farmer at lower cost meet up the growing Urea Fertilizer demand in the country and thereby ensuring food security of the country. The Government of Bangladesh under the pragmatic leadership of Hon’ble Prime Minister Sheikh Hasina is committed to bringing about real, tangible and meaningful change for the improvement of the lives of our people to emerge as a modern, industrialized and middle-income country, ‘Digital Bangladesh’ by the year 2021 and a developed country by 2041.”

Mr. Francois de Maricourt, CEO, HSBC Bangladesh, said, “We are living in exciting times for Bangladesh and HSBC is honored to be part of the country’s journey towards a middle-income country. HSBC has been striving to become a trusted partner of Bangladesh's economic growth and prosperity. We are aligned with Bangladesh's development strategy and we are proud to support long-term projects which will boost the country's economic growth.”

Mr Md. Mahbub ur Rahman, Deputy CEO and Country Head of Wholesale Banking has mentioned that, “This is the largest Export Credit Agency (ECA) backed and commercial financing for any project in Bangladesh to date. The project is ensuring Sustainable Agriculture and is directly linked to Sustainable Development Goals (SDG) for Bangladesh. We are proud to be a key financing partner for the Government of Bangladesh arranging a total USD 2.8 Billion ECA-backed long term loan to support the Government-owned large infrastructure projects in the Power, Energy, Telecommunication, Aviation and Industrial sectors.”

With an economic life of 25 years, this project is expected to reduce the import of fertilizer and save foreign currency outflows of more than USD 100 million per year which will help to maintain the current stability in foreign exchange (FX) reserve of the country.



Photo Caption: The Hongkong and Shanghai Banking Corporation Limited (HSBC) has jointly arranged USD 1.3 Billion equivalent financing for Bangladesh Chemical Industries Corporation (BCIC) to set up its Ghorasal Polash Urea Fertilizer Project, under the Ministry of Industries, Government of the People’s Republic of Bangladesh. HSBC is acting as the Joint Mandated Lead Arranger, Co-Arranger, Lender, Agent, Security Agent, and Account Bank in this financing. This is the largest financing backed by Export Credit Agency (ECA) ever

completed in Bangladesh. Documents were exchanged between BCIC and the lenders in presence of Mr Nurul Majid Mahmud Humayun MP, Honorable Minister, Ministry of Industries; Mr Kamal Ahmed Mojumder MP, Honorable State Minister, Ministry of Industries; His Excellency Mr Naoki Ito, Ambassador of Japan; Mr Md Abdul Halim, Secretary, Ministry of Industries; Mr Md Abul Kalam Azad, Principal Coordinator- SDG Affairs, Prime Minister's Office, and Mr. Md. Rajiour Rahman Mollick, Project Director, GPUFP from the Government. Mr Nobumitsu Hayashi, Deputy Governor, JBIC; Mr Masafumi Nakada, President, NEXI, Japan; Mr Francois de Maricourt, Chief Executive Officer, HSBC Bangladesh and Mr Md Mahbub ur Rahman, Deputy CEO and Country Head of Wholesale Banking, HSBC Bangladesh, from the lenders and financing institutions.

Documents exchanged between: Mr. Md. Haiul Quaium, Chairman, BCIC and Ms Laura Galvin, Regional Head of International Countries, Commercial Banking, HSBC Asia Pacific on behalf of the lenders

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Note to editors:

The Hongkong and Shanghai Banking Corporation Limited

The Hongkong and Shanghai Banking Corporation Limited is the founding member of the HSBC Group, which serves our customers through four global businesses: Retail Banking and Wealth Management, Commercial Banking, Global Banking and Markets, and Global Private Banking. HSBC serves customers worldwide from offices in 65 countries and territories in our geographical regions: Europe, Asia, North America, Latin America, and Middle East and North Africa. With assets of US\$2,728bn at 30 September 2019, HSBC is one of the world's largest banking and financial services organisations.

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