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OPR: Overseas Construction Policy Division, MOLIT
#TeamKorea# Bangladesh #JointPPP

Team Korea Wins Priority Rights for \$700M Power Distribution Project in Bangladesh

Korea-Bangladesh Joint PPP Platform bears another fruit

The Ministry of Land, Infrastructure and Transport (MOLIT, Minister NOH Hyeong-ouk) held the 4th Korea-Bangladesh Joint Public-Private Partnership (PPP) Platform Meeting on March 2nd at KIND¹ headquarters in Seoul, and announced that Team Korea² secured the priority rights for the Bangladesh Purbachal New Town Power Distribution Network Construction·Operation Project worth 700 million dollars.

The Meeting was attended by Mr. Seong-won Yun, Vice Minister for Land and Infrastructure of MOLIT, and by Ms. Sultana Afroz, Secretary and CEO of the Public Private Partnership Authority of Bangladesh (PPPA), representing Korea and Bangladesh respectively, who reaffirmed the strong will for cooperation between the two countries³.

Through the Purbachal New Town Power Distribution Network Construction·Operation Project⁴, Bangladesh aims to ensure stable supply of electricity to Purbachal New Town⁵ located near the Bangladeshi capital, Dhaka. The Project will apply smart technologies to the power distribution management system to reduce distribution losses and minimize outage time.

Based on the priority rights awarded at the 4th Meeting of the Joint PPP Platform, Team Korea will conduct a feasibility study to develop the optimal PPP project model, and embark on the Project after discussing specific project requirements with the Bangladeshi government.

¹ KIND (Korea Overseas Infrastructure and Urban Development Corporation) was established in June 2018 to proactively support Korean companies' overseas PPP projects. KIND provides assistance in all stages of a PPP project, from project identification to development and financing.

² A Korean consortium consisting of KIND and other Korean companies, including GS E&C

³ (Korea) MOLIT Vice Minister for Land and Infrastructure, MOLIT Director of Overseas Construction Policy Division, CEO of KIND, and GS E&C executive, etc. (Bangladesh) Secretary and CEO of the PPPA, Joint Secretary of Power Division, Secretary and Chairman of RAJUK, and Ambassador of Bangladesh to Korea, etc.

⁴ (Purbachal New Town development in four phases) Phases 1 and 2 will be completed by 2027, Phase 3 by 2037, and Phase 4 by 2042

⁵ Purbachal New Town is situated 15km north-east from the capital city of Dhaka. The township consists of 25km² land area and is expected to provide a total of 90,000 units of housing.

The Korea-Bangladesh Joint PPP Platform⁶ was formed in April, 2019, based on a memorandum of understanding concluded between KIND and the PPPA.

Team Korea has secured priority rights on four projects* worth 10.2 billion dollars in the three previous meetings of the Korea-Bangladesh Joint PPP Platform.

(1st Meeting, July 18, 2019) The Bangladeshi side explained the G2G PPP project development process and made project proposals

(2nd Meeting, Jan 16, 2020) Team Korea won priority rights for three projects
- Dhaka-Mymensingh Expressway(\$500M), Dhaka Circular Railway(\$8.5B), 400kV Transmission Line(\$200M)

(3rd Meeting, Nov 18, 2020) Team Korea won priority rights for one project
- Meghna Bridge(\$1B)

The feasibility study for the Meghna Bridge project is at its final stage, and the following schedule for project commencement will be determined through consultation with the Bangladeshi side, such as by holding a feasibility study report meeting in Bangladesh. The projects on Dhaka-Mymensingh Expressway and Dhaka Circular Railway are currently going through feasibility studies conducted by Team Korea.

MOLIT Assistant Minister for Infrastructure Affairs Hyuck-jin Kwon said, “Going forward, MOLIT will promote application of G2G cooperation-based investment development models to Korean companies’ overseas infrastructure projects.”

Mr. Kang-hoon Lee, CEO of KIND, said, “As a reliable supporter of Korean companies, KIND will make continued efforts to identify new projects and secure priority rights for more projects, providing a stable foundation for Korean companies in winning projects overseas.”

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⁶ (Procedure of the Joint PPP Platform) Each side makes project proposals → Both sides select projects for further collaboration among the proposals through working-level consultations → Priority rights for the selected projects are awarded to Team Korea by the decision of the Korea-Bangladesh Joint PPP Platform