Early Warning System

IFC-43786

Dhiraagu II

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Quick Facts

Countries	Maldives
Financial Institutions	Asian Development Bank (ADB), International Finance Corporation (IFC)
Status	Approved
Bank Risk Rating	B
Voting Date	2022-10-11
Borrower	DHIVEHI RAAJJEYGE GULHUN PUBLIC LIMITED
Sectors	Communications
Investment Type(s)	Loan
Investment Amount (USD)	$ 35.00 million
Loan Amount (USD)	$ 35.00 million

Project Description

According to IFC, the proposed investment involves a debt funding up to US$35 million to Dhiraagu to support the Company's investment in the: i) international South East Asia–Middle East–Western Europe 6 ("SEA-ME-WE 6" or "SMW6") submarine cable project, which will connect the Maldives for the first time to a major international cable system; and ii) working capital needs to fund capital expenditure (CAPEX) facilities at Maldives (the "Project"). More specifically, the IFC financing will:

- Partially finance company's investment in SMW6. The SMW6 project has about 15 beneficiary business entities or Parties as members of the international consortium that will own, manage, and monitor the SMW6 project through its life cycle. Dhiraagu's investment in the core system is about 5% and is one of the 15 consortium members. The SMW6 core line is 13,329 km long and has five core landings (France, Egypt, Djibouti, India and Singapore) and seven branch landings (Malaysia, Bangladesh, Sri Lanka, Maldives, Pakistan, Oman and Kingdom of Saudi Arabia).
- Fully finance company's direct investment for the construction and operation of the Hulhumale branch of SMW6 international cable system. The branch line will be fully owned and funded by Dhiraagu in the SMW6 consortium. This branch is estimated to be 396km in length and will connect to the core system via a branching unit on the segment connecting Mumbai and Singapore. The landing site will be in Hulhumale in Maldives.
- Finance the CAPEX items identified for building local telecom infrastructure not related to the international cable system SMW6; and
- Working capital requirements.

Investment Description

- Asian Development Bank (ADB)
- International Finance Corporation (IFC)

The Project includes the Company’s future capex program including investments in a new submarine cable and general working capital needs. The Project will be partly financed by IFC A loan of US$35 million and an Asian Development Bank loan of US$30 million.

Private Actor Relationship

Current shareholding structure includes 52% by Bahrain Telecommunications Group (“Batelco”), 41.8% by Government of Maldives (“GoM”), and 6.2% listed for trade in Maldives Stock Exchange.

Private Actors Description

Dhivehi Raajjeyge Gulhun Public Limited (“Dhiraagu” or the “Company”), is the largest mobile network operator, broadband and digital service provider with more than 50 percent market share in the Maldives (https://www.dhiraagu.com.mv/). The Company offers a comprehensive range of mobile, internet, data, fixed line, and digital television services throughout the Country. Dhiraagu is listed on the Maldives Stock Exchange with a market capitalisation of US$502.7 million (as of 12 December 2021).

Contact Information

Dhivehi Raajjeyge Gulhun Public Limited
Dhiraagu Head Office, Ameenee Magu, P.O. Box 2082, 20403, Male, Maldives

https://www.dhiraagu.com.mv/

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ACCOUNTABILITY MECHANISM OF IFC/MIGA

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org You can learn more about the CAO and how to file a complaint at http://www.cao-ombudsman.org

Bank Documents

- Environmental and Social Review Summary