

## **JBIC Signs ODA Loan Agreement for Egypt**

### **--To Support Stable Power Transmission to Key Areas--**

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1. Japan Bank for International Cooperation (JBIC; Governor: Kyosuke Shinozawa) signed July 9 in Cairo an ODA loan agreement totaling 5.001 billion yen with Egyptian Electricity Holding Company (EEHC) for the Cairo-Alexandria Transmission System Project.
2. The proceeds of the loan will be used for civil work and procurement of materials and equipment necessary for the construction of: (1) the Sidi Krir Substation in Alexandria, northern Egypt; and the (2) 500kV Transmission Line stretching about 230km (equivalent to the distance of Tokyo-Nagano) from the Sidi Krir Substation to Cairo 500 Substation, via the Nubaria Power Station located in the Delta zone.
3. In Northern Egypt, power demand in Cairo, Alexandria and Delta zone is the highest in Egypt, and has been continuing to increase, with an annual 6~7% growth expected in the coming years. To meet this rapid increase, the government of Egypt has already built the 1,290MW Sidi Krir Power Station in Alexandria zone, while the 1,500MW Nubaria Power Station is under construction in the Delta zone. However, existing transmission lines are not keeping up with the sharp increase of electricity flow. Therefore, the government urgently needs to take action to ensure a stable power supply.
4. The Middle East region was seriously destabilized by the aftermath of events of September 11 and War in Iraq. Since Japan largely relies on crude oil imported from oil producing countries in this region, stability of the Middle Eastern countries, including those bordering oil producers, has important implications for Japan. The project will support economic growth and better living conditions of the people in Egypt, which plays a significant role in fostering peace and security of the Middle East.

(Click here for details.)

## 1. Loan Amount and Terms

Project Name	Amount (Mil. Yen)	Interest Rate (% per annum)	Repayment Period/ Grace Period (Year)	Tying Status
Cairo-Alexandria Transmission System Project	5,001	1.8	20/6	General Untied

## 2. Outline of the Project

Cairo-Alexandria Transmission System Project

### (1) Background and Necessity of the Project

With power demand expected to grow threefold over the space of 20 years from 1997, the government of Egypt is striving to rapidly increase power supply under EEHC's Long-Term Power Development Plan (2002/3~2012/13). In the Cairo, Alexandria and Delta zones in particular, power demand is forecast to grow as much as 6~7% annually in the coming seven years. To meet this rapid increase, the government of Egypt has already built the 1,290MW Sidi Krir Power Station in Alexandria, while the 1,500MW Nubaria Power Station is under construction in the Delta. With capacity of existing transmission lines already lagging behind the sharp rise in energy consumption, however, it is difficult at the moment to safely transmit electricity generated by the newly constructed power stations. In addition, the continuing overload has resulted in a lower degree of reliability in power supply and higher transmission loss rates, because of destruction of power lines, transformers and other power-related equipment. Therefore urgent measures to secure an efficient and stable power supply in these zones is needed to be taken.

### (2) Objective and Description of the Project

The Project aims at ensuring efficient and highly reliable transmission of electricity to the Alexandria, Delta and Cairo zones, including the capital of Cairo, the three largest power consuming zones in Egypt, and at the same time responding to the increase in power supply generated by large-scale power stations such as the existing Sidi Krir and Nubaria Power Station currently under construction, by installation of a 500kV transmission line linking Sidi Krir Power Station, Nubaria Power Station and Cairo 500 Substation, and the newly constructing Sidi Krir Substation (500kV portion.) The Project is thus expected to contribute to economic growth and the stable living conditions of the Egyptian people.

The project executing agencies are: Egyptian Electricity Holding Company (EEHC), Egyptian Electricity Transmission Company (EETC), and West Delta Production Company (WDPC) [Address of EEHC: Extension of Ramsis St., Abbassia, Nasr City, Cairo, Egypt; TEL:+20-2-401-2368, FAX:+20-2-401-1630].