

JBIC Signs ODA Loan Agreement with Egypt

--Supporting Tourism and Industrial Development through Airport Improvement--

1. Japan Bank for International Cooperation (JBIC; Governor: Kyosuke Shinozawa) signed on March 30, an ODA loan agreement totaling 5.732 billion yen with the Government of the Arab Republic of Egypt for the Borg El Arab International Airport Modernization Project.
2. The Project consists of the construction of an air terminal with the capacity of handling 1 million passengers and 4,000 tons of cargo per year, as well as improvements in related facilities at Borg El Arab International Airport, including the apron and the taxiway. The airport is located around 40 kilometers southwest of Alexandria, the second largest city in Egypt after Cairo. The proceeds of the loan will be used for building and improving these facilities and consulting services, which cover detailed design, bidding assistance, monitoring and supervision during implementation, etc.
3. In addition to the historical ruins such as the Valley of the Kings, Egypt offers a diverse pattern of tourism, including extended stays on the Mediterranean coast in recent years. As a result, about 6 million foreign tourists visited the country in 2003, and their visits are forecast to grow at an annual rate of about 10 percent through 2021. Since almost 80 percent of tourists will come by air, improving airport facilities is an urgent issue for the prosperity of the tourism industry, which is a major industry and source of foreign currency earnings, and also for the country's economic development through broader industrial advances.
4. The site of this Project, the vicinity of Alexandria, is not only the country's trading capital but also an area where various industries have developed. Among them are petrochemicals, metal refining, agriculture taking advantage of the fertile soil in the Nile delta, and tourism, which is benefiting from an abundance of historical ruins from its time as the capital of the Ptolemaic Dynasty. Given these developments, the number of air passengers visiting Alexandria and its vicinity is projected to increase from 440,000 in 2002 to 1 million by 2014. Demand for air cargo is also expected to rise as economic activities expand.
5. The Project aims to strengthen the air passenger and cargo handling capacity of the existing airport in response to this growing demand for air transport, and to improve convenience and safety, thereby contributing to economic development.

([Click here for details.](#))

1. Loan Amount and Terms

Project Name	Amount (Mil. Yen)	Interest Rate (% per annum)	Repayment Period/ Grace Period(Years)	Procurement
Borg El Arab International Airport Modernization Project	5,732	1.5	25/7	General Un tied

2. Project Executing Agency

Egyptian Airports Company (EAC)
Address: Nasr City – Embassies District, Block #4, Building #1, Cairo, Egypt
Tel: +20-2-2739417, Fax: +20-2-2739416

3. Political and Economic Profile of Egypt

Egypt is located in the northeastern corner of the African continent and consists of an almost square-shaped area that borders with the Mediterranean Sea in the north, the Red Sea in the east, Libya in the west and Sudan in the south, as well as the Sinai Peninsula. Deserts account for more than 95 percent of the land that extends about 1 million square kilometers, which is 2.7 times larger than Japan. Having a population of 69.2 million (as of June 2003), Egypt is a populous country in the same league with Turkey and Iran in the Middle East.

Political and economic conditions have been generally stable, and Egypt is playing a role commensurate with its national power for promoting stability in the Middle East, as can be seen in the Middle East peace process.

Its economy grew, in general, in the 4-6 percent range from the second half of the 1990s, and foreign currency reserves amount to 13 billion U.S. dollars, which is equivalent to more than 8 months' worth of imports in goods and services.