

Signing of Japanese ODA Loan Agreement with Madagascar: Contributing to the economic growth of Madagascar through the expansion of the Port of Toamasina, the country's largest commercial port

On March 23, the Japan International Cooperation Agency (JICA) signed a loan agreement with the Government of the Republic of Madagascar in Antananarivo to provide a Japanese ODA loan of up to 45.214 billion yen for assistance for the Toamasina Port Development Project.

By expanding the Port of Toamasina, which is the largest commercial port in Madagascar, this project will strengthen the functions of the port to meet the increasing demand for freight, thereby expanding and improving the efficiency of the flow of goods, with the objective of contributing to the economic development of Madagascar. The loan funds will be allocated to public works such as breakwater expansion, construction of a berth for container freight, dredging of the bulk freight berths, and expansion of the container yard, and to consulting services (detailed design work, bidding assistance and construction supervision).

As Madagascar is an island nation located in the South Indian Ocean, maritime transportation plays an important role in the flow of goods for the country. Although Madagascar experienced negative growth in 2009 due to the domestic political turmoil, this changed to positive growth in 2010, and economic growth is expected to reach an annual rate of between four and five percent going forward. In addition, a large increase in a demand for domestic freight is expected in conjunction with the rapidly rising population. An increase is also predicted in the freight transferred to neighboring countries, such as Kenya and Tanzania, which have annual economic growth rates higher than five percent. The Port of Toamasina is the largest commercial port in Madagascar, currently handling about 75 percent of the domestic freight and about 90 percent of the international freight.

However, the port infrastructure has not been rehabilitated and there has been no expansion work to meet the increasing demand for freight, limiting the size of container vessels that can berth. Providing port facilities and facilitating efficient operations to meet the expected increase in demand for domestic and international freight is therefore a priority for Madagascar. By constructing a berth for container freight, expanding the container yard and carrying out other work at the Port of Toamasina, it is expected that this project will at least double the amount of freight that can be handled. It is expected that such measures will increase the flow of goods along with higher efficiency, promote investment in Madagascar and develop the private sector.



signing ceremony

In parallel with this project, JICA has carried out the Project on Master Plan Formulation for Economic Axis of TaToM (Tananarive-Toamasina, Madagascar) since January 2017, a technical cooperation project which will formulate a comprehensive urban development plan in the area including Antananarivo and Toamasina in order to contribute to the economic development in Madagascar.

Reference

1. Terms and Amount of Loan

Project title	Amount (million yen)	Annual interest rate (%)		Repayment period (years)	Grace period (years)	Procurement
		Project	Consulting services			
Toamasina Port Development Project	45,214	0.01	0.01	40	10	General, untied

2. Executing Agency

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3. Planned Implementation Schedule

- (1) Completion of project: April 2026 – when all of the facilities are put into service
- (2) Issuing of letters of invitation for consulting services (including detailed design work): April 2017
- (3) Tender announcement of initial procurement package for international competitive bidding on project construction:
 Procurement package title: Construction Work for Phase I
 Planned release date: April 2017