

Signing of Japanese ODA Loan Agreement with Cambodia: Expanding Sihanoukville Port to contribute to improvements to the logistics environment of Cambodia

On August 7, the Japan International Cooperation Agency (JICA) signed a loan agreement with the Government of the Kingdom of Cambodia in Tokyo to provide a Japanese ODA loan of up to 23.502 billion yen for the Sihanoukville Port New Container Terminal Development Project.

The project will develop a new container terminal and improve the cargo handling capacity at Sihanoukville Port with the objectives of improving the logistics environment in Cambodia and promoting trade. The loan funds will be allocated to container terminal and access road development, public works relating to marine routes and mooring basin dredging [1], the procurement of cargo-handling equipment, and consulting services.

The only deep-sea port in Cambodia, Sihanoukville Port is a key logistics hub that supports the national economy. Moreover, due to its strategic location on the Southern Economic Corridor [2], which has been a focus of support from Japan, Sihanoukville Port is expected to become a logistics transfer hub for ASEAN overall. However, the demand for container cargo is rising rapidly due to robust economic growth and the development of manufacturing in Cambodia, and the demand is expected to surpass the cargo handling capacity of the port in the near future.

The project will increase the container cargo handling capacity at the port by approximately 450,000 TEUs [3] to more than one and a half times the current capacity. The project will enable the port to accommodate the larger sized vessels that have become mainstream in the international marine transportation market, which is expected to lead to a reduction in transportation costs.

Since 1999, Japan has provided continuous support for improving the infrastructure and enhancing the management capacity of the port, and in June 2017 acquired equities in the Port Authority of Sihanoukville, which manages the port, in its initial public offering to strategic investors. Through technical cooperation, ODA loans, and grant aid, Japan will continue to provide cooperation to improve the infrastructure of the port, promote efficiency in port administration, and enhance international competitiveness while contributing to the logistics environment of Cambodia and the surrounding region.

- 1: A public work in which sand and dirt are removed by scraping the bottom of a port, river, canals or the like
- 2: An international trunk road connecting Ho Chi Minh City (Vietnam), Phnom Penh (Cambodia), and Bangkok (Thailand)
- 3: The amount of cargo in a 20-foot-long container

1. Terms and Amount of Loan

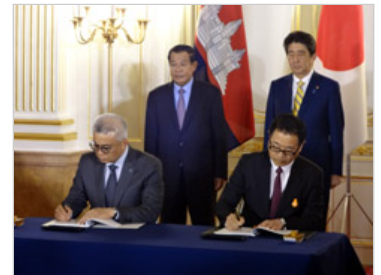
Project title	Amount (million yen)	Annual interest rate (%)		Repayment period (years)	Grace period (years)	Procurement
		Project	Consulting services			
Sihanoukville Port New Container Terminal Development Project	23,502	0.01	0.01	40	10	General, untied

2. Executing Agency

Port Authority of Sihanoukville
 Address: Vithei Phe, Sihanoukville, Cambodia
 Phone: +855-34-390-455, fax: +855-34-399-395

3. Planned Implementation Schedule

- (1) Completion of project: October 2023—when the facilities are put into service
- (2) Issuing of letters of invitation for consulting services (including detailed design work): Around November 2017
- (3) Tender announcement of initial procurement package for international competitive bidding on project construction:
 Package title: civil works
 Release date: Around August 2019



signing ceremony

