

June 17, 2019

Signing of Japanese ODA Loan Agreement with the Republic of Iraq: First installation of FCC Complex in Iraq - Contributing to increase oil product supply to the domestic market

On June 16, the Japan International Cooperation Agency (JICA) signed a loan agreement with the Government of the Republic of Iraq in Baghdad to provide a Japanese ODA loan of up to 110 billion yen for the Basrah Refinery Upgrading Project (II).

This project will improve the quality and productivity of oil products through upgrading the existing oil refinery by installing a new Fluid Catalytic Cracking (FCC) Complex in Basrah Refinery, one of the biggest oil refineries in Iraq.

Although Iraq is one of the world's largest oil producing countries with its fifth ranked proven oil reserves, it heavily depends its domestic demands of oil products such as gasoline and diesel on other oil producing countries. Many of oil refining facilities in Iraq are currently out of service or under operation below their design capacities due to the long lasted conflicts.

The first installation of FCC Complex in Iraq will allow the country not only to produce oil products that meet international environmental standards but also to contribute to economic and social reconstruction in Iraq by strengthening the oil sector, which dominates the Iraq's economy.

Special Terms for Economic Partnership (STEP)* will apply to the Japanese ODA loan for this project, and Japanese technology, including advanced technical know-how and engineering skills will be utilized at the FCC Complex being constructed in the project.

* STEP refers to special assistance terms for promoting the visibility of Japanese aid through a transfer of outstanding Japanese technology and expertise to developing nations. The main contract is Japan tied and subcontracting is general untied. Although the main contract allows a joint venture with the borrowing country in addition to the Japanese company and its subsidiary with an overseas presence, the Japanese company must be the leading partner in such an arrangement.

Details for the project are provided below.

1. Terms and Amount of Loan

Project title	Amount (million yen)	Annual interest rate (%)		Repayment period (years)	Grace period (years)	Procurement
		Project	Consulting services			
Basrah Refinery Upgrading Project(II)	110,000	0.2	0.01	40	10	Japan Tied

2.Executing Agency

Ministry of Oil

Address: Ministry of Oil Building, Bagdad, The Republic of Iraq

3.Planned Implementation Schedule

(1)Completion of project: April 2024 – when the facilities are put into service

(2)Issuing of letters of invitation for consulting services (including detailed design work): Already Hired

(3)Tender announcement of initial procurement package for international competitive bidding on project construction:

Procurement package title: EPC Package

Release date: March 2019 (Already announced)

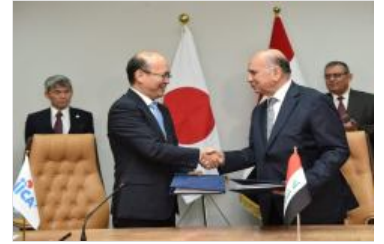
4.JICA Contact Information

For further information about the procurement schedule, please contact the party listed below.

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signing ceremony