

# Qinhuangdao Port 4th Stage Coal Terminal Construction Project (I) (II)



Qinhuangdao Port

## Outline of Loan Agreement

|                                    |   |
|------------------------------------|---|
| Loan Amount/ Loan Disbursed Amount | ¥11,122 million / ¥10,717 million   |
| Loan Agreement                     | August 1993 and January 1995  |
| Terms and Conditions               | Interest rate: 2.6%,<br>Repayment period: 30 years (grace period: 10 years) |
| Final Disbursement Date            | September 1998 and February 2000  |

## Project Profile

The project was to construct a new coal foreign and domestic export terminal in Qinhuangdao Port, Hebei Province, to meet rapidly growing demand for coal handling at the port.

## Results and Evaluation

The volume of coal handled rose after the completion of the project, but it did not reach the target of 30 million tons per year. A delay of seven months in completion may have had an effect, but the main causes were stagnation in demand for steel, and the policy of energy source conversion due to environmental problems, which also stagnated the growth of coal production. However, in 2000 the annual handling volume for the 4th stage berth went above 25.03 million tons, exceeding the preceding year's volume to reach a record level. The construction of the 4th stage berth at the country's largest coal foreign and domestic export terminal created employment for approximately 700 people.

Maintenance of the facilities is the responsibility of No.7 Port Corporation of the Qinhuangdao Port Authority, which has long experience of port operation, and there are no significant problems impeding the sustainability of the port. In terms of the revenue and expenditure of the 4th stage berth, operating revenue exceeds maintenance costs, but the profitability of the project is largely influenced by the volume of coal handled.