(1) North-South Expressway Construction Project (Da Nang – Quang Ngai Section) (III)

Background and Necessity

Da Nang, which is the largest city in the central area of the Socialist Republic of Viet Nam, has undergone rapid development as an industrial and export processing zone along with its neighboring provinces, Quang Nam and Quang Ngai. Exemplifying the economic capacity of the region as a distribution and production base, this development has included an increasing number of Japanese companies expanding into the area. Such recent economic growth in the country has caused a significant increase in the traffic volume in the area, which is expected to increase even further. In addition, there have been other noticeable changes pertaining to traffic: a rising rate of car ownership and an increasing number of heavy trucks, deterioration of road conditions, and more traffic accidents due to cars and trucks driving on the same roads. Given these circumstances, there is an urgent need to build expressways that provide an efficient, safe and comfortable travel means. Furthermore, since Da Nang plays an important logistics role as a key distribution point located at the east end of East-West Economic Corridor that runs through the Lao People's Democratic Republic and the Kingdom of Thailand to the Republic of the Union of Myanmar, successful completion of this project will provide a major expressway for international distribution to connect Viet Nam with the north, south, east and west of the Mekong region. This project is therefore crucial to economic growth in the central area of the country and reducing disparities across the country.

Objective and Summary

Through the construction of the Da Nang - Quang Ngai section as one of the highest-priority routes in the North-South Expressway network, this project aims to: 1) address the increasing traffic volume in and around Da Nang, which is the logistics center and production base for the central area of the country, 2) facilitate the efficient and safe distribution of goods, and 3) thereby contribute to the economic development in the central region of Viet Nam, including Da Nang, while strengthening the international competitiveness of the region.

Through co-financing from the World Bank, JICA has provided loans for phase I of the project (signed in June 2011 for 15,912 million yen) and phase II of the project (signed in March 2014 for 30,008 million yen). The current ODA loan is for phase III.

The ODA loan is used for civil works, material and equipment procurement and consulting services required for the development of the high standard expressway.

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Planned Implementation Schedule
(i) Completion of project: June 2018 – when the facilities are put into service
(ii) Consulting services (including construction supervision): Already employed.
(iii) Construction: Already signed.