



## **JICA, together with IFC, signs a loan agreement to finance a new Terminal at Iraq's largest Port**

**Baghdad, Iraq, December 15, 2021**—Together with IFC, the Japan International Cooperation Agency (JICA) signed a loan agreement to finance a modern new terminal at Umm Qasr Port in Basra, Iraq's largest port. The new terminal is expected to significantly reduce vessel turnaround times, helping to boost trade, enhance the country's connectivity to global markets, and drive economic growth.

JICA's commitments to the financing of Basra Multipurpose Terminal, for this terminal in the country's only deep-water port includes a senior loan of \$40 million, alongside IFC's \$85 million financing package.

The \$125 million financing package for this project is one of the largest non-energy-related foreign direct investments in Iraq to date. Umm Qasr serves as the main entry point into Iraq and is vital to sustaining its development and imports, as the country rebuilds itself after years of conflict.

"Over the past several years, JICA has comprehensively supported the Iraqi port sector," said Shohei Hara, Director General of JICA's Private Sector Partnership and Finance Department. "Financing this new terminal at Iraq's main port will help boost trade and imports and drive economic growth."

JICA has supported the development of Iraq's port sector through the Port Sector Rehabilitation Project in 2008 and the Port Sector Rehabilitation Project (II) in 2014 which in turn are structured as ODA loans to finance the removal of shipwrecks and procurement of cargo handling equipment.

In addition, JICA supported the Master Plan Study for the Port Sector in Iraq (2015) as a technical cooperation project to provide trainings on port management and planning as well practical knowledge on PPP to General Company for Ports of Iraq (GCPI) with the aim to formulate a medium-term development plan for the Iraqi port sector.

Likewise, the project is part of the World Bank Group efforts to diversify the Iraqi economy and reduce its dependence on state-run economy on oil and imports and strengthen vital infrastructure. As the country's rebuilding efforts continue, demand for containerized goods and raw materials is expected to increase, with the ports sector set to play a key role in boosting trade and integrating Iraq's market with worldwide supply chains.

"Iraq's infrastructure needs are immense and growing," said Abdullah Jefri, IFC's Country Manager for the Levant region. "Only through the private sector can Iraq meet these needs, make its economy more competitive, and achieve long-term sustainable growth to increase shared prosperity for all."

IFC has been participating in the modernization of the Umm Qasr Port for more than a decade, having financed earlier expansions by GulfTainer, another terminal operator, in 2010 and helped modernize truck access at the port through an equity investment in Nafith Logistics in 2014.

### **About JICA**

JICA\* - Established as an Incorporated Administrative Agency under the Act of the Incorporated Administrative Agency - Japan International Cooperation Agency (Act No. 136, 2002), JICA aims to contribute to the promotion of international cooperation as well as the sound development of Japanese and global economy by supporting the socioeconomic development, recovery or economic stability of

developing regions. JICA is advancing its activities around the pillars of a field-oriented approach, human security, and enhanced effectiveness, efficiency, and speed.

\*JICA : Japan International Cooperation Agency