

Lianyungang Port Xugou Area First Phase Construction Project



Lianyungang Port

Outline of Loan Agreement

Loan Amount/ Loan Disbursed Amount	¥5,900 million / ¥4,898 million
Loan Agreement	October 1992
Terms and Conditions	Interest rate: 2.6%, Repayment period: 30 years (grace period: 10 years)
Final Disbursement Date	November 1997

Project Profile

The project was to construct berths at Lianyungang Port, Jiangsu Province with total handling capacity of 2.1 million tons per annum, able to serve vessels of up to 15,000 tons. The berths were required to meet rapidly growing demand for general goods caused by the country's economic progress.

Results and Evaluation

Freight handling has been steady since the completion of the facilities, reaching a volume above the initial target. In addition to general goods (light industrial products, medical supplies and agricultural, forestry and fisheries products etc.), large volumes of non-metallic ores, coal, salt and other materials have been handled.

Lianyungang Port handles freight in both directions for its wide hinterlands, which extend through Jiangsu, Henan and Shandong Provinces and beyond. Combined with the building of a transport network, mainly of railways, it can be inferred that the development of the port under the project has made a contribution to the development of the port's hinterlands.

Operation and maintenance is conducted by the No.4 Port Corporation, which is under the Lianyungang Port Authority. The Corporation is now being assigned staff from the various departments and factories of the Port Authority for enhancement of organizational strength.

Given the current level of profitability, it will take a long period of time to recoup the investment. The facilities will become more economic if the freight handling volumes continue to rise, and the project appears to be sustainable.