
JBIC inks USD 357 million Port of Durban expansion project

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Journal of Commerce reported that Japan Bank for International Cooperation has signed an untied loan agreement totaling up to USD 357 million to finance South Africa's project to expand the Port of Durban.

The loan agreement was signed on March 26th 2009 between JBIC and Transnet. Three major Japanese commercial banks co-financed the loan. They are Bank of Tokyo Mitsubishi UFJ, Mizuho Corporate Bank and Sumitomo Mitsui Banking Corporation. JBIC provided guarantees for the three commercial banks' portion of the loan.

According to JBIC, the loan will finance the Entrance Channel Widening and Deepening Project at the Port of Durban, which Transnet is undertaking with the aim of enabling larger vessels to enter the port. It said that the Port of Durban is now the busiest port in South Africa and one of the busiest container ports in the Southern Hemisphere. The port has also become an important export and import base for many Japanese auto-related affiliate companies, which have established operations in South Africa in recent years.

According to JBIC, the volume of cargo handled at the Port of Durban has reached the port's capacity due to South Africa's continued economic growth in recent years. As a result, local Japanese affiliate firms are now being forced to increase their inventories of imported parts and extend storage time for their export products. It added that the project to expand the port's cargo handling capacity and thereby relieve its congestion will help improve the business environment for local Japanese affiliate companies.

(Sourced from www.joc.com)

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