



Government Concessional Loan



PNG and CSYIC Partners in Progress



The signing of the Memorandum Of Understanding by Minister of Commerce and Industry Hon. Gabriel L. Kapris, MP and of the Country Manager of CSYIC Engr. Narciso D. Caguiran, Jr. as witnessed by the Secretary of Commerce and Industry Sec. Anton Kunit, Consul Gregory Hombuahin, Dr. Wilfredo L. Hugo and Engr. Conrado Baylon of Truk Pacifica Development Corporation

1. INTENTION AND APPLICATION TO UTILIZE CHINA FUND

This is a subject of Concessional or Preferential Loan application to Export-Import Bank of China (CHINA EXIM BANK) by the Ministry of Finance and Treasury for in behalf of the Papua New Guinea Government to purposely finance the development of the proposed Pacific Marine Industrial Zone.

2. KIND OF LOAN

Government Concessional or Preferential Loan Package to be taken from the Export-Import Bank of China (CHINA EXIM BANK) in accordance with the existing Bilateral Agreement between the governments of the Papua New Guinea and the People's Republic of China.

3. THE PROJECT

PROJECT NAME: PACIFIC MARINE INDUSTRIAL ZONE

LOCATION: MADANG, PAPUA NEW GUINEA

CONSTRUCTION PERIOD: 3 YEARS

DEVELOPMENT SCHEME: FUND AND BUILD

RELEVANCE: This development project will serve as an effective catalyst to the entire economic activity of the Papua New Guinea and definitely will have a tremendous social impact to the people of the Madang and to the rest of Papua New Guinea.

4. NAME OF LOAN BORROWER

Ministry of Finance and Treasury, Papua New Guinea.

5. NAME OF IMPLEMENTING OFFICE

Ministry of Commerce and Industry, Papua New Guinea.

Through: Pacific Marine Industrial Zone.

6. PROPOSED LOAN AMOUNT

Ninety Five Million Dollars (US \$ 95,000,000.00) or Two Hundred Thirty Seven Million Five Hundred Thousand Kina (Kina 237,500,000.00) or equivalent to Six Hundred Seventy Eight Million Five Hundred Seventy One Thousand Four Hundred Twenty Nine RMB Yuan (¥ 678,571,429.00).

7. REPAYMENT MODE

Loan Period of Thirty (30) Years excluding Construction Period of Three (3) Years and Architectural and Engineering Design (see Gantt Chart). Grace Period of Five (5) Years and Payment Period of Twenty Five (25) Years with annual interest rate of Two (2) Percent per Annum. No amount is paid during construction period, interest payment only during grace period and principal amount plus interest during pay period.

Papua New Guinea guarantees China Exim Bank the following:


A. Viability and Profitability of the Project

B. All assets of the Project will be assigned to the Borrower (Ministry of Finance and Treasury).

ANNEXES:

1. Project Feasibility Study
2. Letter Of Intent (LOI)
3. Memorandum Of Understanding and Cooperation (MOUC) between China Shenyang International Economic & Technical Cooperation Corporation and Ministry of Commerce and Industry of Papua New Guinea.

Respectfully Submitted:



ENGR. NARCISO B. CAUGUIRAN, JR
CSYIC – Country Manager
Philippines and Abroad

HON. GABRIEL L. KAPRIS, MP
Ministry of Commerce and Industry
Papua New Guinea