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## Drivers, Challenges and Opportunities for EU-Japan business collaboration in third markets

### Collaboration with EIB and JBIC's supports to EU-Japan Projects

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Ryoichi Abe

Director, Division 2, New Energy and Power Finance Department I

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Japan Bank for International Cooperation  
(JBIC)

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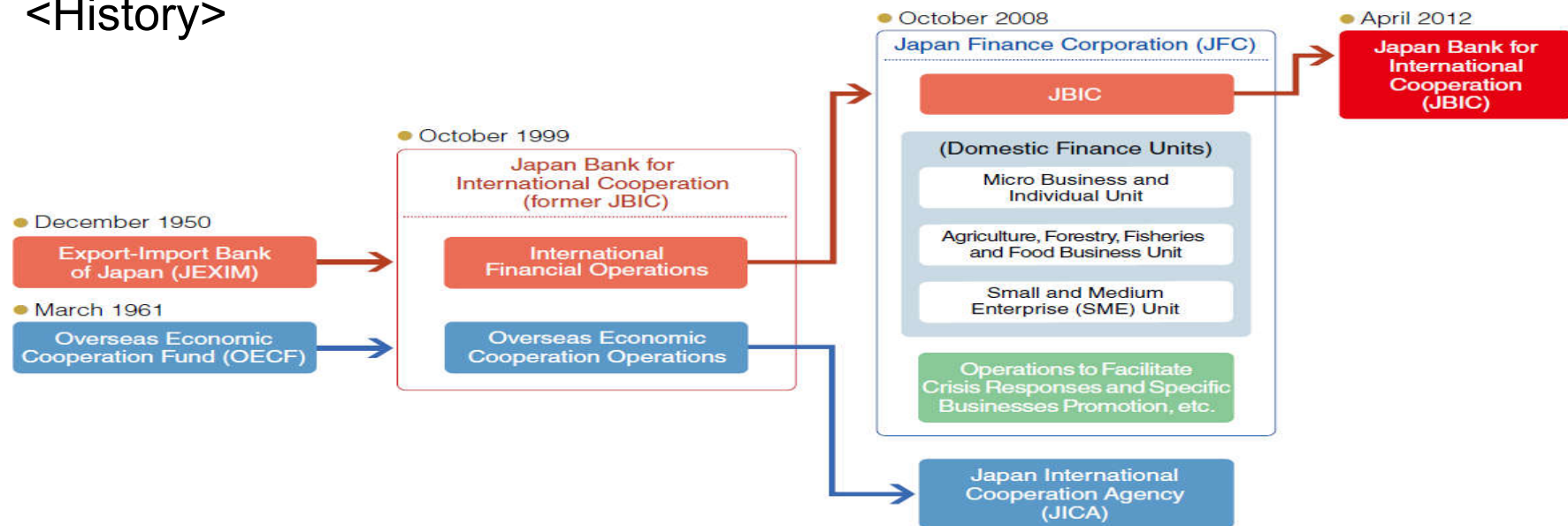
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# 1. Profile

- ◆ Establishment: April 1, 2012 in accordance with the JBIC Act.
- ◆ Ownership: Wholly-owned by the Government of Japan.
- ◆ Rating: S&P/ A+, Moody's/ A1
- ◆ Outstanding Loan & Guarantee\*:  
JPY16,068 Bil. (= USD 146 bil @JPY110/USD)
- ◆ Capital\*: JPY1,785 Bil. (= USD 16 Bil. @JPY110/USD)

\*as of 31<sup>st</sup> March 2019

## <History>



## 2. Collaboration with EIB

### (1) Track records of co-financings with EIB

#### Panama

##### **Loan for Panama Canal Expansion Project:**

Contributing to Japanese international competitiveness and stable resource supply

The Panama Canal is the vital shipping route connecting the East Coast of North America with Japan and Asia, and it is a crucial pathway for Japanese international shipping. In fact, ships originating from and destined for Japanese ports accounted for 14% of all traffic in 2007, making Japan the third largest user of the canal. JBIC signed a loan agreement in December 2008 totaling up to US\$800 million with the Autoridad del Canal de Panamá (ACP: Panama Canal Authority) in the Republic of Panama for the Panama Canal expansion project. The loan amount was provided in cofinancing with the private banks (The Bank of Tokyo-Mitsubishi UFJ, Ltd. and Sumitomo Mitsui Banking Corporation).

The completion of the project is expected in 2014, a year to commemorate the 100th anniversary of the opening of the Panama Canal. Expansion will increase the canal's capacity and enable the transit of larger, wider and longer post-Panamax vessels.<sup>1</sup> Larger ships currently making a detour to other shipping lanes will be able to navigate the canal, reducing the waiting time caused by congestion. As a result, Japanese shippers and exporters may benefit from lower shipping costs due to shorter shipping times.

Of the US\$5.25 billion cost of the expansion project, a total of US\$2.3 billion will be financed by loans. The other multilateral and development agencies from which the ACP will receive loans are: the Inter-American Development Bank (IDB), International Finance Corporation (IFC), European Investment Bank (EIB) and Corporación Andina de Fomento (CAF; Andean Development Corporation). JBIC will support this project in cooperation with these multilateral institutions, which will contribute to maintaining and improving the international competitiveness of Japanese industries and securing a stable supply of natural resources to Japan.



The Panama Canal

Source: JBIC Annual Report

## 2. Collaboration with EIB

### (1) Track records of co-financings with EIB



#### Buyer's Credit for ERC Refinery Project in Egypt Supporting Japanese Firm's Large-Scale Export to Africa

Region: Africa   ■ Machinery and Equipment   ■ Export Loans   ■ Project Finance

NR/2010-25  
August 10, 2010

ENVIRONMENT  
& SOCIETY


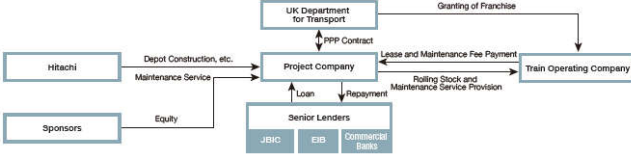

1. The Japan Bank for International Cooperation (JBIC, President & CEO: Hiroshi Watanabe)\*<sup>1</sup> signed on August 9 a buyer's credit\*<sup>2</sup> agreement in the amount of up to 900 million US dollars with the EGYPTIAN REFINING COMPANY (TAKRIR) S.A.E. (ERC), a company incorporated in the Arab Republic of Egypt, provided under project financing\*<sup>3</sup>. This loan was cofinanced with the following commercial banks: The Bank of Tokyo-Mitsubishi UFJ (the Facility Agent); Société Générale Tokyo Branch; The Hongkong and Shanghai Banking Corporation Limited, Tokyo Branch; Standard Chartered Bank Tokyo Branch, ; Crédit Agricole Corporate & Investment Bank, Tokyo Branch and The Sumitomo Trust and Banking Co., Ltd., with the Nippon Export and Investment Insurance (NEXI) providing Buyer's Credit Insurance for the cofinanced portion. Besides this loan, the project has also been financed by other export credit agencies and multilateral institutions, namely the Export-Import Bank of Korea, the European Investment Bank and the African Development Bank. This is the first project finance loan that JBIC has provided to a project in the Arab Republic of Egypt.

Source: ERC Website

Source: JBIC Website

## 2. Collaboration with EIB

### (1) Track records of co-financings with EIB

<p>Project 9 Transportation</p>	<p>Intercity Express Programme in the UK</p>			
			<p>Project Outline</p>	<p><b>Project Description:</b> Construct and refurbish railway depots; lease trains to a franchised train operating company of the Great Western Main Line network; and maintain trains at the depots constructed or refurbished for a period of around 30 years.</p> <p><b>Project Company:</b> Agility Trains West Limited</p> <p><b>Location:</b> United Kingdom</p> <p><b>Loan Signing:</b> July 24, 2012</p> <p><b>Sponsors:</b> Hitachi Ltd. (Hitachi), John Laing Investments Limited</p> <p><b>Related Japanese Companies:</b> Hitachi, The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Mitsubishi UFJ Trust and Banking Corporation, and Sumitomo Mitsui Trust Bank, Limited</p> <p><b>Total Cofinancing Amount:</b> Approx. GBP 2,200 million</p> <p><b>JBIC Loan Amount:</b> Approx. GBP 1,000 million</p>
		<p>Loan Outline</p> <ul style="list-style-type: none"> <li>■ One of the most significant projects for the UK Government and the first PPP project of heavy-rail rolling stock in the UK.</li> <li>■ Significantly contribute to the development of UK's reliable railway infrastructure in the long term, through the introduction of brand-new high-speed trains.</li> </ul>		

Source: JBIC Website

## 2. Collaboration with EIB

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### (2) MOU in October, 2018

#### JBIC Signs MOU with European Investment Bank (October 2018)

- ✓ JBIC signed a memorandum of understanding (MOU) on October 22, 2018 with the European Investment Bank (EIB) at the Japan-EU High-Level Dialogue for Industry, Trade and Economy.
- ✓ The signing of this MOU aims to promote cooperation between the two policy-based public financial institutions, JBIC and EIB, to create business opportunities for Japan and the EU both within and outside the EU.
- ✓ JBIC and EIB share priority areas, such as innovation and environmental conservation amongst others. Under these circumstances, the MOU presents an opportunity for both entities to enhance cooperation and share knowledge and expertise.
- ✓ As Japan's policy-based financial institution, JBIC will continue to actively support the creation and promotion of business opportunities for Japanese companies and contribute to the further development of economic relations between Japan and the EU, by collaborating with overseas public financial institutions.



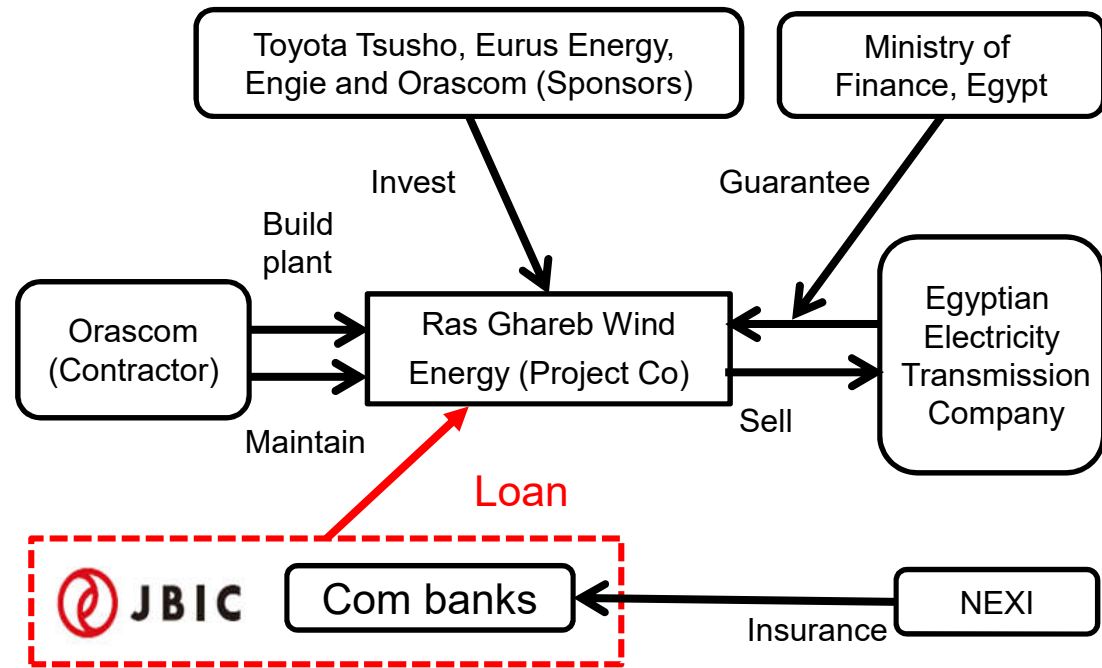
**European  
Investment  
Bank**

*The EU bank*

### 3. JBIC's support to actual projects in third market

#### (1) Egyptian windfarm project invested by Engie and Toyota Tsusho Corp.

- JBIC provided approximately 60% senior loan with 40% coming from SMBC and SG covered by NEXI.
- A good combination of well balanced sponsors group; Toyota Tsusho has a long business track record in Africa while its subsidiary Eurus Energy has been in the windfarm and PV business for a long time.





### 3. JBIC's support to actual projects in third market

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#### (2) Offshore wind joint venture between Denmark and Japan

##### Mitsubishi Heavy Industries and JBIC Co-Investment in MHI Holding Denmark ApS

- Offshore wind power generation is rapidly expanding, especially in European countries.
- Major wind turbine manufacturers worldwide are intensively developing and promoting large scale turbines.
- Mitsubishi Heavy Industries, Ltd. (MHI) decided to integrate its offshore wind turbine business with that of Vestas, the world's second largest wind turbine manufacturer.

