

USD30 MILLION IN FURTHER SUPPORT FOR NUKU'ALOFA PORT UPGRADE

NUKU'ALOFA, TONGA (2 November 2023) — The Asian Development Bank (ADB) and the Government of Tonga today signed grant agreements totaling USD30 million to renew, rehabilitate, and expand Queen Salote International Wharf in Nuku'alofa.

Tonga's Minister of Finance, Tiofilusi Tiueti and ADB Director General for the Pacific Leah Gutierrez signed the grant agreements at a virtual event in the presence of Australia's High Commissioner to Tonga, Her Excellency, Ms Rachael Moore.

"More than 98% of Tonga's imports arrive by sea and the Queen Salote Wharf handles 95% of container cargo", said Mr. Tiueti. "We are delighted to be working with ADB and the Government of Australia to deliver more sustainable, affordable transport infrastructure and services to the people of Tonga."

"This project is increasing the safety and efficiency of Nuku'alofa Port operations," said Ms. Gutierrez. "The upgraded port will be an economic lifeline to the people of Tonga and will better connect the country to other international ports."

"Australia recognizes the importance of Queen Salote International Wharf as a critical national asset and a strong enabler of local jobs, and we are pleased to provide financing from the Australian Infrastructure Facility for the Pacific" said Ms. Moore. "We look forward to seeing Nuku'alofa Port develop into a world class international port."

The Nuku'alofa Port Project is already underway and is expected to be completed by 2026. More than 75 Tongans are employed on the project. The project is rehabilitating port infrastructure, extending international cargo wharves, improving port operations and management, and ensuring climate resilience.

The additional financing of USD30 million will address cost overruns under the AUD126 million total project affected by complex global cost escalations caused by supply chain disruptions associated with the COVID-19 pandemic and the increase in fuel prices caused in part by geopolitical events.

The ADB additional financing (USD10 million) comes from ADB's Asian Development Fund, which provides grants to ADB's poorest and most vulnerable developing member countries. A grant of USD20 million is being provided by the Government of Australia through the Australian Infrastructure Financing Facility for the Pacific and will be administered by ADB to help finance the project.

