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Office of the President

Palau Signs Joint Venture Agreement for Airport Renovation and Expansion through Public-Private Partnership

Minister Charles I. Obichang, Mr. Takuaki Manganji, General Manager of Sojitz Corporation and Mr. Yasuhide Yonemoto, Senior Managing Director of Japan Airport Terminal Company (JATCO) on Monday, August 7th, signed a Joint Venture Agreement before the leadership of the Republic of Palau, formally launching a major public-private partnership project to renovate and expand the Palau International Airport.

In partnership with Sojitz Corporation and JATCO, Palau will form a jointly-owned Palau Corporation (owned 49% by the ROP and 51% by Sojitz/JATCO together) for the purpose of renovating, expanding, and professionally managing Palau International Airport. In addition to capital, our new private sector partners are expected to contribute expertise and significant industry contacts. As a major multinational corporation with deep infrastructure development experience, Sojitz will be able to renovate and expand Palau International Airport in a cost-effective manner, with the ultimate goal of developing “the most attractive airport in Micronesia.” The new terminal, once completed, will be run by the experienced managers of JATCO, the company that runs Haneda (Tokyo International Airport), the world’s 5th busiest airport. This Joint Venture Agreement is the first step in that partnership. It allows the formation of Palau International Airport Corporation, the Palau Corporation which will manage this project, and enables the parties to undertake important preparations for construction. It also enables the parties to begin the joint effort to seek financing from Japan International Cooperation Agency, which we hope will join in this exciting new endeavor.

Speaking on behalf of President Tommy E. Remengesau, Jr. and the Government of Palau, Vice President Raynold B. Oilouch expressed, “This project is made possible because of the close and strong relationship shared between Palau and Japan. It is also a symbolic partnership between Palau, Sojitz, and JATCO, working hand in hand, undergoing and undertaking a major project in what appears to be the first public-private partnership project in the area of aviation in the Micronesian Region. That alone speaks volumes.”

Mr. Manganji stated, “Our Japanese consortium is committed to integrate and utilize the respective knowledge and experiences, such as airport operating skills and close contacts with the influential airlines, to help the Palau Airport become one of the most prominent and competitive tourist destination gateway airport in the Pacific region.”

With more than 60 years of experience in airport safety, convenience and comfort while operating the Tokyo Haneda Airport, JATCO expressed further commitment to the



development of Palau's airport, stating, "With all the experiences and knowledge acquired at Haneda, we wish to contribute to the development of Palau International Airport, furthermore to the development of the Republic of Palau."

Minister Obichang expressed his sincere appreciation for the continued partnership, support and collaboration demonstrated by the 10th Olbiil Era Kelulau, the Council of Chiefs and the leadership of the State of Airai for the endorsement of this major undertaking, and further welcomes a united Palau leadership moving forward for a successful project.

The next step in this undertaking is August 21st, at which time the contract for airport renovation, expansion, and management will be officially awarded to Palau International Airport Corporation, the Palau Corporation being created by this Public/Private Partnership.