Early Warning System

IFC-45583

Zhonggu GL

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Quick Facts

Countries	China
Financial Institutions	International Finance Corporation (IFC)
Status	Active
Bank Risk Rating	B
Voting Date	2022-03-29
Borrower	Shanghai Zhonggu Logistics Co., Ltd.
Sectors	Industry and Trade
Investment Amount (USD)	$ 103.03 million
Project Cost (USD)	$ 1,088.00 million

Project Description

The proposed IFC investment is a green loan package of RMB650 million (US$100 million equivalent). The proposed investment will be used to finance the company’s purchase of two new vessels (4,600 TEU each) and various types of containers. The container ships will not be utilized for liquid fossil fuels.

In early 2021, Zhonggu signed contracts to purchase 18 vessels including two vessels to be purchased under the proposed investment, 10 of which are from Jiangsu New Yangzi Shipbuilding Co., Ltd, a subsidiary of Singapore-listed Yangzijiang Shipbuilding (Holdings) Ltd. The remaining eight are from China Merchants Jinling Shipyard Co., Ltd. These new vessels are expected to be delivered from late 2022 to early 2024. The new-built ships will mainly travel the North-South Chinese coastal route for domestic transportation.

Early Warning System Project Analysis

People Affected By This Project

Investment Description

- International Finance Corporation (IFC)

As stated by the IFC, the total project cost is estimated at about US$1,088 million, which is to be financed by a combination of debt from both IFC and other financial institutions, as well as equity.

Private Actor Relationship

Private Actors Description

From the IFC's website:

Founded in 2003, Shanghai Zhonggu Logistics Co., Ltd. (“Zhonggu” - http://www.zhonggu56.com/index.jsp) is the largest private domestic trade multimodal container transportation company in China. As of 1H2021, Zhonggu operated a fleet of 109 container vessels (40 owned and the rest leased) with a total capacity of 2.4 million deadweight ton, 160,000 twenty-foot equivalent unit (TEU). The average size of owned vessels is 2,400 TEU and average age of the fleet is nine years. Zhonggu operates 48 China coastal shipping services. Zhonggu opened three intra-Asia services from China to Vietnam (Ho Chi Minh / Haiphong) and Russia (Vladivostok) in 2021. To promote multimodal services, Zhonggu has invested in several facilities to improve its inland transportation network, including one container terminal, one container yard, three logistics parks and two railway depots.

As of 30 September 2021, Zhonggu’s largest shareholder was Zhonggu Shipping Group Co., Ltd. with 57.46% ownership. The second largest shareholder was Ningbo Guyang Investment Management Limited Partnershp with 7.01% ownership. The rest of shares (35.53%) are widely held by investors with less than 5% each.

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Shanghai Zhonggu Logistics Co., Ltd.	Client	Industry and Trade
-	-	-	-	Zhonggu Shipping Group Co., Ltd.	Investor	Industry and Trade

Contact Information

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ACCESS TO INFORMATION

You can submit a request for information disclosure at: https://disclosures.ifc.org/#/inquiries

If you believe that your request for information from IFC has been unreasonably denied, or that this Policy has been interpreted incorrectly, you can submit a complaint at the link above to IFC's Access to Information Policy Advisor, who reports directly to IFC's Executive Vice President.

ACCOUNTABILITY MECHANISM OF IFC/MIGA

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org You can learn more about the CAO and how to file a complaint at http://www.cao-ombudsman.org

Bank Documents

- Environmental and Social Review Summary