



## **Supports for Resuming Bismayah New City in Iraq and for Bidding on Development of 15 New Urban Projects**

Date of Release: 26 February 2024

Dept. in Charge: **Overseas Construction Supporting Division, MOLIT**

Contact: Annie KIM / Global Media Communicator, MOLIT / [audiis2@korea.kr](mailto:audiis2@korea.kr) / +82 44 201 3056

- *Minister of the MOLIT visits Iraq to commemorate the resumption of the Bismayah New City project*
- *The resumption is the outcome of the endeavors by the government and companies, while Iraq the country shows strong commitments to housing and urban projects*
- *Iraq requests Korean companies to participate in railway and road network projects for reconstruction (USD 17 billion)*

The Ministry of Land, Infrastructure and Transport (MOLIT, Minister PARK Sang-woo) announced that it dispatched a team of bidding support led by the Minister of MOLIT to Iraq on Sunday 25 February to attend the occasion for commemorating the resumption of the Bismayah New City project and to support biddings for Iraqi reconstruction projects, including the development of new follow-up cities.

As a large-scale urban development project, the Iraq's Bismayah New City project has resumed in earnest and it is expected that a green light could be given to advance into Iraq's reconstruction project, which is planning up to 15 additional new cities.



The Bismayah New City, the first destination of Minister Park, who emphasized the paradigm shift in overseas constructions through revitalizing urban development projects at the Town Hall Meeting for Next Cityscape One Team Korea, is also the Korea's first export case of a packaged new city as the entire city, including roads, power grids, and public institutions, focusing on housing.

Minister of the MOLIT attended the commemoration of the project resumption, held in Bismayah New City on the 25<sup>th</sup> local time, along with Dr. Haider Mohammad Makiya, Chairman of Iraq's National Investment Commission (NIC).

The Bismayah New City Project is a large-scale urban development project worth a total of USD 10.1 billion, with a remaining USD 5.5 billion, to build 100,000 houses and public facilities in the similar scale of Bundang New Town area (18.3 km<sup>2</sup>, 5.5 million pyeong), being carried out by Hanwha E&C as a symbolic project of infrastructure cooperation between the two countries.

After breaking ground in 2012, the construction project was halted in October 2022 due to uncollected receivables, but in accordance with President Yoon's directives to revitalize overseas construction, there have been active supports from the government to resume the remaining project, including a joint committee held between the two countries for the first time in 6 years (June 2023), as well as the dispatch of order support teams of Ministerial-level (January 2023), ministerial invitational meeting (September 2023), and summit between the two countries (September 2023).



In a meeting with the Chairman of the NIC, Minister Park asked for continued cooperation and support from the Iraqi side so that the project could proceed without a hitch until the completion of 100,000 housing units, while fully recognizing the Iraqi government's willingness to actively resume the project.

In particular, referring to Korea's new city development experiences and smart city technology, he requested that Korean companies with excellent technology could participate in the 15 follow-up new city projects\* modeled after the Bismayah New City.

\* Iraq's capital and 6 middle regions, 4 southern regions, 2 eastern regions, 3 western regions, etc. (base on Iraqi government data)

Additionally, Minister Park rewarded Hanwha E&C employees for their hard work to resume the project and encouraged the field workers in the New City.

The MOLIT plans to strengthen step-by-step supports starting from project discovery through inter-governmental cooperation to policy funding such as the ODA to support the entry into additional new city development projects in Iraq.

On the other hand, Minister Park also met with Iraqi Minister of Transport Razazzaq Muhaibis al-Saadawi and discussed major reconstruction projects, including follow-up construction (USD 2 billion) of the Al Faw Grand Port with breakwaters, terminals, and connecting roads, which Daewoo E&C has been under construction since 2014. In addition to building the existing port, Minister al-Saadawi also requested investment from Korean companies in petrochemical complexes and power plants near the port.



Especially, Minister al-Saadawi actively requested the participation of Korean companies in the USD 17 billion scale of railways and road networks project\* (“Development Road”) for the reconstruction of Iraq. And Minister Park responded that the Korean government and companies, which have extensive road and railroad experiences, will be working as the sole team to cooperate in the country’s ambitious project.

\* Approximately 1,200 km highway and railway project connecting Al Faw Grand Port in Iraq to Europe (Turkiye)

Minister Park emphasized, “Overseas urban development projects will further expand based on population growth and urbanization in developing countries around the world, and the resumption of the Bismayah New City project is the first outcome of the overseas construction paradigm shift declared after taking office.”

Adding, “The government plans to take the lead in providing support so that our country would be able to actively advance into overseas urban development projects not only in Iraq but also around the world on the basis of its excellent smart city technologies”.