

JBIC Ex-post Monitoring Report

Project Name: Thailand “Sattahip - Map Ta Phut Railway Project”

[Outline of Loan Agreement]

Loan Amount/Loan Disbursed Amount : 3,002 million yen/2,826 million yen
 Signing of Loan Agreement : September 1988
 Final Disbursement Date : January 1997
 Ex-post Evaluation : 1998
 Executing Agency : State Railway of Thailand

[Project Objective] (Field Survey : January 2005)

This project was to construct a railway line for freight transportation and associated facilities between Map Ta Phut and Sattahip on the Eastern Seaboard located southeast of Bangkok in order to accommodate the demand for freight transportation to and from Map Ta Phut Industrial Port and Industrial Estate and thereby contribute to the development of the Eastern Seaboard.

[Outline of Results]

Item	Ex-post Evaluation	Ex-post Monitoring																
<p>[Effectiveness and Impact]</p> <p>(1) Satisfaction of the demand for freight transportation between Sattahip and Map Ta Phut</p> <p>(2) Regional development through the construction of a railway network on the Eastern Seaboard</p>	<p>(1) The volume of freight transport is approximately 421 thousand tons, only 10% of the target volume of 4 million tons. The main item of freight is petroleum. Factors behind the lower transport volume than estimated are as follows (breakdown of the unachieved 90% of the target):</p> <ul style="list-style-type: none"> • As for 50% of the portion (mineral resources and agricultural products), transportation is not carried out (the mineral resources (mainly potash used for fertilizers, etc.) development project has yet to be implemented and agricultural products are handled at the Bangkok Port). • As for the other 40% (petroleum, LPG and industrial products), the transportation demand is met by other modes of transportation (truck, etc.) <p>(2) Development of the railway network on the Eastern Seaboard (including the implementation of other railway projects) contributed to the industrial development of the region.</p>	<p>(1) The volume of freight transport increased to 925 thousand tons in 2003 (nearly a 2.2 fold increase from 1998). However, most of the industrial products manufactured in Map Ta Phut Industrial Estate are still transported by truck partly because the railroad transportation capacity between Siracha - Chachoengsao is full. Truck transportation is more efficient in terms of cost and time than railway transportation, which requires loading and unloading twice. Of the increasing transport volume (925 thousand tons), other items than petroleum, transport of cold-rolled steel sheet is increasing.</p> <p style="text-align: right;"><unit: thousand tons/year></p> <table border="1" data-bbox="1751 840 2656 934"> <thead> <tr> <th>Item</th> <th>1997</th> <th>1998</th> <th>1999</th> <th>2000</th> <th>2001</th> <th>2002</th> <th>2003</th> </tr> </thead> <tbody> <tr> <td>Volume of freight transport on the target section</td> <td>217</td> <td>421</td> <td>554</td> <td>664</td> <td>765</td> <td>928</td> <td>925</td> </tr> </tbody> </table> <p>(2) GRDP (gross regional domestic product) of Rayong Province (Eastern Seaboard) has increased by around 10% every year (206.1 billion bahts for 1998 and 319.3 billion bahts for 2003), and the gross product per capita is more than double the national average (GDP of Thailand: 4.63 trillion bahts for 1998 and 5.94 trillion bahts for 2003).</p>	Item	1997	1998	1999	2000	2001	2002	2003	Volume of freight transport on the target section	217	421	554	664	765	928	925
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<p>[Sustainability]</p> <p>(1) Technical Capacity, O&M System and Financial Status</p> <p>(2) O&M Status</p>	<p>(1) Facilities of the State Railway of Thailand (SRT, a state enterprise under the Ministry of Transport) are generally decrepit, and the continuing operating deficit causes financial deterioration. Since SRT's operation is supported by a government subsidy, improvement of SRT's financial condition and business management is necessary for the reduction of the financial burden on the Thai Government.</p> <p>(2) SRT has 81 years experience in railway operation and has well-established guidelines and manuals for the maintenance and inspection of tracks, signaling system, and communication equipment. Therefore, there is no problem with the operation and maintenance of the facilities constructed under the project.</p>	<p>(1) Technical Capacity: SRT has 152 staff members in Eastern Seaboard Area, out of which 48 staff members are assigned to the Civil Engineering Department and 83 staff members are assigned to Mechanic Department. SRT established a Track Maintenance Section and Signal and Communication Maintenance Center at each branch office for maintenance purposes. Traffic Department conducts training including safety training in so as to increase security of the line. O&M System & Financial Status: The ordinary accounts of the entire SRT are still in the red. For 2004, it recorded an ordinary loss of 2,335 million bahts. According to the interview results, the executing agency SRT is working on such improvement measures including system aspect as double-tracking of the sections of high transportation demand (around Bangkok), abolishment of unprofitable lines, expansion of freight transportation capacity through the establishment of container stations, replacement of decrepit locomotives, personnel reduction etc. under the management improvement measures suggested by the government (Ministry of Finance).</p> <p>(2) There is no problem with the operation and maintenance of the tracks or with associated facilities constructed under the project.</p>																
<p>[Lessons Learned, Recommendations, Data Information and Monitoring Method]</p> <p>(1) Follow-up of the lessons learned and recommendations made in the ex-post evaluation and SAPS conducted after the ex-post evaluation</p> <p>(2) Lessons learned in the ex-post monitoring and recommendations for maintaining sustainability</p>	<p>(1) None. (As the ex-post evaluation was conducted as program evaluation, no particular project base lessons learned or recommendation is made.)</p>	<p>(2): SRT is trying to improve the transportation volume of this line by doing marketing to industries in Maptaphut area and has been approached by several companies. However, it is hindered by the issue of transportation capacity of northern lines especially in between Siracha - Chachoengsao. It is suggested that SRT make progress the double tracking of this part to get rid of the bottleneck of transportation.</p>																

