

JBIC Signs ODA Loan Agreement with Thailand: Supporting Economic Growth through the Construction of International Airport

1. Japan Bank for International Cooperation (JBIC; Governor: Kyosuke Shinozawa) signed today an ODA loan agreement totaling 35.453 billion yen with the Kingdom of Thailand for the Second Bangkok International Airport Development Project (VII) being implemented by the New Bangkok International Airport Company Limited. The loan constitutes the 29th annual ODA loan package for Thailand.
2. The loan will finance the seventh phase of the Project in which an international airport is being constructed in Nong Ngu Hao, Samut Prakan Province, 30 kilometers east of the Thailand's capital, Bangkok. The main facilities of the airport will be terminals capable of handling 45 million passengers and 2.12 million tons of freight annually and two runways in the east and in the west. JBIC supported the previous six phases of the Project by providing ODA loans from fiscal 1996 to 2004. This will be the last phase for JBIC to provide ODA loan to the Project.
3. Reflecting recent economic growth in Thailand, demand for air transport, both passengers and freight, has been steadily rising in Bangkok. The city's geographical location at the center of the Indochina Peninsula is also increasing its importance as a gateway to the Mekong basin countries, and the airport serving it is expected to function as an international hub in Southeast Asia.
4. In the Medium-Term Strategy for Overseas Economic Cooperation Operations, JBIC placed one of the priorities of its concessional ODA loans for Thailand on "developing urban infrastructure, including improvement in urban environment." In line with this strategy, the Project aims at meeting rising demand for air transport by constructing a new airport, thereby developing urban infrastructure in and around Bangkok, and eventually contributing to the economic growth of Thailand.
5. The tsunami caused by the earthquake that occurred off Sumatra Island in December 2004 had only limited impacts on the overall Thai macro-economy, since the country's economic activities are largely concentrated in the Bangkok metropolitan area. The tsunami ravaged the west coast of southern Thailand, however, the Thai government has quickly taken rehabilitation measures. In addition, the government is actively addressing how to bring the regional economy back on the growth path, so as to win back overseas tourists who were frightened off by the disaster.

(Click [here](#) for details.)

1. Loan Amount and Terms

Project Name	Amount (Mil. Yen)	Interest Rate (% per annum)	Repayment Period/ Grace Period(Years)	Procurement
Second Bangkok International Airport Development Project (VII)	35,453	0.9	15/5	General Untied

2. Project Description

(1) Background and Necessity

Reflecting recent economic growth and the booming tourism industry in Thailand, demand for air transport, both passengers and freight, has been steadily rising in Bangkok. The city's geographical location at the center of the Indochina Peninsula is also increasing its importance as a gateway to the Mekong basin countries, and the airport serving it is expected to function as an international hub in Southeast Asia (30.18 million passengers, 950,000 tons of freight (2003)). The existing Don Muang International Airport, however, places a constraint on further expansion because of its physical location. Therefore, there is a need to meet rising demand for air transport by constructing a new international airport.

(2) Project Objective and Outline

The Project aims at meeting rising demand for air transport in Bangkok by constructing an international airport in Nong Ngu Hao, Samut Prakan Province, 30 kilometers east of Bangkok, thereby contributing to economic development in Thailand. The main facilities of the airport consist of a passenger and a freight terminal with annual handling capacities of 45 million passengers and 2.12 million tons of freight respectively, and two runways in the east and in the west respectively.

The Project Outline is as follows:

- Land area for the new airport: 3,200 ha
- Runway: 3,700 m x 1 (west); 3,700 m x 1 (east)
- Passenger terminal: annual handling capacity of 45 million passengers
- Freight terminal: annual handling capacity of 2.12 million tons of freight

Project Executing Agency: the New Bangkok International Airport Company Limited (NBIA). Address: 99, Mu 10, Bangna-Trad Hwy, km. 15, Rachathewa, Bangphli, Samut Prakan 10540, Thailand. (Tel: 662-723-0000, Fax: 662-723-0010)