June 15, 2015

Signing of Japanese ODA Loan Agreement with the Kingdom of Thailand

Alleviating traffic congestion in Bangkok and reducing the environmental burden

On June 12, the Japan International Cooperation Agency (JICA) signed a loan agreement with the Government of the Kingdom of Thailand in the capital of Bangkok to provide a Japanese ODA loan of up to 38.203 billion yen for the Mass Transit System Project in Bangkok (Red Line) (II).

The Bangkok Metropolitan Region is home to approximately 10 million people, and is the political and economic center of Thailand. As industrial activity has increased with economic growth in the country, the number of automobiles and other vehicles has risen, leading to congestion in the automobile-dependent traffic system and hindering the flow of people and goods. Air pollution from automobile exhaust is also regarded as a problem, and measures are needed to alleviate the burden on the environment.

Given these circumstances, this project will construct a new, large-capacity railroad called the Red Line (26 kilometers elevated/at-grade with eight stations) that connects Bang Sue in Bangkok with Rangsit to the north, addressing the demand for transportation in the Bangkok Metropolitan Region, alleviating traffic congestion, and reducing air pollution.

Signing ceremony

In the Bangkok rail system, the Green Line (known as the Skytrain) commenced operation in December 1999, the Blue Line started in July 2004 (with assistance from a Japanese ODA loan for the MRTA Initial System Project (Blue Line) (I)–(V)), and the Airport Rail Link opened in 2010. Despite these advances, the number of lines and connections between lines are limited, making 75 percent of the public transportation ridership dependent on buses. To promote a modal shift from road to rail transportation, a public transportation railway network is required with extensions to outlying areas. The ridership of the Red Line is forecast to be 131,000 people per day at the start of service (2019), 262,000 people per day 10 years after the start (2029), and 336,000 people per day 15 years after the start (2034). The project is expected to greatly alleviate traffic congestion in the Bangkok Metropolitan Region. The project will also encourage a shift from road transportation to urban rail, with the effect that the project will alleviate climate change by approximately 47,294 tons of carbon dioxide per year (in terms of the estimated amount of greenhouse gas emissions reduced).

Bang Sue, the starting station for the project, is adjacent to an inter-city bus terminal. Bang Sue is expected to function as a connection terminal for Bangkok's public transportation system with transfers to the Green and Blue Lines, as well as to the Purple Line which is planned for completion in 2016 (Japanese ODA loans provided in 2008 and 2010).

The loan agreement for the first phase of the project was signed in March 2009 for 63.018 billion yen, and this loan is to be provided as the second phase of the project.

The loan funds will be allocated to civil works, including elevated and at-grade railway structures, station buildings, depots and rail yards, to the procurement of electrical and mechanical systems and rolling stock, and to consulting services (bidding assistance, overall project management and construction monitoring).

Reference

Project title	Amount (million yen)	Annual interest rate (%)		Repayment period (years)	Grace period (years)	Procurement
		Project	Consulting services			
Mass Transit System Project in Bangkok (Red Line) (II)	38,203	0.4	0.01	20	6	General, untied

2. Executing Agency
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3. Planned Implementation Schedule
(1) Completion of project: April 2019 – when commercial operation begins
(2) Consulting services (including construction monitoring): Already hired
(3) Tender announcement of initial procurement package for international competitive bidding on project construction: Already contracted