

## Signing of Japanese ODA Loan Agreement with the Kingdom of Thailand: Alleviating traffic congestion in Bangkok and reducing the environmental burden

On September 30, the Japan International Cooperation Agency (JICA) signed a loan agreement with the Government of the Kingdom of Thailand in Bangkok, the capital city, to provide a Japanese ODA loan of up to 166.86 billion yen for the Mass Transit System Project in Bangkok (Red Line) (III).



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 10 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.

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)), the Airport Rail Link opened in August 2010, and Purple Line began in August 2016 (with ODA support for the Mass Transit System Project in Bangkok (Purple Line)). Despite these advances, these transportation lines (excluding the Purple Line) operate primarily in central Bangkok, and hence the distance of lines is limited, majority (75 percent) of the public transportation ridership remains dependent on buses. Given that the demand for transportation has been addressed only in a limited way, a public transportation railway network is required to be extended to suburban areas to advance the modal shift from road to rail transportation. The ridership of the Red Line is forecasted to be 123,000 people per day at the start of service (2020), 194,000 people per day 10 years after the start (2030), and 226,000 people per day 15 years after the start (2035). 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 Red Line, the Blue Line, the Airport Rail Link and other conventional lines servicing various regions.

This is the third phase of this project. The loan agreement for the first phase of the project was signed in March 2009 for 63.018 billion yen, and the loan agreement for the second phase was signed in June 2015 for 38.203 billion yen.

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

### Reference

#### 1. Terms and Amount of Loan

	Amount (million yen)	Annual interest rate (%)		Repayment period (years)	Grace period (years)	Procurement
		Project	Consulting services			
Mass Transit System Project in Bangkok (Red Line) (III)	166,860	0.3	0.01	15	5	General, untied

#### 2. Executing Agency

State Railway of Thailand: SRT

1 Rong Muang Rd., Pathumwan, Bangkok 10330, Thailand

Phone: +66-2-220-4174, fax: +66-2-220-4774 / +66-2-220-4752

#### 3. Planned Implementation Schedule

(1) Completion of project: July 2020 – when commercial operation begins

(2) Consulting services (including construction supervision): Already hired

(3) Tender announcement of initial procurement package for international competitive bidding on project construction: Already contracted.