

Thailand

Highway Sector Project



Improved roads under this project (near Udon Thani)

Outline of Loan Agreement

Loan Amount / Disbursed Amount	4,085 million yen / 3,580 million yen
Loan Agreement	November 1988
Terms & Conditions	Interest rate 2.9%p.a. Repayment period 30 years (Grace period 10 years)
Final Disbursement Date	March 1997

Project Outline

The project involved the improvement and rehabilitation of national and provincial roads in the northeastern and central regions of Thailand, targeting improved efficiency of the road network.

Results and Evaluation

Under this project, road improvements were conducted on approximately 190km in six sections in the northeast and 67km in three sections in the central region.

Since project completion in 1995, average traffic volumes of passenger cars and buses have exceeded estimates at the time of appraisal in many of the sections, whilst the volume of truck traffic has leveled off or decreased slightly since 1997 due to the effects of the currency crisis.

Meanwhile, in the sections where road widening and road pavement improvements were undertaken, the effects on traveling times and fuel savings have outstripped target levels, with commensurate reductions in road maintenance costs. Moreover, traveling in wet weather has become easier for local residents, engendering considerable improvements in accessibility and convenience.

Regarding road maintenance, although there have been no major problems to date, damage due to overloaded vehicles carrying agricultural products such as sugarcane, has progressed at a faster pace than was anticipated in some sections. It will be necessary to ensure that sufficient funds are allocated to road maintenance, including financial assistance from regional governments, and to reinforce regulations and controls over overloaded vehicles.