

Indonesia

Heavy Loaded Road Improvement Project



Arterial road between Cirebon - Cikampak

Outline of Loan Agreement

Loan Amount / Disbursed Amount	11,992 million yen / 11, 882 million yen
Loan Agreement	September 1991
Terms & Conditions	Interest rate 2.6%p.a. Repayment period 30 years (Grace period 10 years)
Final Disbursement Date	November 1996

Project Outline

The project, undertaken in South Sumatra and 3 provinces on Java (Eastern, Southern & Central), involved improvements to the sections of national trunk roads (5 routes, approx. 650km) linking major ports with industrial complexes and container bases in inland areas, with the aim of enhancing physical distribution in the regions and of contributing to industrial development and export promotion, etc.

Results and Evaluation

Road improvements (paving reinforcement, road expansion, etc.) executed under the project resulted in traffic speeds increase from the pre-project 40km/h in 1995 to post-completion 60km/h in 1997; the efficiency of road transportation has also improved drastically. Traffic volumes have increased on the whole, despite zonal differences relating to the existence of diversionary routes and other factors. Paving reinforcement through the project has led to reductions in maintenance and rehabilitation costs although increases in excess of 50% in the ratio of heavy-vehicles to total traffic volume have been particularly marked in some areas. Although the regions targeted by this project have seen a slowdown in economic growth since the currency crisis of 1997, it is anticipated that the improved road network will contribute to recovery by helping attract new investment, etc.

With regard to road operation and maintenance, there is a need for periodic maintenance and the development of regulations and a system to monitor vehicle weight, since we can see increases in the numbers of larger vehicles and over-loaded trucks.