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26 Guiyang-Loudi Railway Construction Project (1) (2)

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This project's objective was to electrify and double-track the existing railway between Guiyang in Guizhou Province and Loudi in Hunan Province for the purpose of relieving the tight demand-supply situation in transportation and increasing transportation of products such as coal and phosphate ore produced in Guizhou Province and Yunnan Province, and passengers to southwestern, central, eastern, and southern China, and thereby contribute to helping accelerate economic growth in the inland regions.

Loan Amount/Disbursed Amount: 29,960 million yen/15,696 million yen

Loan Agreement: December 1996, September 1997

Terms and Conditions: Interest rate 2.3%; Repayment period 30 years (grace period 10 years); General untied

Final Disbursement Date: January 2003, April 2003

Executing Agency: Guangzhou Railway Group Corporation and Chengdu Railway Bureau of the Ministry of Railways



External Evaluator: Mitsue Mishima (Overseas Project Management Consultants, Ltd.)

Field Survey: October 2004

Evaluation Result

In this project, railway double-tracking and electrification (construction and installation of tracks, roadbed, bridges, tunnels, stations, substations, communications and signal equipment, etc.) of the Guiyang-Loudi section were conducted almost as planned. The project period was shorter than planned, while the project cost was slightly higher.

The actual freight traffic volume and passenger traffic volume on the target section in 2003 were 16,351 million ton-km and 4,737 million person-km respectively, as against 11,683.26 million ton-km and 3,601.76 million person-km planned for 2003. The average number of train services increased by 60%, and traveling time was reduced by nearly 2 hours.

After the project, increase in the transportation of coal, phosphate ore, etc., which used to be restricted, led to increased production. As a result, a fertilizer mill along the railway achieved a three-fold increase in production and a two-fold increase in sales income over the past 3 years. Also, with the increase in tourists to the areas along the railway, which passes through many areas of scenic beauty, tourism was promoted, and economic development was accelerated. The railway line covered by this project runs through poor areas in the inland regions which lack transport facilities, and economic development is

inhibited. With the ease of access to urban areas after the project, it became easier to sell agricultural products or work away from home and, as a result, the living standard of local people, including ethnic minority groups, residing along the railway* has improved.

The Ministry of Railways is working on overall efficiency improvement and streamlining, and there is no problem with its technical capacity, operation and maintenance system, or financial status.

* The total population of Guiyang City, Qiandongnan Miaozi Dongzu Autonomous Prefecture, Huaihua City and Loudi City is over 16 million.

Third-Party Evaluator's Opinion

This project, which helped increase transport capacity between inland and coastal regions, is contributing to development of inland regions, including Guizhou Province, through resources development. For the future, it is necessary to review the fixed freight charge system and pursue appropriate transportation costs and modes of transportation.

Third-Party Evaluator: Mr. Yushi Mao (academia)

Obtained a bachelor's degree in mechanical engineering from Shanghai Jiaotong University. Presently holds the post of board member of Unirule Institute of Economics China Academy. Specializes in economics, environmental economics, etc.

Changes in freight traffic volume after the project

(Unit: 10,000 tons)

Freight Type	1998	2003	Increase Rate
Coal	305	450	48%
Chemical Fertilizer	120	144	20%
Phosphate Ore	68	118	72%
Steel	35	112	220%
Nonmetal Ore	67	93	39%
Timber	16	20	25%
Others	187	204	9%
Total	798	1,140	43%

Source: total of the data by Guiyang Branch of Chengdu Railway Bureau and Guangzhou Railway Group Corporation.

Guizhou Province is an area blessed with natural beauty and also plays an important role in China in the fields of energy, mineral, wildlife and tourism resources. This project allowed an increase in the transportation of coal, phosphate ore, steel, etc., thereby contributing to development of the regional economy.

Project Area: Guizhou Province

In Guizhou Province, ethnic minority groups (Miao, Buyi, Dong, etc.) constitute 38% of the population of 38.37 million (as of the end of 2002), a high percentage in China, and this project generated a positive impact on poverty reduction. As the province is dotted with sightseeing attractions of scenic beauty such as Zhenyuan, a positive impact on tourism has also been reported.



People of the Miao ethnic group



Zhenyuan, a sightseeing spot in Guizhou Province