

Myanmar

Kyangin Cement Mill Transportation Reinforcement Project



Rehabilitated railway by the project

Outline of Loan Agreement

Loan Amount / Disbursed Amount	2,580 million yen / 2,580 million yen
Loan Agreement	August 1982
Terms & Conditions	Interest rate 2.25% p.a. Repayment period 30 years (Grace period 10 years)
Final Disbursement Date	August 1987

Project Outline

The project aimed to electrify the existing railroad, procure electric locomotives and freight cars, and improve the condition of the track, in order to handle the increases in transportation of raw materials/finished products accompanying the expansion of Kyangin Cement Mill, Myanmar's largest.

Results and Evaluation

Production capacity at the Kyangin Cement Mill (KCM) was expanded from 800 tons/day to 1,600 tons/day using Japan's ODA loan funding (completed 1985). In order to strengthen transportation capacity of the railroad linking the limestone mines, the plant, and Ayeyarwady port (approx. 20km), this project covered the electrification of this section, the procurement of electric locomotives (4) and freight cars (47), and track replacement work (completed 1986).

During the 1990s, KCM produced 270-300,000 tons of cement per year, which went towards satisfying domestic demand, however, ongoing deterioration at the existing plant means that output capacity has now stopped at around 45% of total equipment capacity. In consequence, rail transport volumes of limestone/cement have dropped to around 40-50% of planned levels.

Moreover, of the four electric locomotives procured under the project, one has become unusable due to a derailment in 1991 caused by an operational error, and a diesel locomotive is being used on the section between the plant and the port.

Fifteen years have already elapsed since the locomotives were procured, the track is becoming increasingly dilapidated, and thus future maintenance work will be crucial.