

## Myanmar

### Burma Railways Modernization Project (I)(II), Locomotives, Passenger Coaches and Freight Wagons Rehabilitation Project



A switch engine in operation at the Mandalay rail yard

#### Outline of Loan Agreement

Loan Amount / Disbursed Amount	19,134 million yen / 12,334 million yen
Loan Agreement	December 1982 - August 1984
Terms & Conditions	Interest rate 2.25% / 2.75% p.a. Repayment period 30 years (Grace period 10 years)
Final Disbursement Date	December 1988 - June 1994

#### Project Outline

Procurement/rehabilitation of Myanmar Railways' rolling stock, including diesel locomotive, passenger, and freight cars, and the supply of spare parts was undertaken with the aim of strengthening railroad transportation capacity.

#### Results and Evaluation

Under this project, covered by three phases of ODA Loans, procurement of 12 diesel locomotives, 163 passenger cars, and 240 freight cars, the rehabilitation of locomotives/freight cars, and the procurement of spare parts were undertaken during 1985-93. Moreover, where possible, all procured rolling stock was assembled locally in order to improve locomotive manufacturing technologies and promote foreign currency savings.

Myanmar is in the process of implementing development plans and the modernization of the railroad sector has been given priority, with the result that, since 1990, passenger numbers and freight tonnage have been posting steady increases, from which it is inferred that the work undertaken via this project to strengthen transportation capacity, has had a positive effect. Passenger numbers have shown signs of leveling off in recent years, which reflects difficult economic conditions, and so on, however, trains continue to be the most important mode of transport for Myanmar's citizens, and for the last 10 years, rail freight has continued to account for more than 50% of total freight tonnage. Lack of foreign currency reserves means that Myanmar Railways faces a constant shortage of spare parts and insufficient engineers, and thus continuous efforts must be made to improve the operation and maintenance system.