Country	Kingdom of Thailand
Project	Sriracha-Laem Chabang Railway Project
Borrower	State Railway of Thailand (SRT)
Executing Agency	State Railway of Thailand (SRT)
Exchange of Notes	September 1988
Loan Agreement	September 1988
Loan Amount	¥1,013 million
Loan Disbursed Amount	¥920 million

Project Summary and OECF Portion

This project aims to promote the development of the Eastern seaboard by enabling railway transport of goods imported and exported from the Laem Chabang Port, freight related to the Laem Chabang Industrial Estate, etc., in coordination with the construction of the Laem Chabang Port, which is part of the activities to develop the Thai Eastern Seaboard (which was planned to start operating at the end of 1990 as of this project's appraisal). ODA loan covers all foreign-currency expenses related to this project.

Comparison of Original Plan and Actual	Plan	Actual
(1) Project Scope		
Project itself		
・Single track line linking Laem Chabang Port and Sriracha Station	9.3km	No change
・Marshalling yard	4 lines (total extension 5.1km)	
・Communications system	Central control system	
・Signal	Central control system	
・Lighting system	SRT standard	
・Maintenance building	SRT standard	
・Drainage system	SRT standard	
Consulting Service	86 M/M	71.8 M/M
(2) Implementation Schedule		
・Selection of contractor	Sept. 1988 ～ Jul. 1989 (11 months)	Sept. 1989 ～ May 1991(21 months)
・Civil work	Jul. 1989 ～ Aug. 1990 (14 months)	June 1991 ～Sept. 1992 (16 months)
・Track laying	Mar. 1990 ～ Jul. 1990 (5 months)	Jan. 1992 ～ Aug. 1992 (8 months)
・Procurement and installation of communications/Signalling equipment	Feb. 1990 ～ Oct. 1990 (9 months)	Feb. 1992 ～ Apr. 1994(27 months)
・Consulting service	Sept. 1988 ～ Oct. 1991 (38 months)	May 1990 ～ May 1993 (37 months)
(3) Project Cost		
・Foreign currency portion	¥1,013 million	¥1,002 million
・Local currency portion	92 million baht	345 million baht
・Total	¥1,471 million	¥2,403 million
Exchange rate	1 baht＝¥5 (at the time of appraisal in 1988)	1 baht＝¥4.06 (1994)

Analysis and Evaluation

(1) Project Scope

The main part was implemented almost exactly per the originally plan. To avoid foreign-currency cost overruns, however, domestic products were used for some of the goods that were to be procured overseas.

(2) Implementation Schedule

The contract amount considerably exceeded the estimate amount, which caused a delay in the start of construction. Subsequently there were delays, so that the actual completion of the project was three years and six months later than planned. Though this project had aimed for the railway to enter operation at the same time as the Laem Chabang Port, but strong consideration for process control was required to achieve this target. The main reason for construction delays was caused by the delay in the procurement of signalling and communications equipment by contractors.

(3) Project Cost

The total project cost was ¥2,403 million versus ¥1,471 million estimated at the time of appraisal, or a cost overrun of approximately 1.6 times the originally planned figure. The main reasons for this cost overrun were that, from 1988, the year that the appraisal was conducted, to 1990, the year the bidding was performed, the cost of construction materials and labor sharply rose due to a construction boom occurring throughout Thailand, and this affected the project. Moreover, the specifications of the signalling and communications equipment were already fixed by the time the bidding documents were prepared, so that there was the possibility of cost overruns for products procured overseas. Due to the difficulty for the SRT to procure more foreign-currency funds, some of the goods to be procured overseas were replaced with domestic products, and due to measures to use reserve funds, the foreign-currency portion was kept within the ODA loan amount. The local currency portion increase was handled by additional funds received by SRT from the Thai government.

(4) Implementation Scheme

The overall development planning and budget allocations for the projects, including the Laem Chabang section railway, port, and industrial park, were performed by the Office of the Eastern Seaboard Development Committee (OESB), and the implementation of each project was entrusted to a selected executing agency. In the beginning, this project was to be implemented by the Port Authority of Thailand (PAT) as part of the Laem Chabang Port, but the government decided later that these projects would be implemented by the SRT.

The consultants for the project was engaged through direct negotiation with the one which conducted the study for Leam Chabang Area Development.

In case of this project, the planning entity and executing entity were different organization, and their awareness about budget and coordination with other agencies were not the same. The OESB was not only asked to draft the project and the budget allocation, but also required to perform centralized control of the progress of the entire Eastern Seaboard project.

(5) Operations and Maintenance

The installation of the Signalling and communications equipment delayed, so that points were manually operated to enable train operations, but the number of operating trains is lower than originally expected, and no accidents linked to train operations have been reported so far. Currently, modification work is in progress due to a change in the frequency used, and completion of this work is planned for 1997.

Project Effects and Impacts

The Laem Chabang Port was completed in October 1991, and in 1996, its handling volume grew to approximately 30% of the national container handling volume. Moreover, of the containers handled by the Laem Chabang Port, the percentage that went on to overland transport grew from 9% in 1994 to 15.9% in 1996. Through this, this project is evaluated to have had a positive impact on the container handling amount of the Laem Chabang Port. Currently, an island container deposit (ICD) and a truck terminal are being constructed near the terminus on the Bangkok side of the railway, and once they are completed, the railway will offer even a larger advantage for container transport, and the handling capacity is expected to expand.

Notes

Report Date : September 1997