

Kuala Lumpur International Airport Project



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Outline of Loan Agreement

Loan Amount/ Loan Disbursed Amount	¥61,518 million / ¥50,309 million
Loan Agreement	July 1994
Terms and Conditions	Interest rate: 3.0%, Repayment period: 25 years (grace period: 7 years)
Final Disbursement Date	Disbursement has not completed yet (as of February 2001)

Project Profile

The project was to build a new international airport at Sepang, approximately 50km south of Kuala Lumpur, with a passenger terminal, two runways and other major airport equipment to meet passenger demand for 2003~2005 (25 million passengers).

Results and Evaluation

The airport was open in June 1998, and the number of passengers and quantity of freight have both been growing from 1999 to the present. A survey by the International Air Transport Association (IATA) in 1999 placed this airport top for satisfaction of business passengers among airports in the world handling 15~25 million passengers a year. The numbers of business and tourist passengers visiting Malaysia suffered negative growth in 1997 and 1998 due to the impact of the Asian economic crisis. However, between 1998 and 1999, after the completion of the airport, passengers increased by 42.9%, and the number for 2000 had already reached approximately 8.35 million by October, surpassing the 7.93 million passengers recorded in the preceding year. Operation of the airport has been contracted out to a private sector operator, Malaysia Airport Sepang Sdn Bhd (MASSB), on a concession basis. In 1998, when the airport opened, and in 1999, revenue and pre-tax profits rose, and if passenger numbers move as anticipated, the operation of the airport will be on a stable footing.