

Malayan Railway Improvement Project



Kuala Lumpur Station (rush-hour peak around 5:00pm)

Outline of Loan Agreement

Loan Amount/ Loan Disbursed Amount	¥19,444 million / ¥4,667 million
Loan Agreement	March 1990
Terms and Conditions	Interest rate: 2.9%, Repayment period: 25 years (grace period: 7 years)
Final Disbursement Date	July 1995

Project Profile

The project was to introduce mass transit rail system for Kuala Lumpur and its environs Klang Valley area as an urban commuter transport, and also aimed to increase freight transport capacity in the area to mitigate road traffic congestion.

Results and Evaluation

As the government of Malaysia decided to electrify the rail routes after signing the loan agreement for the project, the original diesel-based plan was modified drastically. As a result, the portion covered by the ODA loan was substantially scaled down to construction of some of the bridges installation of signaling and communications equipment in the project area.

The operation of the commuter trains is well managed, and the number of passengers increased vastly after the completion of the project. The project clearly promoted train usage as a means of commuter transport. In addition, there is an impact on the local economy, for example, new residential development around the new stations. However, due to the impact of the Asian economic crisis and other factors, freight transport has been stagnant for these years.

The rolling stock is maintained by the Malaysian Rail Corporation, and the track is maintained by the Railway Assets Corporation, with no notable problems.