

Railcar Maintenance Depot Construction Project



PNR's Railcar Testing and Repair Station

Outline of Loan Agreement

Loan Amount/ Loan Disbursed Amount	¥4,500 million / ¥4,496 million
Loan Agreement	July 1983
Terms and Conditions	Interest rate: 3.0%, Repayment period: 30 years (grace period: 10 years)
Final Disbursement Date	July 1992

Project Profile

The project was to build a railcar testing and repair station near Manila with capacity for 90 diesel railcars to improve the rolling stock maintenance system, which was causing deterioration of train services due to delayed or cancelled trains.

Results and Evaluation

Philippines National Railway (PNR), which was the executing agency, divides inspection and repair operations on diesel railcars into categories such as overhauls (involving complete disassembly for the purpose of inspection and repair), Class A (largely the same as overhaul) and Class B (semi-overhaul). While the number of working days required for each category was not reduced in line with the plan in most cases, the working days required for overhauls and Class A were reduced relative to the time of the appraisal, which can be regarded as the impact of introduction of new equipment and facilities under the project.

The finances of the PNR have been burdened by excess debt since 1995, and the PNR's internal Rolling Stock Maintenance Department, which is responsible for maintenance, is not taking on any new workers. The staff of that department is now aging overall. The sustainability of the project requires steps such as putting the PNR on a sound financial footing, reducing the average age of the workforce and sustaining and improving its technical ability.