

Highway Sector Project (II)



Road Covered by the Project (IM-7) in Northeastern Thailand

Outline of Loan Agreement

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| Loan Amount/ Loan Disbursed Amount | ¥2,184 million / ¥973 million |
| Loan Agreement | January 1993 |
| Terms and Conditions | Interest rate: 3.0%, Repayment period: 25 years (grace period: 7 years) |
| Final Disbursement Date | March 1999 |

Project Profile

The project was to improve, widen and rehabilitate provincial and regional roads in Northeastern and Central Thailand, in order to make the road network more efficient and foster the development of local industries.

Results and Evaluation

The recorded traffic volumes on the roads covered by the project (IM-7 and IM-14), which greatly exceed the planned volumes, reflect factors such as the rapid development of the country's economy, the development of regional economies and the advance of motorization. The project, therefore, can be deemed to fulfill the objectives set at the time of the appraisal.

IM-7 is an important element of the road network surrounding Udon Thani, one of the major cities of the Northeast, while IM-14 is similarly important within the network between Bangkok and the Northern and Northeastern Regions. By alleviating regional traffic congestion, they are each making their anticipated contributions to distribution to agricultural production, promotion of industries and more efficient freight transport.

Maintenance is conducted appropriately, according to a manual, by the highly experienced Department of Roads of the Ministry of Transport and Communications. There are no notable problems with the necessary budget allocation.