

## China

### Shanghai Pudong International Airport Construction Project



The newly constructed terminal building

#### Outline of Loan Agreement

Loan Amount / Disbursed Amount	40,000 million yen / 39,102 million yen
Loan Agreement	September 1997
Terms & Conditions	Interest rate 2.3%p.a. Repayment period 30 years (Grace period 10 years)
Final Disbursement Date	September 2002

#### Project Outline

In order to address increasing demand for airport services in Shanghai a new airport that would mainly handle international flights was constructed in Pudong New Area, as a separate entity to the existing Hongqiao Airport.

#### Results and Evaluation

In 1995, Shanghai City handled 11.08 million passengers (ranked third nationwide), and 370,000 tons of cargo (ranked second) and is a key flight transportation base in China.

Due to increases in passenger numbers/cargo volume, a new airport, covering 4,000m of runway/taxiway, passenger/cargo terminal buildings, and various other facilities including communications and fueling facilities was constructed under Phase I of the project in order to meet demand in 2005. Work was completed in August 2000. Although the airport only handled 5.55 million passengers that year, i.e. less than the 7 million targeted, this is attributed to factors including the fact that full-scale operations were pushed back to the second half of the fiscal year and poor access to the Pudong Airport. Notwithstanding, given that combined passenger numbers for Pudong Airport and Hongqiao Airport grew in excess of 20 percent in fiscal 2000, further increases in passenger numbers are expected if access between the airport and the city center can be improved. Meanwhile cargo volumes (270,000 tons/year) exceeded the targeted figures and a shift from Hongqiao Airport appears to be underway.

Three affiliated companies are responsible for the operation of the new airport and no problems have been identified to date, including in terms of the financial status of each of the corporate entities.