



Indonesia

9 Bali International Airport Development Project (2)

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The project's objective was to respond to rapidly increasing demand for air traffic with improvements in safety by developing Bali International Airport, and thereby contribute to infrastructure developments and regional development targeting economic growth in Bali Province.

Loan Amount/Disbursed Amount: 11,816 million yen/10,840 million yen

Loan Agreement: November 1994

Terms and Conditions: Interest rate, 2.6%; Repayment period, 30 years (grace period, 10 years); General untied

Final Disbursement Date: December 2001

External Evaluator: Takako Haraguchi (Global Link Management Ltd.)

Field Survey: July 2003



Evaluation Result

The development of the airport (civil works, architectural work, air safety facilities, utility supply and treatment facilities) was implemented almost as planned, and the project period and costs were also almost as planned. A comparison of air traffic prior to project implementation (1993) and post completion (2002) reveals that passenger traffic has increased by 21%, or from 4 million to 4.84 million passengers, while cargo traffic has increased by 71%, or from 41 thousand tons to 70 thousand tons. While national GDP fell 1.5% during 1997 through 2000, GRDP (gross regional domestic production) in Bali Province climbed 6.1% in the same period. In terms of safety, since 1994 there have been no accidents at Bali International Airport or in its air traffic control zone. The economic crisis and political upheaval have caused air traffic volumes to fall below target levels (2002: passenger traffic of 5 million people, cargo traffic of 70 thousand tons) in the years since 1998, and the airport has yet to rebound to the peak levels seen in 1997. Regarding the project's contribution to development of the tourist industry in Bali, the Bali terrorist bomb attack and outbreaks of Severe Acute Respiratory Syndrome (SARS) of 2002 pushed

tourist, hotel and restaurant numbers down, but numbers of foreign tourists (monthly)* have subsequently rallied, increasing from approximately 100,000 (May 2003) to 123,000 (May 2004). There are no problems in the technical capacity, operation and maintenance system, or financial status of PTAP-I, the company that manages and operates Bali International Airport. In terms of lessons learned from the implementation of this project, in projects involving land acquisition consideration needs to be given to the relocation schedule when devising construction plans.

* Number of passengers arriving at the airport on direct international flights.

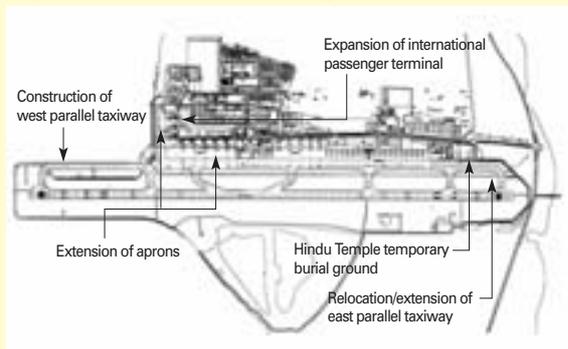
Third-Party Evaluator's Opinion

Air traffic saw temporal sluggish growth due to Asian economic crisis, SARS epidemic, and terrorist bomb in Bali, after that, it has been observed steady increase. The project contributes to Bali's economy through the response to increasing demand for air traffic.

Third-Party Evaluator: Mr. Bambang Permadi Soemantri Brodjonegoro

Obtained a doctorate in urban regional planning from University of Illinois. Presently holds the post of Professor, Faculty of Economics, University of Indonesia. Specializes in urban regional planning, economics of development, regional economics, etc.

Layout of Bali International Airport



The project involved extensions to aprons and expansion of passenger terminals, plus the development of parallel taxiways, which improved airport safety as well as increasing flight punctuality and passenger comfort.

Newly developed departure lobby in the international passenger terminal building



The passenger terminal, which is the gateway to Bali, is now more spacious and comfortable for passengers as the result of this project.