



## Indonesia

# 7 Airport Safety Facilities Improvement Project

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This project's objective was to improve the safety of air transportation through the development of facilities (runway extensions, procurement of maintenance equipment, etc.) at regional airports in Indonesia, and thereby contribute to greater efficiency in the domestic air transport industry.

**Loan Amount/Disbursed Amount:** 6,785 million yen/5,949 million yen

**Loan Agreement:** November 1993

**Terms and Conditions:** Interest rate 2.6%; Repayment period 30 years (grace period 10 years); General untied (consultant's agreement: partial untied)

**Final Disbursement Date:** December 2002

**Executing Agency:** Directorate General of Air Communications under the Ministry of Transport



**External Evaluator:** Takuya Okada (KRI International Corp.)

**Field Survey:** November 2004

## Evaluation Result

In this project, extension and maintenance of runway and taxiway, servicing/procurement of airport safety equipment (air navigation system, etc.), and procurement of air maintenance equipment were conducted almost as planned. The project period was longer than planned because of delays to construction work due to the effects of the currency crisis. However, the project cost was lower than planned.

The number of accidents per million flights in Indonesia, which averaged 53 in the 5 years prior to appraisal, decreased to 47 on average in 2002 and 2003. The number of accidents per million passengers also decreased from 3.9 to 1.5.

In 2003 Indonesia recorded annual passenger traffic of 15 million, or approximately 1.6 times higher than before the project in 1993. The number of passengers per flight is also on the increase, as airlines strive to improve operational efficiency, employ larger aircraft etc. Improvement of regional airports via this project is considered to be reinforcing the safety of air transport services in Indonesia.

Indonesia's major airports are operated by PT Angkasa Pura, a wholly government-owned subsidiary, while the Directorate General of Air Communications has direct control over the

other airports. There is no problem with technical capacity and operation and maintenance system of these two organizations. The financial status of PT Angkasa Pura is good, and each airport under the control of the Directorate General of Air Communications has no problem with its financial status.

## Third-Party Evaluator's Opinion

The local airports improved via this project not only contributed to activating the regional economy under ongoing decentralization, but also played an important role in post-disaster recovery in Aceh.

**Third-Party Evaluator:** Mr. Wicaksono Sarosa (NGO)

Obtained a doctoral degree in urban and regional planning from UC Berkeley. Presently holds the post of Executive Director of URDI (Urban and Regional Development Institute). Specializes in urban and regional planning.

### Project Area



In this project, development of air navigation facilities and procurement and installation of maintenance equipment was conducted at 33 regional airports in Indonesia.

### Effect of the project: improvement in air traffic safety

The following table compares the average number of accidents per million flights in the 5 years prior to appraisal against the 2 years following completion of the project. It proves that aviation safety has improved since the project was completed and that Indonesia's safety record is now on a par with Japan's 10 years ago.

#### Number of accidents per takeoff/landing (per million flights)

5 years prior to pre-project	2 years following project completion
53 accidents	47 accidents
*1989-1993 average	*2002-2003 average
(Reference) Japanese figures for the same periods	
47 accidents	34 accident
*1989-1993 average	*2002 data