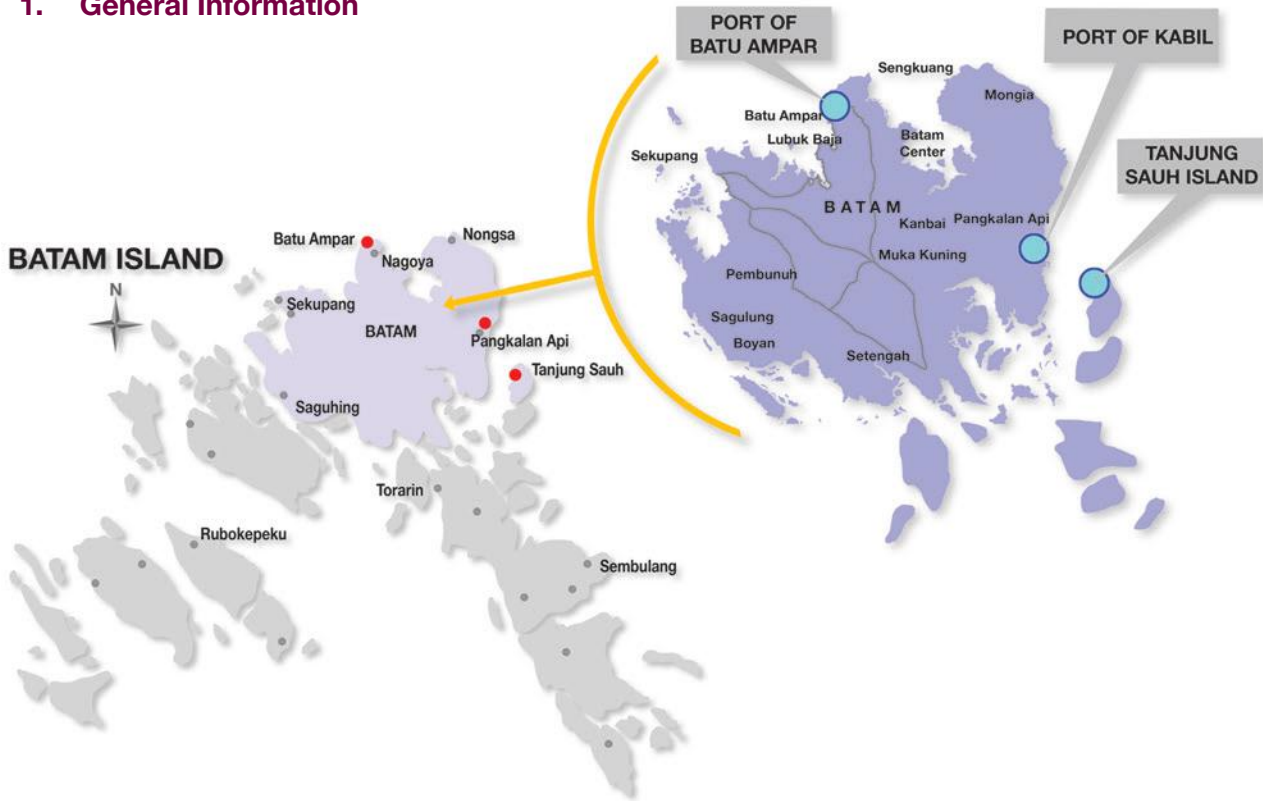


DEVELOPMENT OF KABIL PORT (TANJUNG SAUH TERMINAL), BATAM

1. General Information



Government Contracting Agency	: Batam Indonesia Free Zone Authority (BIFZA)
Implementing Unit	: Batam Indonesia Free Zone Authority (BIFZA)
Preparation Agency	: Batam Indonesia Free Zone Authority (BIFZA)
Estimated Project Cost	: USD 729.00 million
Estimated Concession Period	: 25 years
Location	: Batam

2. The Opportunity

2.1. Project Background

Batam Indonesia Free Zone Authority (BIFZA) as a government authority solely responsible for the management and development of Batam Free Trade Zone (FTZ), is planning to develop Kabil Port by expanding its capacity and improve its service level.

The Tanjung Sauh Terminal development is listed as the part of the Acceleration and Expansion of Indonesia Economic Development Master Plan (MP3EI), which is prioritized

by the Government. Thus, this project is nominated as one of sea economic corridors that can serve as transit points/terminal for international and domestic container across the archipelago.

2.2. Project Description

The project is to develop the transshipment container terminal located in Indonesia, Singapore and Malaysia (IMS-GT) within Sijori Growth Triangle and designed to handle transshipment containers of having capacity of more than 3.0 million TEU's.

The proposed project site is planned at the Tanjung Sauh Island for 2.6 km away from the Kabil Port. The Kabil Port is located in the south east of the Batam Island. This Island is facing to the Riau Strait and Bintan Island. This Strait is crossed with the Singapore Strait of the international shipping lanes in position of 01°07'00" North, 104°08'35" East, Anchorage 01°07'00" North, 104°10'30" East.

2.3. Project Objectives

The project is to deliver transshipment services at the gate of maritime of Indonesia water territory that focus on the Malacca Straits and in line with the National Port Master Plan and to develop, operate and expand a transshipment terminal located within Sijori Growth Triangle and designated to handle transshipment containers of having capacity of more than 3.0 million TEU's.

3. Business Entity's Opportunity

Private would have the opportunity to be entitled to set, levy and collect tariff from user for the use of all infrastructure at the Port and the provision of cargo handling services and other ancillary services to user. Also chance to contribute in development of industrial area around the port.

4. Project Technical Specification

In order to have any hope of competing for transshipment traffic in Malacca Strait, Tanjung Sauh terminal has to be able to accept the largest container ships afloat (New Panamax and Triple E class container vessel). Therefore, the ship design for the terminal will be in order of max vessel size 143,000 DWT: Loading volumes 13,000 Teu's: LOA 367m: Beam 48.40 m: Draft 15.50 m: Berth Length 420 m: Berth Depth – 17.00 m LWS.

Land development for terminal masterplan is set for 286 ha, consist of 140 ha of hilly land area, and 146 ha low and reclamation area. Main terminal infrastructures, to be divided into 2 terminals, have been planned for total container handling capacity of 3.2 million TEU's/year, which consist of:

DEVELOPMENT OF KABIL PORT (TANJUNG SAUH TERMINAL), BATAM

- Jetty construction 2 terminal x (2x460m) / terminal = 1.840 m, width 50 m.
- Container yard along the jetty lines with a width off 450 m.

The proposed waterway access channel: bottom width is 380 m, and the depth is 17.0 m. Tentatively the length of the channel is set for about 1500 m from the existing access channel to the Kabil port.

5. Environmental Impact Assessment (AMDAL) Findings

Preparation of environmental document in the form of AMDAL and RKL-RPL are being conducted parallel with the preparation of Final Business Case and Bid Preparation for the Development of Kabil Port (Tanjung Sauh Terminal).

6. Land Acquisition and Resettlement Action Plan

Law Number 2 Year 2012 on Land Procurement (Law No. 2/2012) and Presidential Regulation Number 71 Year 2012 concerning Implementation of Land Procurement for Public Interest Construction (PR No. 71/2012) provide for an expedited land acquisition procedure in procuring land for project intended to benefit the public. Under the current land acquisition regime, only central and regional government institutions and BUMN/BUMD that have the authority to conduct land acquisition. The timeline for land acquisition under Law No. 2/2012 and PR No. 71/2012 ranges from 319 working days to 539 working days.

7. Project Structure

Estimated project cost	USD 729.00 million
Indicative debt to equity ratio	
- Debt level	57%
- Equity level	43%
FIRR	15.91%

8. Government Support and Government Guarantee

Minister of Finance Indonesia has issued the Finance Minister Regulation No. 223/2012 and Regulation of the Minister of Finance No. 143/2013 which aims to further regulate Article 16 of Presidential Decree No. 38/2015 regulating government support for projects in the form of public-private fiscal contribution, the facility permits, land acquisition, and financing part of the cost of construction for base infrastructure (electricity and water).

In order to support of the project, government of Indonesia will build bridge between Batam Island and Tanjung Sauh Island to connect road transportation. This support is provided by Ministry of Public Works and Housing.

9. Project Implementation Schedule

The period of calculation (project life) in this project evaluation is justified to be 33 years starting in 2016 for procurement of investor and in 2020 starting the terminal operation through 2049 for the Development Plan.



10. Contact Information

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