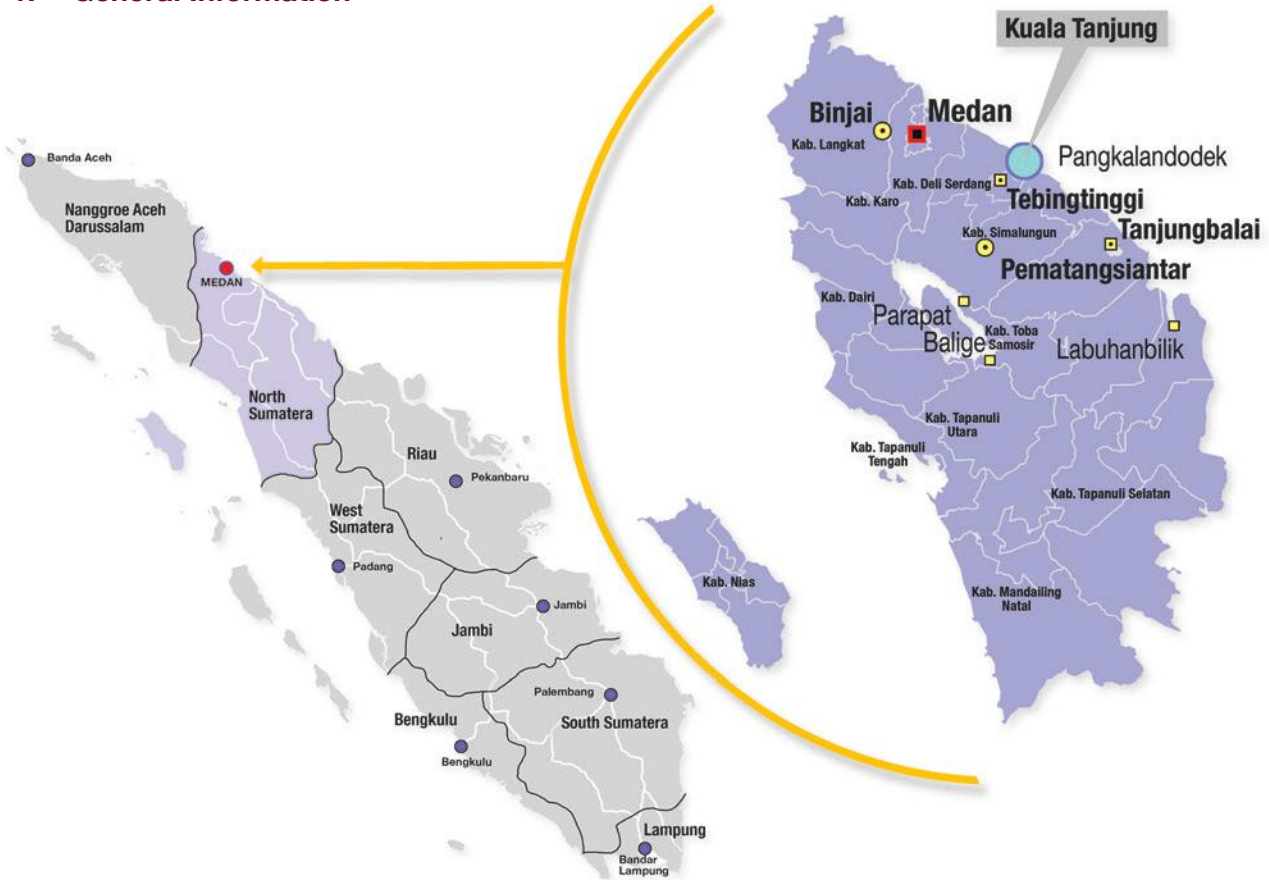


DEVELOPMENT OF KUALA TANJUNG INTERNATIONAL HUB PORT, NORTH SUMATERA

1. General Information



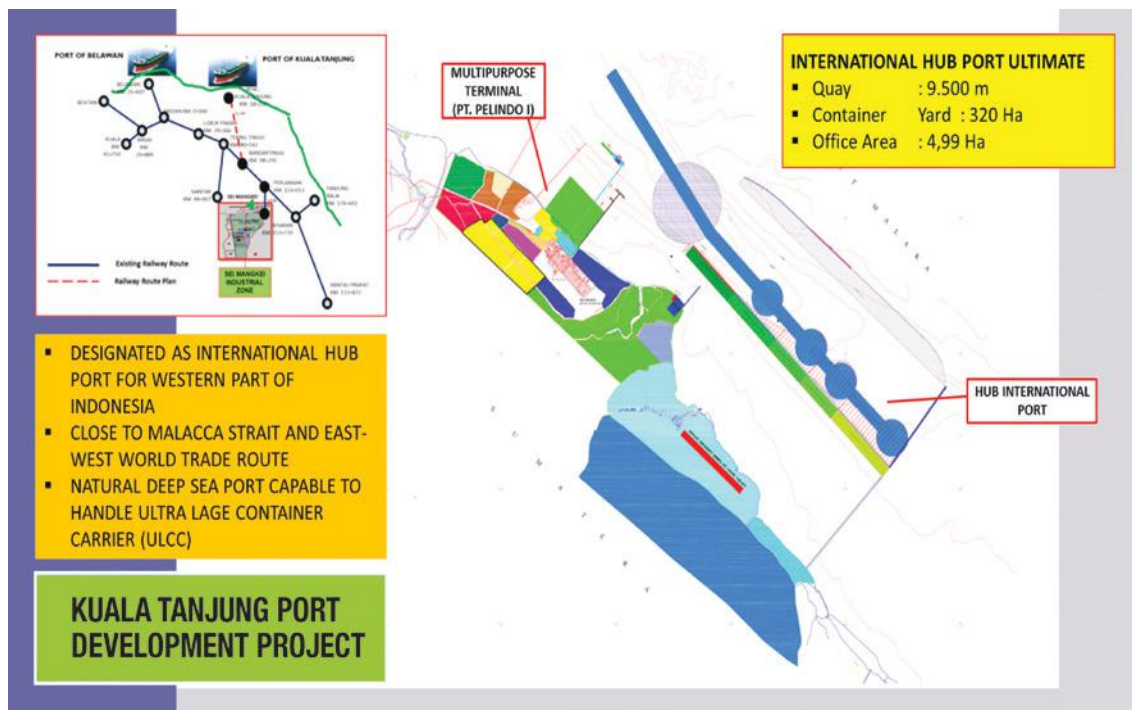
Government Contracting Agency	: Ministry of Transportation
Implementing Unit	: Harbour Master and Port Authority of Kuala Tanjung
Preparation Agency	: Ministry of Transportation
Estimated Project Cost	: USD 3.67 million
Estimated Concession Period	: 74 years
Location	: North Sumatera

2. The Opportunity

2.1. Project Background

Kuala Tanjung port is located in the strategic Malaka Strait and determined as international hub port. This port is also potential as a support for Belawan port, especially for bulk commodity because the density of the traffic.

The hinterland of Kuala Tanjung Port is dominated by Oil Palm Plantation which includes Asahan, Simalungun, Labuhan Batu, and the surrounding area in 2009 has reached 1.29108 million tons with a growth of 5% per year.



2.2. Project Description

Based on its potential hinterland, Kuala Tanjung Port will be developed as hub port to handle liquid bulk cargo (CPO), dry bulk cargo, general cargo, and container for North Sumatera Province and Nangroe Aceh Darussalam (NAD) Province. It also will be prepared as outlet/inlet for Sei Mangkei Industrial Area as well as Belawan Port.

2.3. Project Objectives

The project is developed to deliver transshipment service on the Malacca Straits, to support Belawan Port and also Sei Mangkei Industrial Area.

3. Business Entity's Opportunity

Lots of business opportunities in Kuala Tanjung Hub Port Internasional, because it's located in Malacca straits which has:

- ± 200 vessels passing through every day
- ± 600 vessels' activities in this region every day
- 90% oil is transported to Japan via this straits.
- 50% crude oil trading passing through this straits.
- 25% world trade is following from/to Korea.

4. Project Technical Specification

No.	Facilities	Unit	Short Term (Phase I) (2017-2021)	Medium Term (Phase II) (2017-2026)	Long Term		
					(Phase III) (2017-2031)	(Phase IV) (2017-2041)	(Phase V) (Over 2042)
FACILITIES							
1	Wharf	km	2	4	5.5	7	9.5
2	Trestle	km	1.5	1.5	1.5	1.5	5.7
3	Container Yard	Ha	70	140	192,5	245	320
4	Breakwater	m	2.85	4.6	6.1	7.75	9.75
5	Dredging (Basin)	m ³	-	715.540,67	4,23 million	7,2 million	11,4 million
6	Access Road	m	11.47	11.47	11.47	11.47	13,549
EQUIPMENT							
1	Quay Crane	unit	15	32	43	52	76
2	RTG	unit	49	112	147	182	186
3	Head truck	unit	70	160	210	260	380
4	Chasis	unit	89	201	265	327	477
5	Reach Stacker	unit	7	15	20	25	26
6	Forklift	unit	13	29	38	47	48

5. Environmental Impact Assessment (AMDAL) Findings

The activities of Kuala Tanjung Hub Port and the development of various types of industries in this area have an impact on the quality of environmental parameters. It will affect the quality of ambient air, sea water, flora / fauna and the health of people who live around this area. Further, shipping safety and oily liquid substance pollution from sea transportation shall be managed.

6. Land Acquisition and Resettlement Action Plan

Kuala Tanjung Hub Port Development for transshipment of containers and dry bulk terminal will be done by reclaiming land scorched; this is due to get the depth of the sea with draft + 17 m LWS. Besides, the container terminal transshipment will be done by reclaiming an area of 983 hectares and the dry bulk terminal needs 133 Ha, the quarry for reclamation came from Bagan Asahan River located in Asahan.

7. Project Structure

TOTAL INVESTMENT : USD 3.67 Million

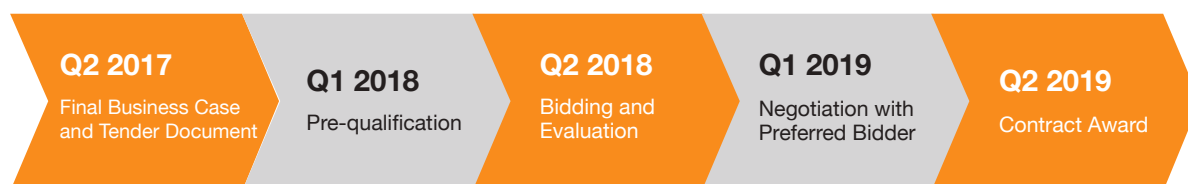
- Phase I : 1.02 Million USD
- Phase II : 0.40 Million USD
- Phase III : 0.67 Million USD
- Phase IV : 0.66 Million USD
- Phase V : 0.92 Million USD (Depend on Demand)

FINANCIAL SCHEME	Scheme: Private 73.4% with Gov Support 26.6%				
		BC	Rev -10%	Cost +10%	Rev -10%; Cost +10%
	IRR	16.07%	11.91%	15.27%	11.40%
	Eq IRR	20.37%	17.51%	19.54%	16.81%

8. Government Support and Government Guarantee

Based on study, indicated Government financial support will contribute to proportion of investment costs. However, the necessity and applicability of the government support and guarantee will be identified and specified in the subsequent studies.

9. Project Implementation Schedule



10. Contact Information

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