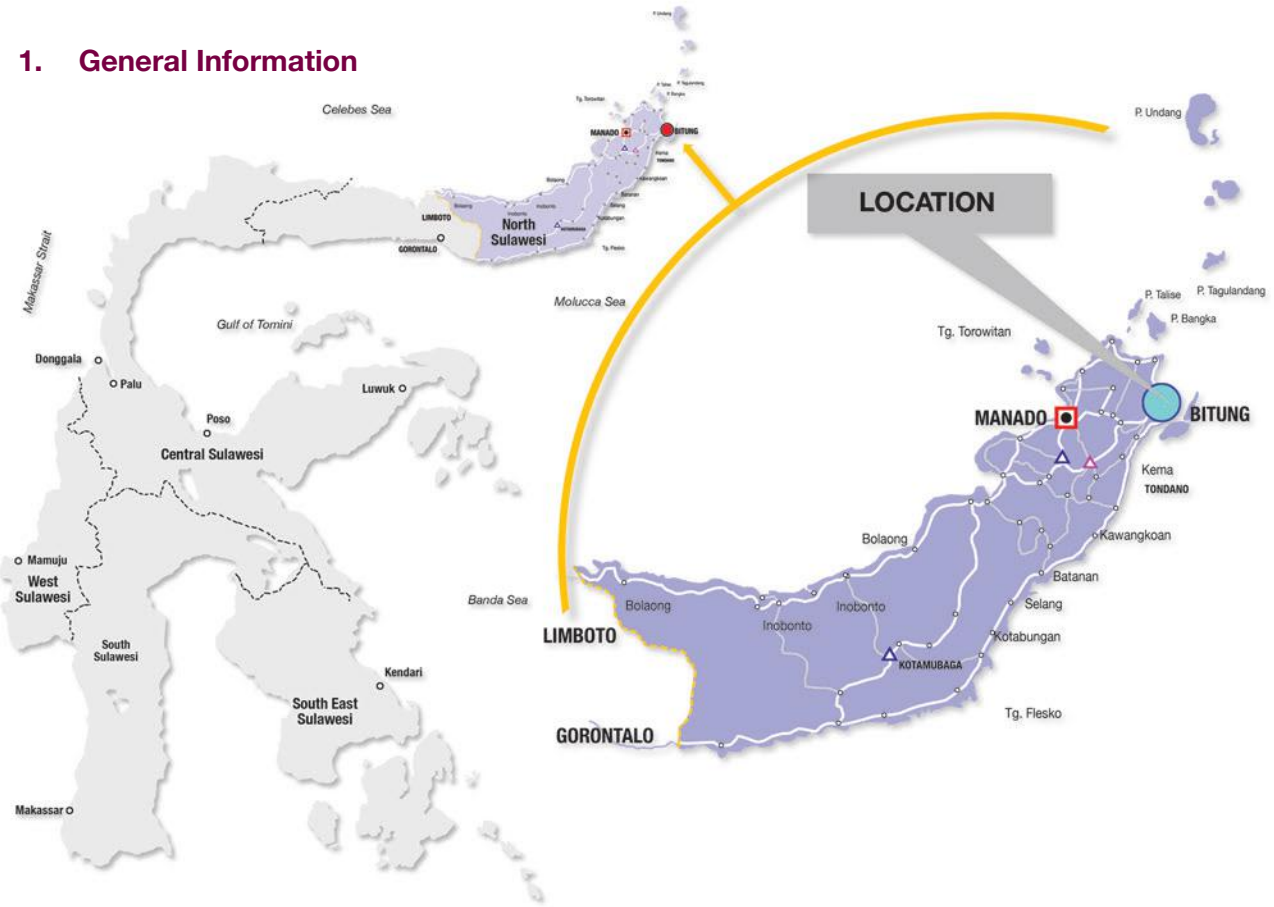
DEVELOPMENT OF BITUNG INTERNATIONAL HUB PORT, NORTH SULAWESI

1. General Information



Government Contracting Agency	:	Ministry of Transportation
Implementing Unit	:	Bitung Harbour Master and Port Authority
Preparation Agency	:	Ministry of Transportation
Estimated Project Cost	:	USD 532.00 million
Estimated Concession Period	:	50 - 70 years
Location	:	Bitung, North Sulawesi

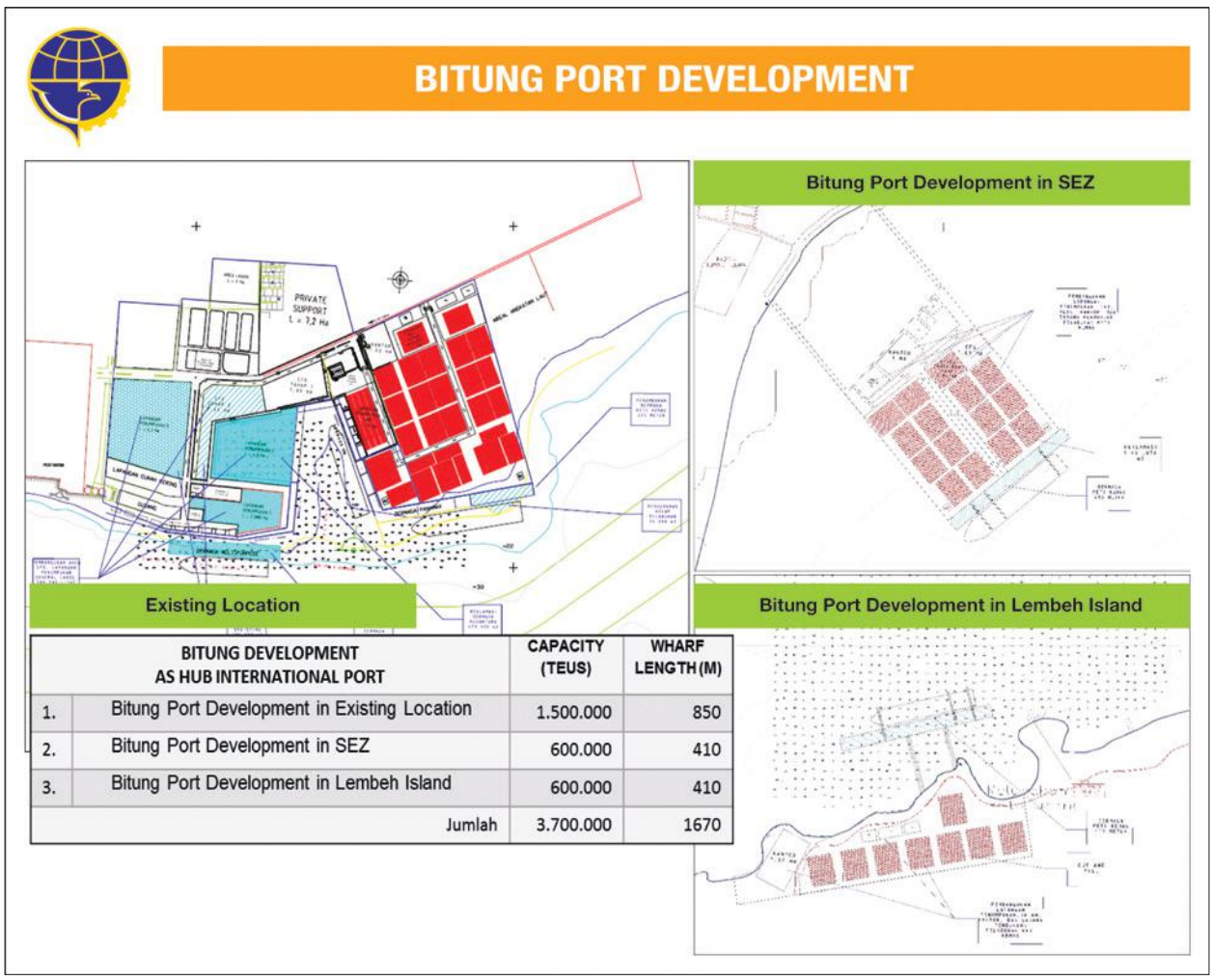
2. The Opportunity

2.1. Project Background

Existing Bitung Port is located in Bitung City, North Sulawesi. The container terminal have dock area of 591 meters, CY of 5.5 hectares, 4 units container cranes (CC), and 8 units Rubber Tyred Gantry (RTG).

Bitung port was chosen as an International Hub Port in the Eastern Region of Indonesia with the following considerations from dynamics of logistic in the Eastern Region of Indonesia are expected to grow exponentially according to its potential.

The extension of Bitung Port will be developed in long term at Bitung Special Economic Zone (SEZ) area and Lembeh Island. This port will support the development of Bitung Special Economic Zone (SEZ), which is declared as one of the Government of Indonesia's priorities. In addition, the existence of Bitung International Hub Port will also support industrial activities in the eastern region of Indonesia, including Ambon and Ternate (for agriculture, industry and mining) as well as Samarinda, Balikpapan, Tarakan and Nunukan (for coal, petroleum and plywood).



	BITUNG DEVELOPMENT AS HUB INTERNATIONAL PORT	CAPACITY (TEUS)	WHARF LENGTH (M)
1.	Bitung Port Development in Existing Location	1.500.000	850
2.	Bitung Port Development in SEZ	600.000	410
3.	Bitung Port Development in Lembeh Island	600.000	410
	Jumlah	3.700.000	1670

2.2. Project Description

Based on its potential hinterland, Bitung International Hub Port will be developed as a hub port to handle liquid bulk cargo (CPO), dry bulk cargo, general cargo, and container.

The hinterland of Bitung International Hub Port includes Ambon and Ternate (Agriculture, industry & mining product), East Kalimantan (Samarinda, Balikpapan, Tarakan, dan Nunukan) also has significant contributions for cargo to Bitung International Hub Port such as world products, coal, oil & containerization plywood.

2.3. Project Objectives

The main objectives of the project are as follows:

- To distribute of goods in Eastern Indonesia
- As the export port for the commodities Eastern Indonesia

3. Business Entity's Opportunity

Northern Sulawesi has nearly all the assets and access to set itself to be center of global growth. Sulawesi economics corridor focuses on the major economic activities of agriculture food, cocoa, fisheries, nickel, and oil and gas. In addition, the main economic activities of oil and gas can be developed with the potential to become the engine of economic growth in this corridor. Sulawesi economics corridor has GDP in 2010 with amount of US$ 17.3 billion and capita income in the average of US$ 998. Government projected Sulawesi to have GDP in the amount of US$ 87.91 billion in 2014.

4. Project Technical Specification

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1	Bitung Port Development in Existing Location	1.500.000	850
2	Bitung Port Development in SEZ	600.000	410
3	Bitung Port Development in Lembeh Island	600.000	410
TOTAL		**3.700.000**	**1670**

5. Environmental Impact Assessment (AMDAL) Findings

The project is classified require subsequent study. Initial environmental examinations have indicated that Bitung International Hub Port activities will affect to environmental parameter quality. If the impacts are not managed properly, it will affect the quality of ambient air, sea water as well as flora/fauna and the health of surrounding communities. Further, the shipment traffic would be affect shipping safety and oily liquid substance pollution from sea transportation.

6. Land Acquisition and Resettlement Action Plan

The detail information related to the land acquisition and resettlement plan will be provided in the subsequent studies.

7. Project Structure

Estimated project cost	USD 532.00 million
Indicative debt to equity ratio	
- Debt level	70%
- Equity level	30%
FIRR	13%

8. Government Support and Government Guarantee

The necessity and applicability of the specific government support and guarantee will be identified and specified in the subsequent studies.

9. Project Implementation Schedule

10. Contact Information

Name : Mauritz H.M Sibarani
Position : Director of Ports Affair
Directorate of Ports Affair, Ministry of Transportation
Address : Jl. Medan Merdeka Barat No 8 Jakarta
Phone : +6221 3506964
Fax : +6221 3848963
Email : mauritz.sibarani@dephub.go.id
pelpeng15@gmail.com