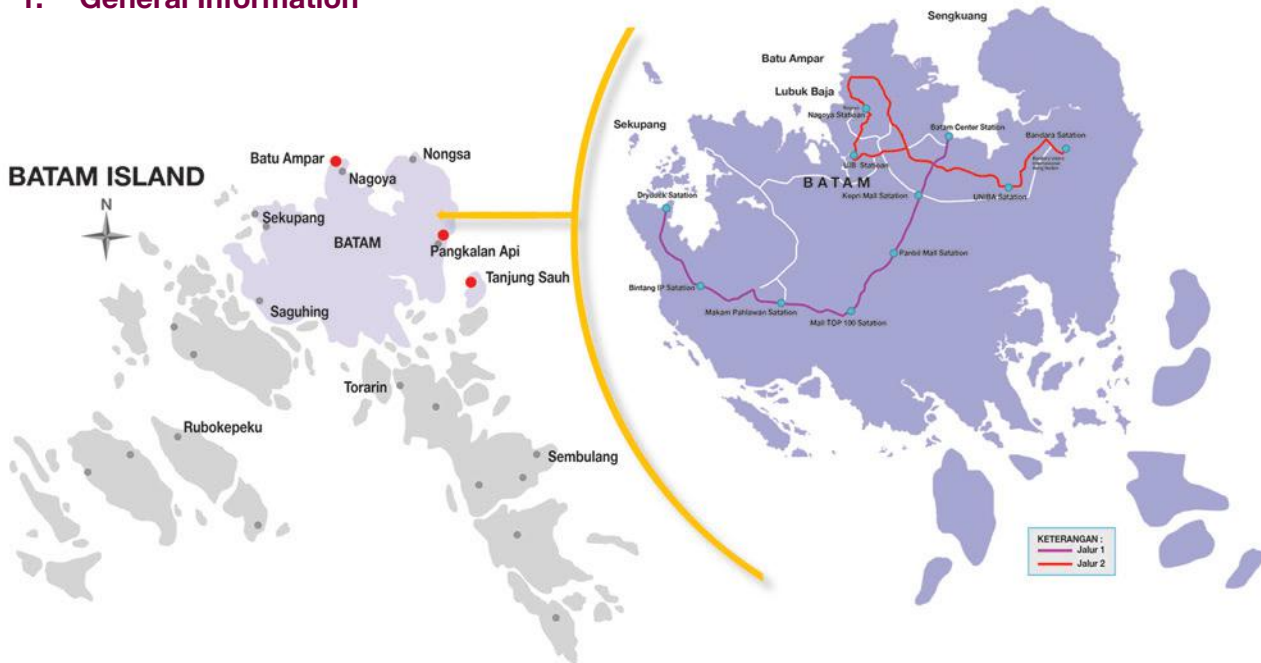


BATAM ISLAND RAILWAY, RIAU ISLANDS

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 635.00 million
Estimated Concession Period	: 49 years
Location	: Batam, Riau Islands

2. The Opportunity

2.1. Project Background

Batam as an area for free port, industries, and tourism, plays a very important role in the development of Indonesia. By the end of 2012, the number of population in Batam has reached 1,235,651 people which distributed evenly in the city of Batam, and with a total number of manpower 335,562 people which mostly work in industrial sector.

BP-Batam has duty to provide infrastructures and facilities such as transportation, housing, health care and others, in order to support industrial activities in Batam.

To meet the transportation needs in line with the growth of population, there is a demand to build monorail line that will connect various areas in Batam.

2.2. Project Description

The Batam LRT will connect Batam Centre area to Tanjung Uncang area via Muka Kuning area (phase-1) and for the next phase, Batam LRT line would link to Batu Ampar area and Batam Hang Nadim International Airport.

2.3. Project Objectives

The purpose of the project is to provide a safe, fast and convenience public mass transportation in Batam and to reduce the economic losses due to traffic congestion which the value of time, fuel costs and health costs.

3. Business Entity's Opportunity

Build, Operate and Transfer (BOT). The cost was borne by business entites or can be borne jointly depend on agreement that has been agreed and at the end of the contract period BIFZA will acquire buildings and other facilities such as infrastructure and facilities of Batam, Light Rail Transit (LRT).

4. Project Technical Specification

The technical specifications for Batam Island Main Railways are as follows:

- **Line I: Batam Centre – Tanjung Uncang**
 - LRT Train = 4 unit
 - LRT Line = 27.54 km
 - LRT Station = 19 station
- **Line II: Batu Ampar – Batam Hang Nadim International Airport**
 - LRT Train = 4 unit
 - LRT Line = 27.93 km
 - LRT Station = 25 station

5. Environmental Impact Assessment (AMDAL) Findings

The project is classified to require an Environmental Impact Assessment (AMDAL), Environmental Management Plan and Public Consultation. Initial environmental examinations have indicated that the project will be facing several impacts like spatial and land use conflict potential, pollution, and traffic disruption.

6. Land Acquisition and Resettlement Action Plan

Related with the acquisition of land for Batam LRT project, it has been identified that the land will be used completely owned by BIFZA. Thus there is no land acquisition process undertaken in the preparation of the Project. However, it should be ascertained more on the right base on land used by enterprises considering this will affect the structure of the transaction were organized in the Project.

In the project execution above, there are assets that will be used to review the implementation of the project from BIFZA. The assets will be used is a form of land consisting of the plot for review facilities, and plot for review purposes managed existing commercial enterprises. The land assets in basically seen as the State Property in Indonesia based on article 4, Minister Regulation of Finance Number 164/2014.

7. Project Structure

Estimated project cost	USD 635.00 million
O&M	USD 2,176.00 million
FIRR	14,17%

8. Government Support and Government Guarantee

The support for the project in the form of land acquisition and other required document preparation shall be implied by the local government. To mitigate the project's risks from changes in demand risk and shifts in political scenario, government guarantee may be required. In this regard, the level of risk perceived from investors will be determined at market sounding.

9. Project Implementation Schedule



10. Contact Information

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