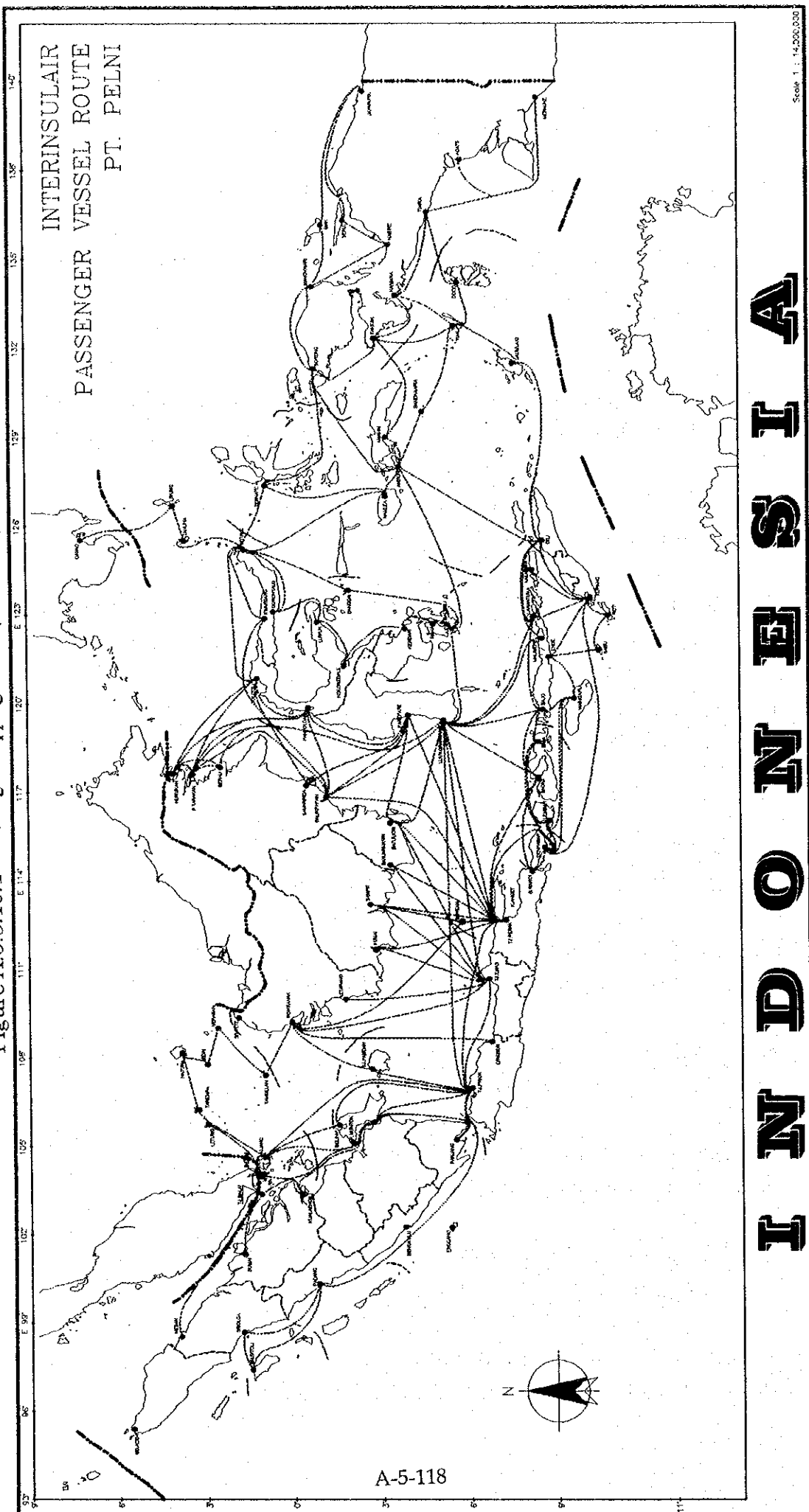


Appendix 5.3.10 Present Situation of Passenger Shipping

Passenger shipping routes operated by 2000 Pax Type vessel are follows.

- 1)ToliToli-B.Papan-Makasar-Surabaya-Tg.Priok-Kijang-Dumai-Kijang-Tg.Priok-Surabaya-Makasar-B.Papan-Pantoloan-Tarakan (Vessel's name Kerinci)
- 2)Padang-Tg.Priok-Surabaya-Makasar-B.Papan-Pantoloan-Bitung-ToliToli-B.Papan-Makasar-Surabaya-Tg.Priok-Padang-Sibolga (Kanbuna)
- 3)Makasar-Surabaya-Makasar-BauBau-Ambon-Tual-Sorong-Nabire-Jayapura-Serui-Manokuwari-FakFak-Banda-BauBau (Rinjani)
- 4)Nabire-Jayapura-Serui-Manokwari-Ternate-Bitung-B.Papan-Makasar-Surabaya-Makasar-B.Papan-Kwandang-Ternate-Sorong (Umusini)
- 5)B.Papan-Surabaya-ParePare-Pantoloan-Nunukan-B.Papan-ParePare-Surabaya-Makasar-Pantoloan-Tarakan-Pantoloan-Makasar-Surabaya (Tidar)
- 6)Makasar-BauBau-Bitung-Sorong-Manokwari-Jayapura-Biak-Sorong-Ternate-Banggai-Makasar-Tg.Priok-Semarang (Ceremai)
- 7)Sorong-Ambon-Dili-Denpasar-Surabaya-Tg.Priok-Surabaya-Denpasar-Kupang-Ambon-Sorong-Manokwari-Jayapura-Biak (Dobonsolo)
- 8)Dumai-Kijang-Tg.Priok-Surabaya-Makasar-BauBau-Ambon-Tual-Banda-BauBau-Makasar-Surabaya-Tg.Priok-Kijang (Siguntang)
- 9)Namlea-BauBau-Makasar-Surabaya-Tg.Priok-Padang-Nias-Padang-Tg.Priok-Surabaya-Makasar-BauBau-Ambon-Bitung (Lambelu)
- 10)Belawan-Batam-Tg.Priok-Tg.Balai-Belawan-Batam-Tg.Priok-Belawan-Batam-Tg.Priok-Tg.Balai-Belawan-Batam (Sinabung)
- 11)Tg.Priok-Tg.Balai-Belawan-Batam-Tg.Priok-Tg.Balai-Belawan-Batam-Tg.Priok-Tg.Balai-Belawan-Batam-Tg.Priok-Tg.Balai (#)

Figure A.5.3.10.1 Passenger Shipping Routes (PT. PELNI)



I N D O N E S I A

Table A5.3.11.1 Number of Foreign and Domestic Guests of Hotel by Province

Province	Foreign Guest					Domestic Guest					Grand Total			
	Star Hotel		Others			Star Hotel		Others						
	1995	1996	1995	1996	Total	1995	1996	1995	1996	Total	1995	1996		
Special Territory of Aceh	4,900	4,600	7,461	6,443	12,361	11,043	52,500	67,200	333,738	268,870	386,238	336,070	398,599	347,113
North Sumatra	462,000	383,700	87,981	53,776	549,981	437,476	421,300	422,600	422,475	279,858	843,775	702,458	1,393,756	1,139,934
West Sumatra	38,500	33,900	32,973	48,234	71,473	82,134	79,000	85,200	260,248	314,217	339,248	399,417	410,721	481,551
Riau	231,800	241,900	32,983	26,297	264,783	268,197	105,800	94,500	102,285	95,799	208,085	190,299	472,868	438,496
Jambi	1,700	1,400	476	163	2,176	1,563	23,900	38,400	71,727	170,796	93,627	209,196	97,803	210,759
South Sumatra	8,500	9,100	943	870	9,443	9,970	94,900	94,500	368,896	336,966	463,796	451,466	473,239	461,436
Bengkulu	700	900	291	191	991	1,091	6,600	8,400	93,435	116,566	100,035	124,966	101,026	126,057
Lampung	8,300	9,600	1,281	1,151	9,581	10,751	53,900	55,700	198,094	133,732	251,994	209,432	261,575	220,183
Special Territory of Jakarta	748,100	803,500	56,801	84,276	804,901	887,776	847,800	1,113,200	1,181,685	1,186,857	2,029,485	2,300,037	2,834,386	3,187,833
West Java	156,700	167,700	63,574	63,414	220,274	231,114	851,300	795,000	3,103,886	3,499,801	3,953,186	4,294,801	4,175,460	4,525,915
Central Java	58,200	64,600	12,314	6,789	70,514	71,389	449,300	536,000	2,069,632	2,137,202	2,518,932	2,673,202	2,589,446	2,744,591
Special Territory of Yogyakarta	203,100	206,100	32,426	25,079	235,326	231,179	164,400	186,800	326,720	295,581	491,120	482,381	726,646	713,560
East Java	216,300	219,200	22,859	19,381	239,159	238,781	472,900	518,500	1,833,847	2,360,750	2,306,747	2,879,230	2,545,906	3,118,031
Bali	1,252,600	1,373,000	498,376	538,245	1,750,976	1,911,245	287,300	287,300	662,947	494,107	950,247	781,407	2,701,223	2,692,652
West Kalimantan	8,500	8,500	16,521	18,119	25,021	26,619	33,700	33,700	219,276	243,607	252,976	277,307	277,997	303,926
Central Kalimantan	200	200	208	357	408	557	3,900	5,500	292,712	321,771	296,612	327,271	297,020	327,828
South Kalimantan	5,500	6,200	1,013	382	6,513	6,582	51,700	60,400	210,130	232,248	261,830	312,648	268,343	319,230
East Kalimantan	22,800	28,200	8,123	7,413	30,923	35,613	102,900	129,500	456,311	403,554	559,211	533,054	590,134	568,667
North Sulawesi	9,700	7,800	6,765	9,763	16,465	17,563	30,300	38,100	61,388	62,279	91,688	100,379	108,153	117,942
Central Sulawesi	1,200	1,100	11,421	10,239	12,621	11,339	5,100	5,500	150,840	96,534	155,940	102,034	168,561	113,373
South Sulawesi	49,400	46,700	20,926	30,680	70,326	77,380	78,900	84,000	235,845	220,196	314,745	304,196	385,071	381,576
Southeast Sulawesi	400	300	266	395	666	695	2,800	3,300	19,582	24,595	22,382	27,895	23,048	28,590
West Nusa Tenggara	181,600	143,100	102,091	38,628	283,691	181,728	105,900	91,700	249,557	244,721	355,457	336,421	639,148	518,149
East Nusa Tenggara	3,500	4,600	21,507	26,242	25,007	30,842	12,700	14,400	75,933	72,185	88,633	86,585	113,640	117,427
Maluku	5,200	8,600	12,915	3,873	18,115	12,473	10,800	24,400	52,897	32,851	63,697	57,231	81,812	69,724
Irian Jaya	3,500	2,700	15,134	11,474	18,634	14,174	9,300	14,700	81,808	113,121	91,108	127,821	109,742	141,995
East Timor	600	800	503	204	1,103	1,004	8,200	8,700	4,797	6,575	12,997	15,275	14,100	16,279
Total	3,683,500	3,778,000	1,068,132	1,032,278	4,751,632	4,810,278	4,367,100	4,817,200	13,140,691	13,825,339	17,507,791	18,642,539	22,259,423	23,452,817

Source : Room Occupancy Rate of Hotel (1996,BPS)

Source : Room Occupancy Rate of Hotel (1996,BPS)

Figure A.5.4.2.1 Main Road (Country Road and Provincial Road)

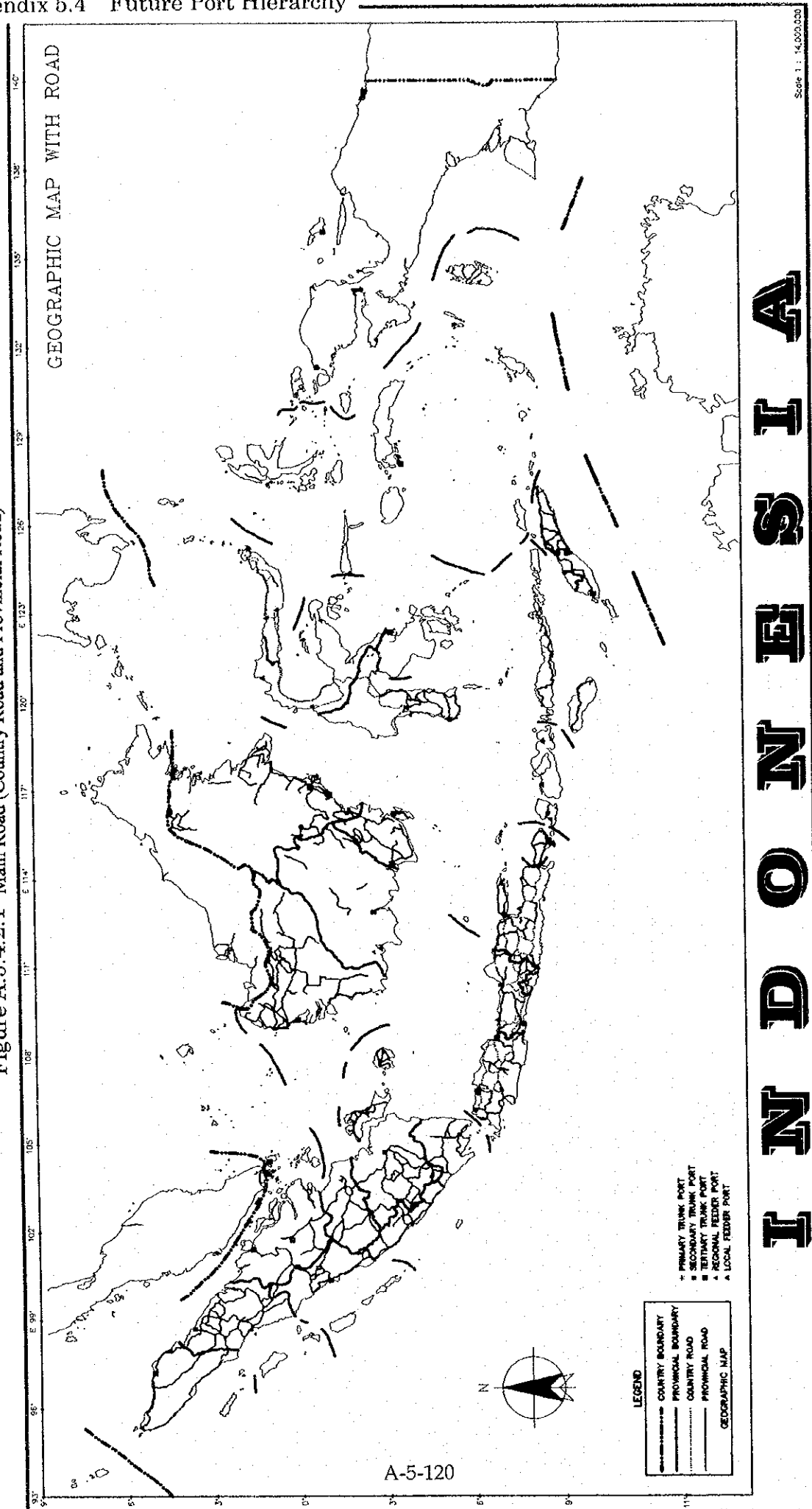


Figure A.5.4.2.2 Geographical Condition (River, Lake, Swamp)

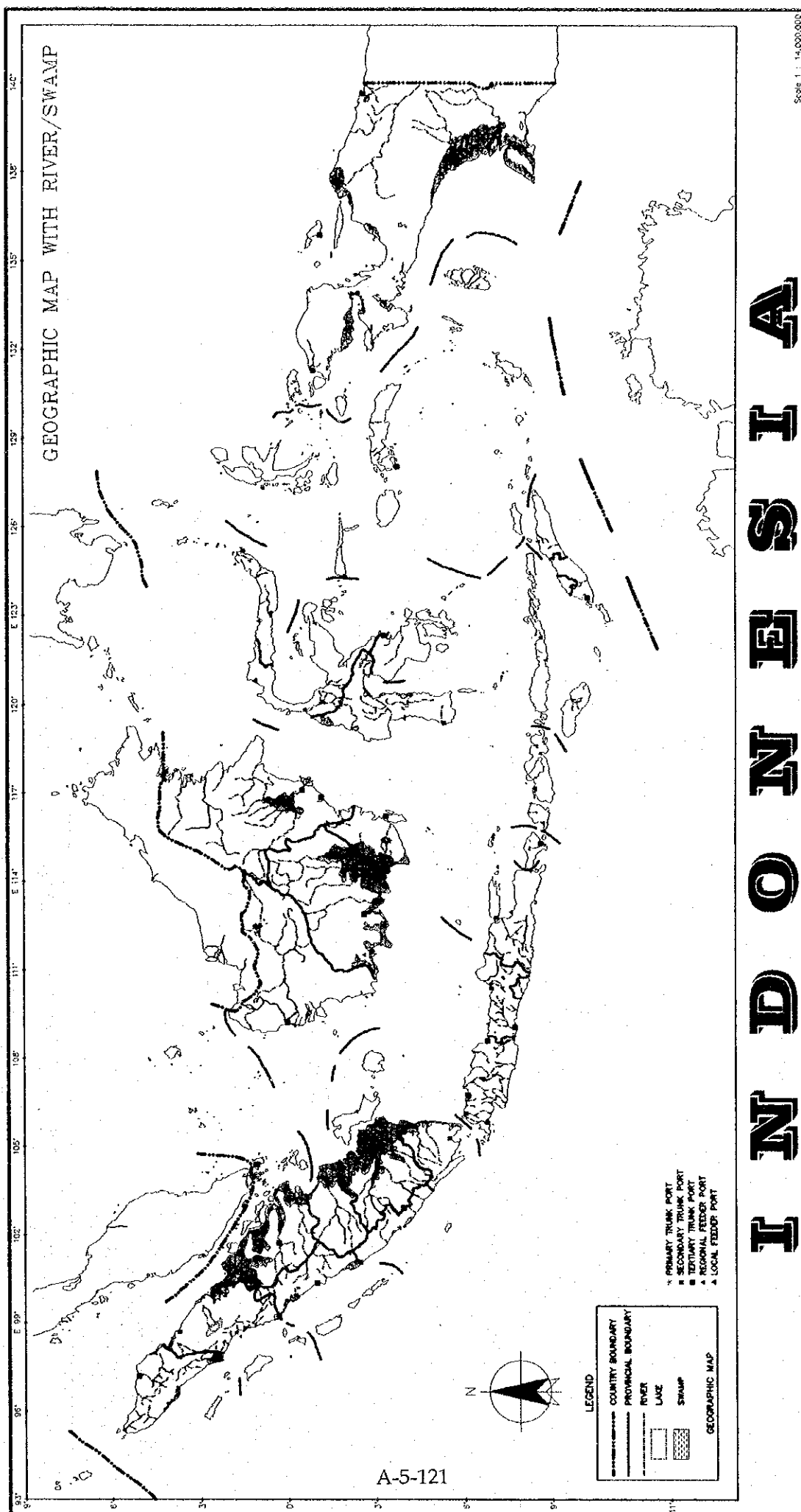
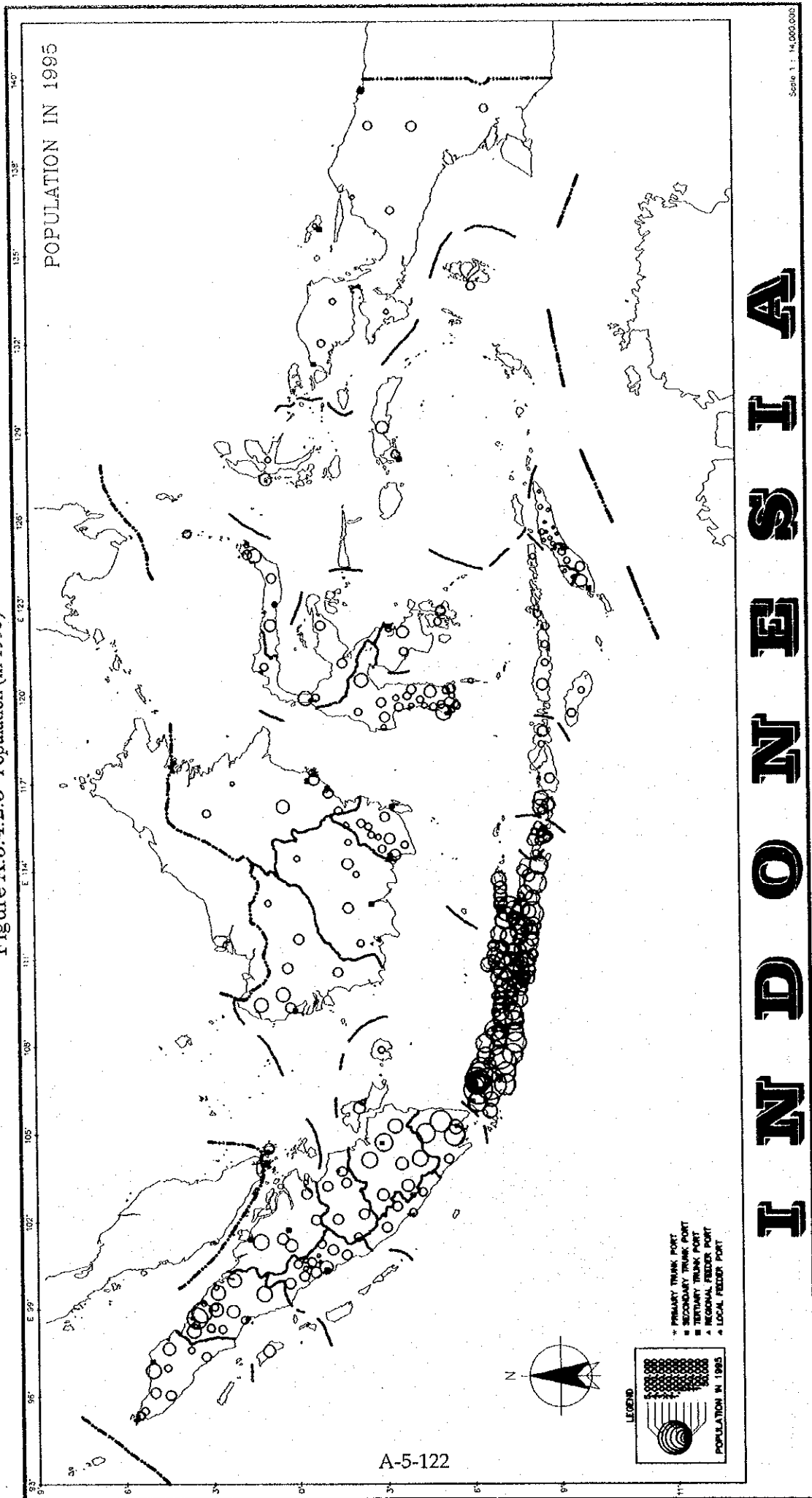


Figure A.5.4.2.3 Population (in 1995)



AVERAGE GROWTH RATE OF POPULATION IN (1990-1995)

LEGEND

AVERAGE GROWTH RATE OF POPULATION (1990-1995)

- Primary Trunk Port
- Secondary Trunk Port
- Tertiary Trunk Port
- Regional Feeder Port
- Local Feeder Port

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A H W E N O A N H

Figure A.5.4.2.5 Population Density (in 1995)

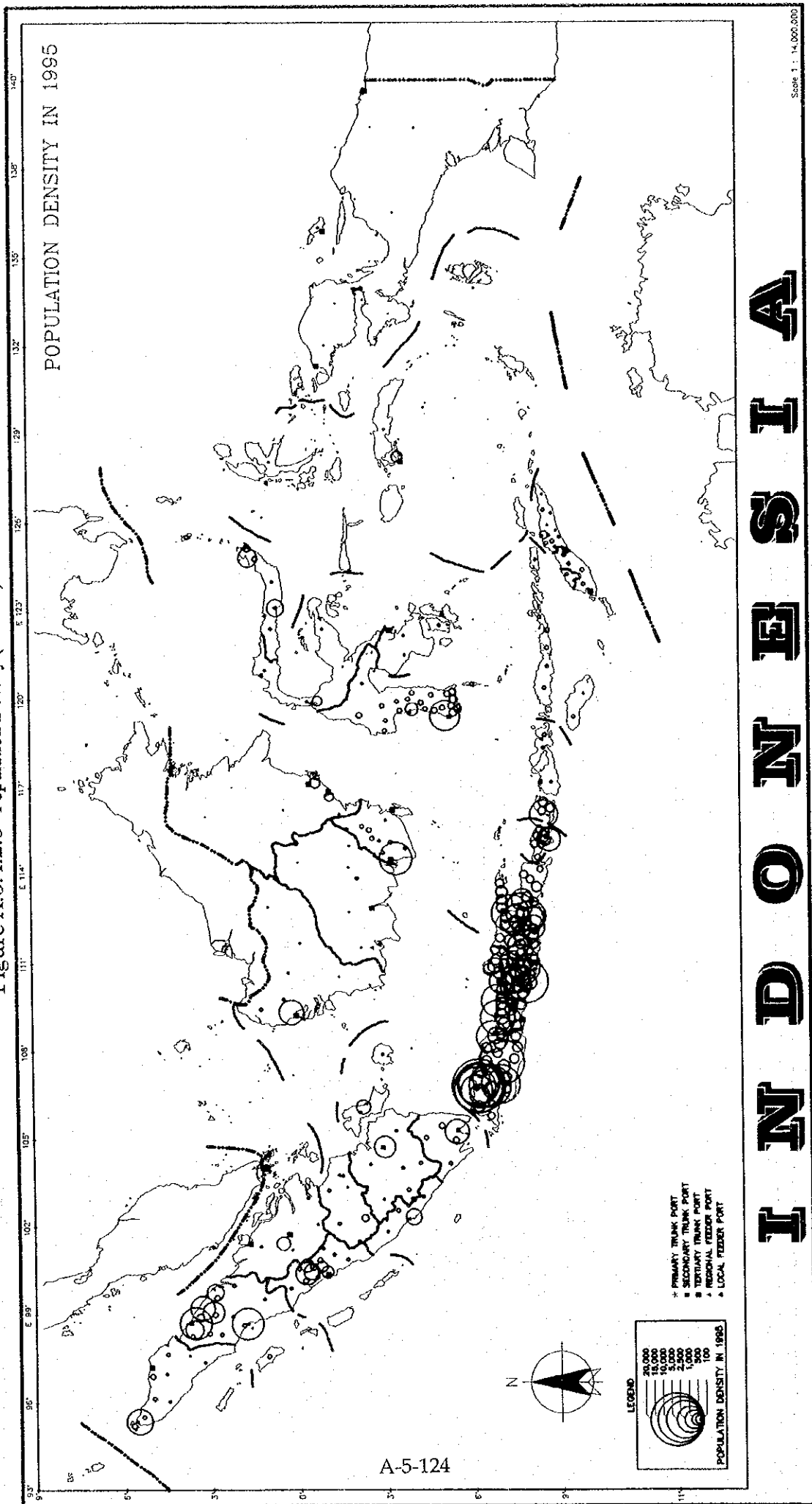


Figure A.5.4.2.6 Average Growth Rate of Population Density in 1990-1995

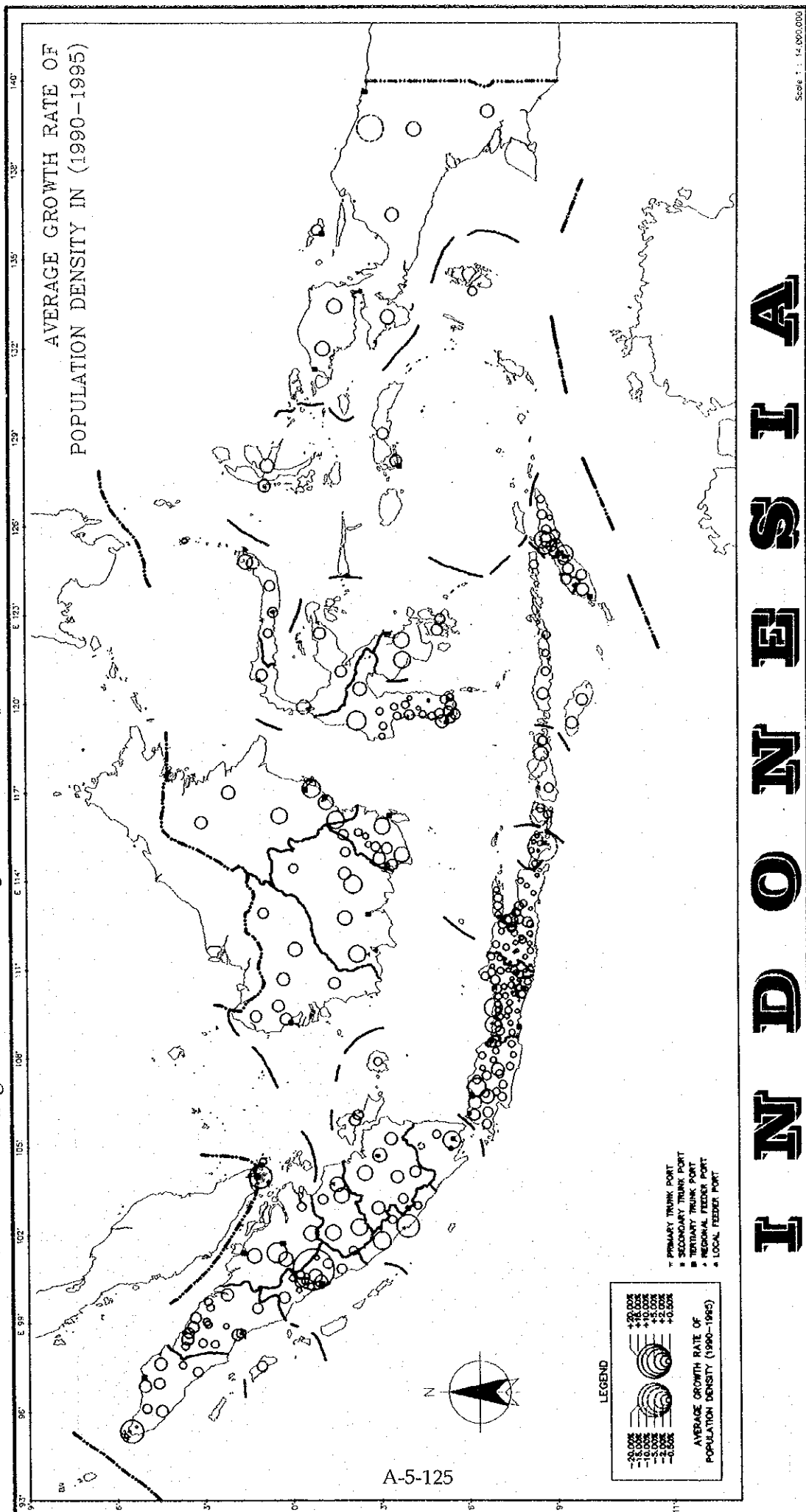


Figure A.5.4.2.7 GRDP (in 1995)

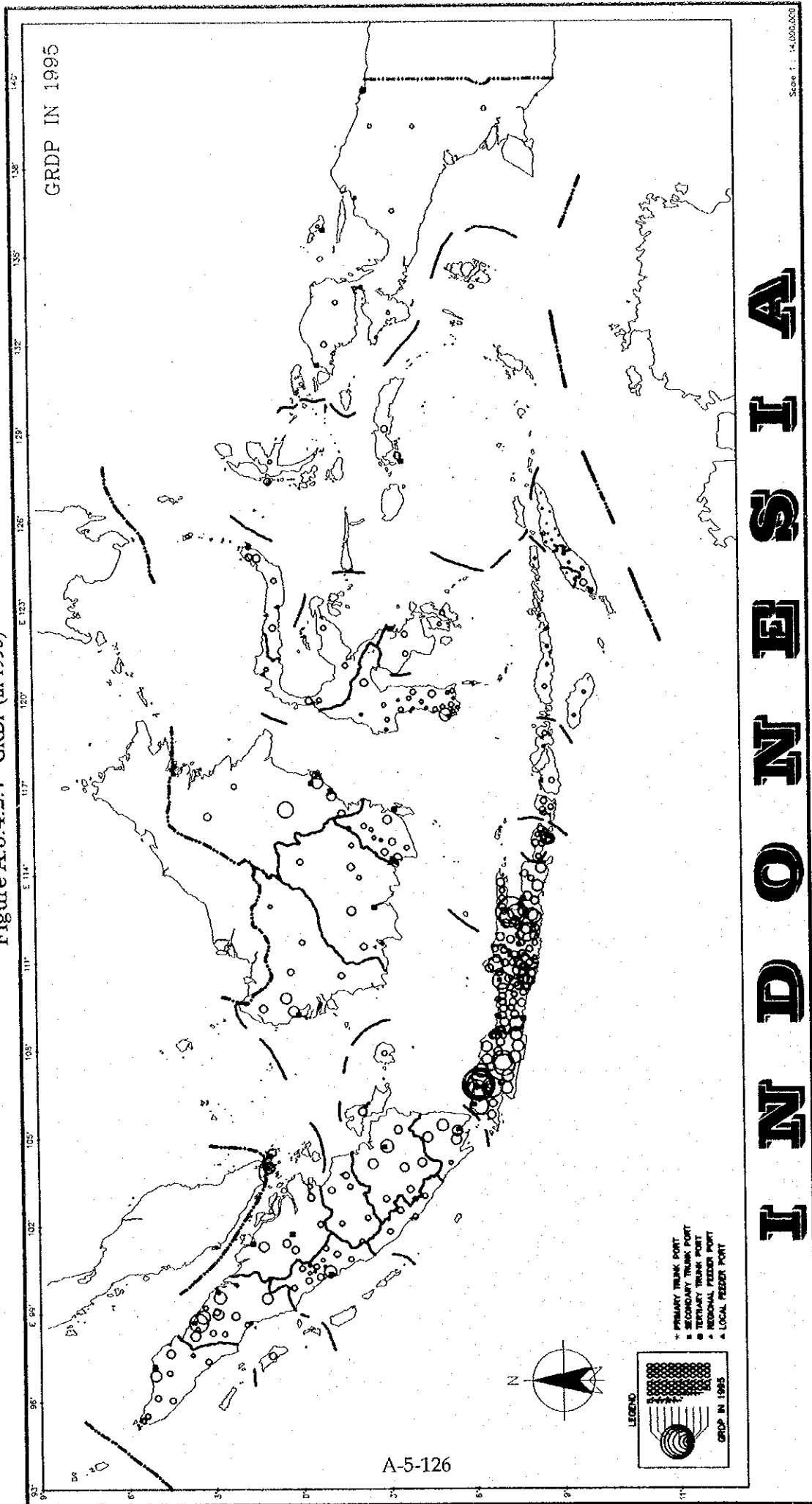
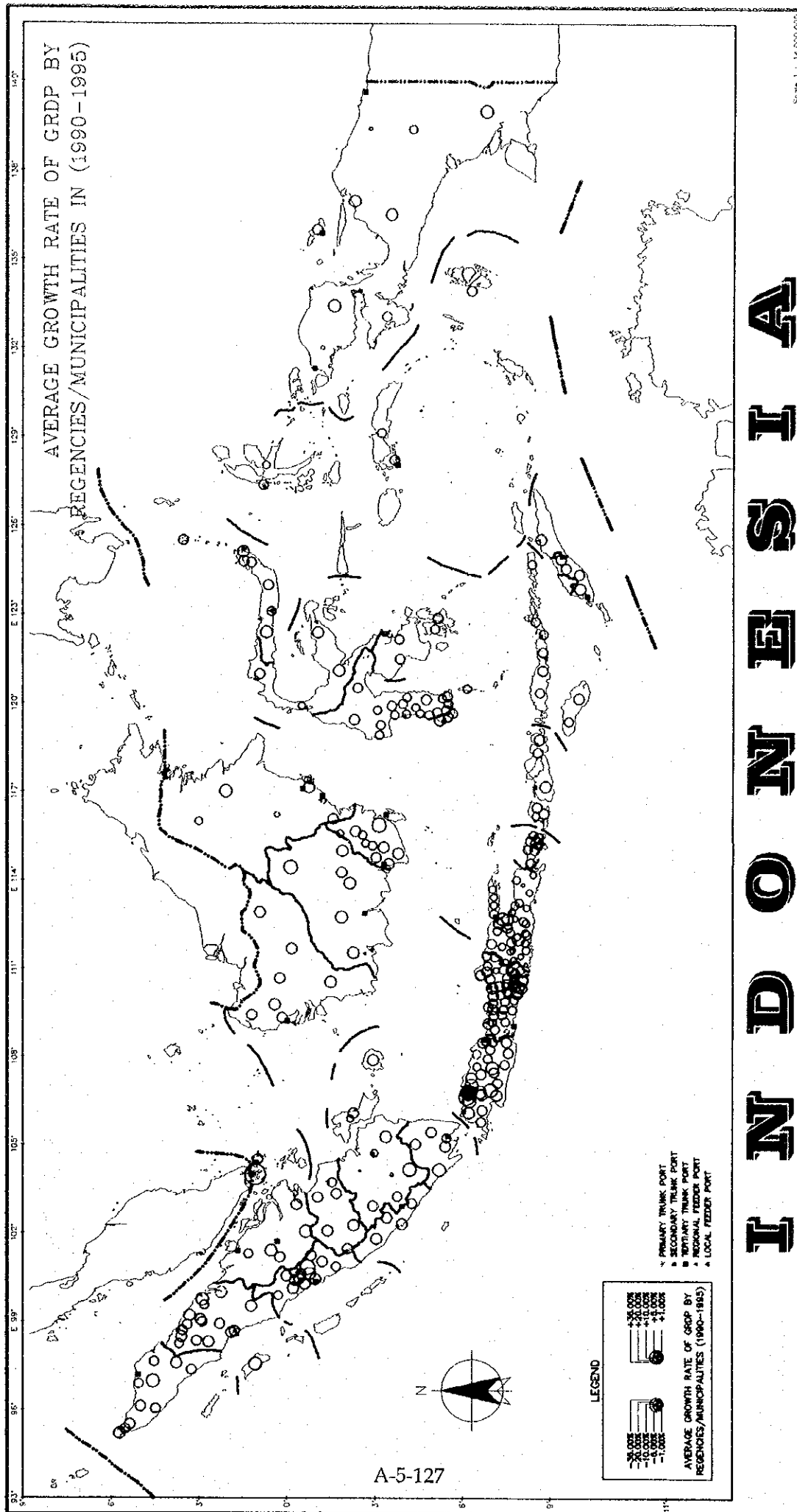


Figure A.5.4.2.8 Average Growth Rate of GRDP in 1990-1995



I N D O N E S I A

Figure A.5.4.2.9 Location of Commercial Port

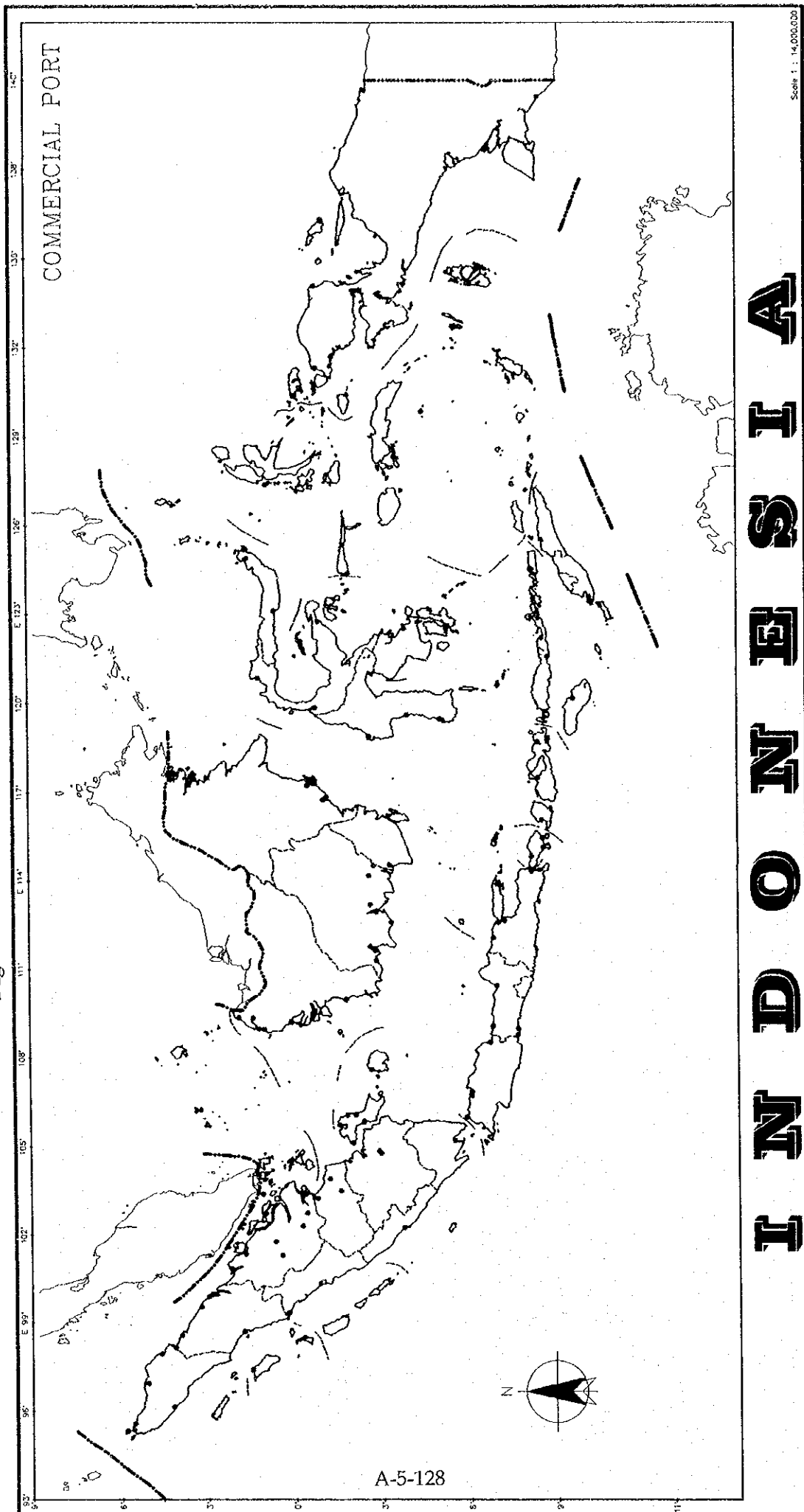


Figure A.5.4.2.10 Location of Non Commercial Port

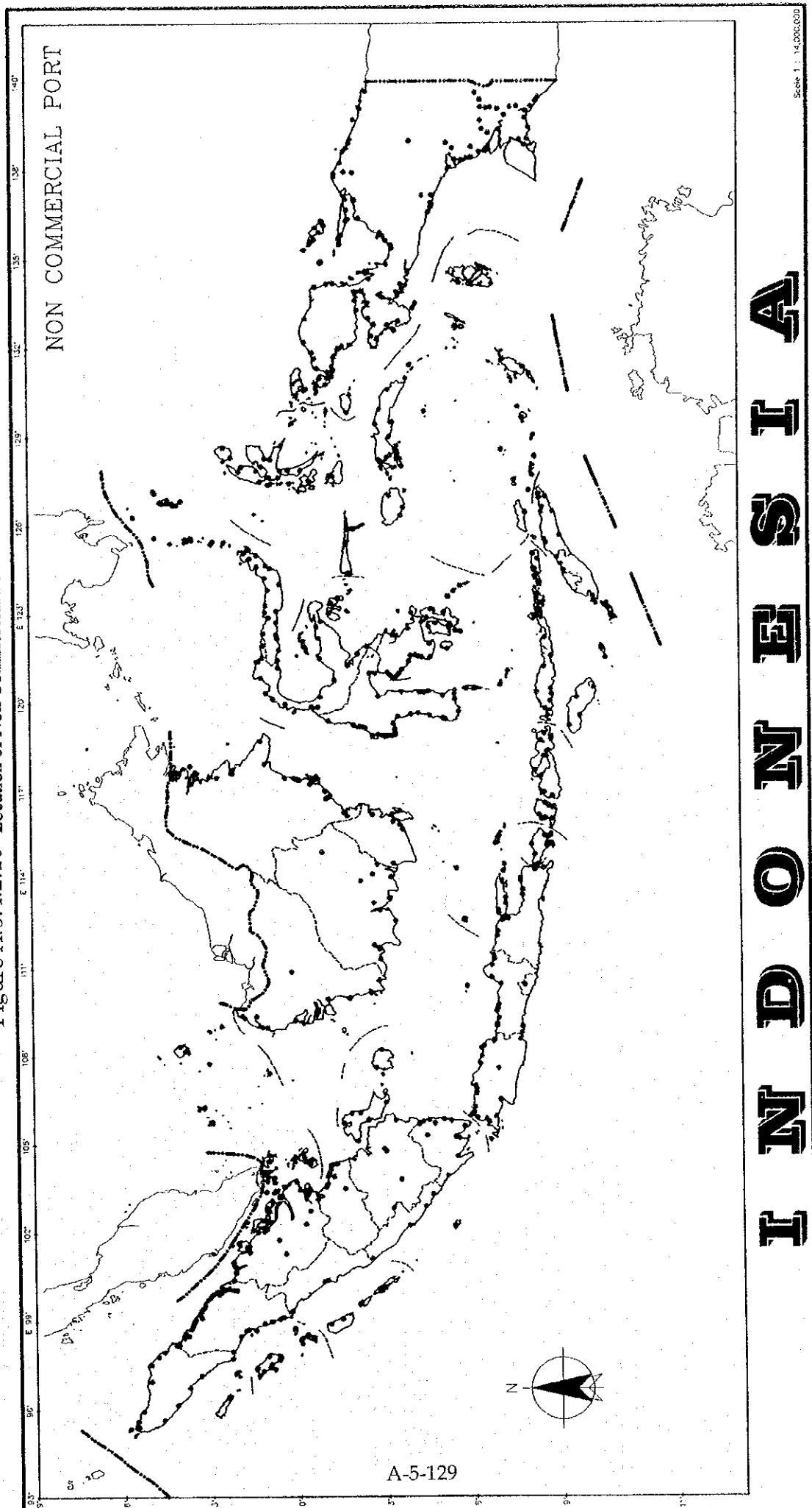


Table A.5.4.2.1 Preliminary Evaluation of the Strategically Important Port (Role I)

Expected Role of Ports		Main Item	I. Supporting socio-economic development														Total Evaluation						
		Sub Item	1. Establishment of the effective cargo distribution system														2. Contribution to maintaining and sophisticating the industrial activities						
Criteria of Evaluation			a) Socio-economic condition of the hinterland					b) Transportation condition of the hinterland					c) Cargo condition					a) Economic condition of the hinterland				b) Transportation condition	
Representing Data			Population (2018) (Thousand Person)	Growth Rate of Population	GRDP (2018) (Billion Rp.)	Growth Rate of GRDP	Evaluation	Dependence Rate of Sea Transportation (%)	Length of Major Road (km/1000k m ²)	Evaluation	Cargo Volume (2018) (Million Ton)	Growth Ratio (from 2018 to 2003)	Evaluation	GRDP of Manufacturing (2018) (Billion Rp.)	Growth Rate of GRDP of Manufacturing (%)	Evaluation	Distance from the Port to the Industrial Zone(km)	Evaluation	Point (Full Point : 120)	Point (Full Point : 100)			
Province																							
Aceh			5,567.1	1.7	19,026.5	6.5	70	37.8	257.1	0	31.9	10.6%	70	9,836.8	9.4	20	0-240	20	50.0	50.0			
			14,241.9	1.1	39,313.3	6.5	20	36.6	432.3	70	66.2	10.6%	20	38,007.5	6.8	20	20-210	20	75.0	75.0			
			5,505.4	1.1	12,610.5	6.5	70	22.9	426.5	70	21.8	10.7%	70	9,511.6	7.7	70	0	20	60.0	50.0			
			6,657.5	2.5	32,838.0	6.5	20	43.8	140.5	70	56.1	10.6%	20	20,605.9	8.7	20	0-180	20	90.0	75.0			
			3,927.2	2.3	5,209.9	6.5	70	52.7	173.4	70	7.8	10.4%	0	5,132.4	8.7	70	140	70	40.0	33.3			
			10,880.8	1.9	22,492.0	6.5	20	59.4	138.5	70	37.1	10.6%	70	17,561.9	8.2	20	0	20	80.0	66.7			
			2,428.5	2.5	2,861.9	6.5	0	50.9	302.4	20	4.9	10.6%	0	524.6	8.3	0	0	20	40.0	33.3			
			9,164.5	1.5	11,458.9	6.5	70	36.9	319.9	20	19.5	10.6%	0	6,705.3	6.7	70	10	20	60.0	50.0			
			58,372.9	1.6				40.0			245.2												
			13,034.7	1.5	98,889.3	6.0	30	17.3	13,028.6	70	72.7	9.4%	20	94,942.8	6.8	20	0	20	100.0	83.3			
Jawa Barat			56,055.6	1.6	100,861.8	6.0	40	2.6	656.1	70	74.8	9.4%	20	196,776.9	8.4	20	0-20	20	110.0	91.7			
			33,482.8	0.6	62,379.0	6.0	40	23.5	767.2	70	45.8	9.4%	20	87,985.2	7.7	20	0-60	20	170.0	97.7			
			2,810.8	-0.2	7,635.4	6.0	0	0.0	4,941.0	70	3.0	9.7%	0	4,959.8	7.1	0	-	0	10.0	8.3			
			38,602.4	0.6	92,305.5	6.0	40	29.7	690.0	70	67.6	9.4%	20	144,820.8	8.1	20	0-10	20	110.0	91.7			
			143,986.3	1.0							264.0												
			3,343.3	0.7	10,667.6	5.9	70	5.6	1,420.9	70	8.0	9.4%	0	4,583.3	8.0	0	10	20	40.0	33.3			
			4,772.9	1.2	4,668.0	5.9	0	58.8	353.8	20	11.2	8.7%	0	987.5	6.4	0	0-160	20	40.0	33.3			
			4,823.8	1.4	3,913.9	5.9	0	95.4	341.7	20	9.2	8.7%	0	483.7	6.9	0	0-100	20	40.0	33.3			
			1,203.9	1.7	1,004.0	5.9	0	61.8	558.6	20	2.3	8.7%	0	203.0	9.1	70	-	0	30.0	25.0			
			14,143.9	1.2							30.7												
Kalimantan Barat			5,297.4	1.7	12,026.9	7.0	70	100.0	80.5	70	36.8	12.3%	20	8,512.0	6.5	70	0	20	70.0	58.3			
			2,647.7	2.2	7,231.8	7.0	0	90.4	91.7	70	22.4	12.3%	20	2,050.0	4.4	0	0-170	20	50.0	47.7			
			4,115.5	1.6	10,575.0	7.0	70	81.3	214.1	70	32.6	12.3%	20	8,693.7	7.4	70	0	20	70.0	58.3			
			4,401.8	3.0	37,201.3	7.0	70	95.3	33.1	70	112.6	12.3%	20	11,471.3	5.7	70	0-110	20	70.0	58.3			
			16,462.4	2.1				96.7			204.3												
			3,289.4	1.0	8,576.2	8.4	70	97.2	356.7	20	9.3	11.8%	0	2,221.4	7.0	0	0-60	20	50.0	47.7			
			2,953.0	1.9	5,308.5	8.4	0	92.7	153.8	70	5.7	11.8%	0	1,091.4	6.2	0	30-530	20	30.0	25.0			
			9,805.2	1.2	22,708.5	8.4	20	88.0	444.5	20	25.0	11.8%	70	7,481.4	6.6	70	0-100	20	80.0	66.7			
			2,613.8	2.3	3,745.1	8.4	0	33.4	178.8	0	4.0	11.7%	0	1,410.5	11.1	70	0	20	30.0	25.0			
			18,661.4	1.4				89.7			44.0												
Sulawesi Utara			3,107.8	1.8	4,338.7	5.9	0	99.4	120.2	70	10.3	8.7%	0	2,766.6	5.1	0	0	20	30.0	25.0			
			3,368.8	2.5	10,206.9	5.9	70	99.6	20.4	70	24.1	8.7%	0	4,287.0	11.4	70	0	20	50.0	47.7			
			6,476.6	2.2							34.4												
			258,104	1.3	650,054.4	6.3		26.7	199.2		822.5			693,514.3	7.7								

Table A.5.4.2.2 Preliminary Evaluation of the Strategically Important Port (Role II)

Expected Role		II. Contribution to realizing the well balanced land development structure									
Criteria of Evaluation	Main Item	1. Contribution to extending the future land development axis					2. Contribution to promoting the regional development in the less advanced regions				
	Sub Item	a) Fitness to the direction of the National Policy		b) Fitness to the future prospect of national land development			a) Socio-economic condition of the hinterland		b) Transportation condition		Total Evaluation
	Representing Data	Existence of the prioritized KAPET	Development prospect in the future land development structure	Evaluation	Dependence Rate of Sea transport (%)	Length of Major Road (km/1000 km ²)	GRDP/Population (Thousand Rp./Person)	Evaluation	Dependence rate of sea transport (%)	evaluation	
Province											
Aceh	Sumatra Utara	—	—	0	37.8	257.1	1,308.0	0	37.8	0	12.5
	Sumatra Barat	—	—	0	36.6	432.3	934.1	10	36.6	0	25.0
	Riau	—	—	0	22.9	426.5	770.4	10	22.9	0	25.0
	Jambi	—	—	0	43.8	140.5	2,223.4	0	43.8	10	25.0
	Sumatra selatan	—	—	0	52.7	173.4	580.6	10	52.7	10	37.5
	Benkulu	—	—	0	59.4	138.5	824.2	10	59.4	10	37.5
	Lampung	—	—	0	50.9	302.4	535.4	10	50.9	10	50.0
	Sumatra Total	—	—	0	36.9	319.9	454.6	20	36.9	0	37.5
		—	—	0	40.0				40.0		
	D.K.I. Jakarta	—	—	0	17.3	13,028.6	3,173.4	0	17.3	0	12.5
Jawa Barat	Jawa Barat	—	—	0	2.6	656.1	752.3	10	2.6	0	25.0
	Jawa Tengah	—	—	0	23.5	767.2	615.2	10	23.5	0	25.0
	D.I. Yogyakarta	—	—	0	0.0	4,941.0	765.5	10	0.0	0	25.0
	Jawa Timur	—	—	0	29.7	690.0	797.6	10	29.7	0	25.0
	Jawa Total	—	—	0							
	Bali	—	—	0	5.6	1,420.9	1,077.3	0	5.6	0	12.5
	Nusa Tenggara Barat	—	—	0	58.8	353.5	383.5	20	58.8	10	87.5
	Nusa Tenggara Timur	—	—	0	93.4	341.7	327.7	20	93.4	20	100.0
	Timor Timur	—	—	0	61.8	558.6	358.1	20	61.8	10	87.5
	Total	—	—	0							
Kalimantan Barat	Kalimantan Barat	—	—	0	100.0	80.5	805.2	10	100.0	20	70
	Kalimantan Tengah	—	—	0	90.4	91.7	1,081.7	0	90.4	20	60
	Kalimantan Selatan	—	—	0	81.3	214.1	889.7	10	81.3	20	70
	Kalimantan Timur	—	—	0	95.3	33.1	3,913.1	0	95.3	20	75.0
	Kalimantan Total	—	—	0	96.7				96.7		
Sulawesi Utara	Sulawesi Utara	—	—	0	97.2	356.7	597.6	10	97.2	20	70
	Sulawesi Tengah	—	—	0	92.7	153.8	505.7	10	92.7	20	70
	Sulawesi Selatan	—	—	0	38.0	444.5	554.6	10	38.0	20	70
	Sulawesi Tenggara	—	—	0	33.4	178.8	435.4	20	33.4	40	50.0
	Sulawesi Total	—	—	0	89.7				89.7		
Meluku	Meluku	—	—	0	99.4	120.2	622.8	10	99.4	20	70
	Irian Jaya	—	—	0	99.5	20.4	1,573.7	0	99.5	20	60
	Meluku Irian Jaya Total	—	—	0							
	Total	—	—	0	26.7	199.2	916.5		26.7		

Table A.5.4.2.3 Preliminary Evaluation of the Strategically Important Port (Role III)

III. Contribution to coping with the international competitiveness and cooperation													
Expected Role of Ports	Main Item	1. Contribution to strengthening the international competitiveness					2. Contribution to promoting the international economic cooperation with neighboring countries				Total Evaluation		
		Sub Item		a) Condition of International Cargo			b) Strategic Geographical Location		a) Strategic Geographical Location				b) See transportation condition
Criteria of Evaluation	Representing Data	Province	International cargo volume as of 2018 (million t)	Growth rate of international cargo	Evaluation	Location with relation to international sea lane	Evaluation	Designation in the International Economic Regional Cooperation	Evaluation	Number of Cruising Vessels	Evaluation	Point (Full Point : 100)	Point (Full Point : 100)
Aceh	Sumatra Utara	44.4	11.5%	10	⊙	20	⊙	20	⊙	1	5	55	55.0
	Sumatra Barat	91.8	11.5%	30	⊙	20	⊙	20	⊙	5	10	80	80.0
	Riau	29.4	11.5%	10	—	0	—	0	⊙	1	5	35	35.0
	Jambi	76.7	11.5%	30	⊙	20	⊙	20	⊙	8	10	80	80.0
	Sumatera selatan	30.4	11.5%	10	⊙	20	⊙	20	⊙	0	0	50	50.0
	Bengkulu	131.3	11.5%	40	—	0	—	0	⊙	0	0	80	80.0
	Lampung	16.7	11.5%	0	⊙	20	⊙	20	⊙	0	0	40	40.0
	Sumatra Total	66.9	11.5%	20	⊙	20	⊙	20	⊙	6	10	70	70.0
	DKI Jakarta	52.7	9.7%	20	—	0	—	0	—	13	15	35	35.0
	Jawa Barat	53.7	9.7%	20	⊙	20	⊙	20	⊙	0	0	40	40.0
Bali	Jawa Tengah	38.5	9.6%	10	—	0	—	0	—	16	20	30	30.0
	DI Yogyakarta	4.7	9.6%	0	—	0	—	0	⊙	0	0	0	0.0
	Jawa Timur	57.0	9.6%	20	⊙	20	⊙	20	⊙	0	0	40	40.0
	Jawa Total												
	Nusa Tenggara Barat	6.6	9.6%	0	⊙	20	⊙	20	⊙	25	20	60	60.0
	Nusa Tenggara Timur	7.5	8.3%	0	⊙	20	⊙	20	⊙	5	10	50	50.0
	Timor	6.3	8.3%	0	⊙	20	⊙	20	⊙	14	15	55	55.0
	Timor Total	1.6	8.3%	0	⊙	20	⊙	20	⊙	0	0	40	40.0
	Total												
	Kalimantan Barat	76.2	11.3%	30	⊙	20	⊙	20	⊙	0	0	70	70.0
Kalimantan	Kalimantan Tengah	53.2	11.3%	20	—	0	—	0	⊙	0	0	40	40.0
	Kalimantan Selatan	77.7	11.3%	30	⊙	20	⊙	20	⊙	0	0	70	70.0
	Kalimantan Timur	70.7	11.3%	20	⊙	20	⊙	20	⊙	0	0	60	60.0
	Kalimantan Total												
	Sulawesi Utara	3.6	10.0%	0	⊙	20	⊙	20	⊙	3	5	45	45.0
	Sulawesi Tengah	2.3	10.0%	0	⊙	20	⊙	20	⊙	0	0	40	40.0
	Sulawesi Selatan	9.7	10.0%	0	⊙	20	⊙	20	⊙	7	10	50	50.0
	Sulawesi Tenggara	1.6	10.0%	0	⊙	20	⊙	20	⊙	1	5	45	45.0
	Sulawesi Total												
	Maluku	7.0	8.3%	0	⊙	20	⊙	20	⊙	3	5	45	45.0
Irian Jaya	Irian Jaya	16.4	8.3%	0	—	0	—	0	⊙	6	10	30	30.0
	Meluku Irian Jaya Total												
	Total												

Table A.5.4.2.4 Assumption of the Score-counting Criteria for Selecting Strategy Important Port

I. 1. a)

Population (Thousand Person)	GRDP (Billion Rp.)				
	-5,000	5,000	20,000	40,000	60,000-
-3,000	0	0	10	20	20
3,000-10,000	0	10	20	20	30
10,000-20,000	10	20	20	30	30
20,000-30,000	20	20	30	30	40
30,000-	20	30	30	40	40

I. 1. b)

Dependence Rate (%)	Length of Major Road(km)		
	-100	100-300	300-
0-40	0	0	10
40-70	0	10	20
70-	10	10	20

I. 1. c)

Cargo Volume (Million Ton)	Growth Rate (%)		
	-8	8-12	12-
0-20	0	0	10
20-40	0	10	20
40-	10	20	20

I. 2. a)

GRDP of Manufacturing (Billion Rp)	Growth Rate (%)		
	-6	6-9	9-
-5,000	0	0	10
5,000-10,000	0	10	20
10,000-	10	20	20

I. 2. b)

Distance from the Industrial Zone (km)	
0-100	20
100-150	10
150-	0

II. 1. a)

Kapet	Future Development Scenario		
	Java, Bali	Sumatra	East Indonesia
No existence	0	0	0
Existence	10	10	20
Existence of Authorized Kapet	10	20	20

II. 1. b)

Dependence Rate (%)	Length of Major Road(km)		
	-100	100-300	300-
0-40	0	0	10
40-70	10	10	20
70-	20	20	20

II. 2. a)

GRDP/Population (Thound Rp. /Person)	
-500	20
500 - 1,000	10
1,000 -	0

II. 2. b)

Dependence Rate	
-40	0
40 - 70	10
70-	20

III. 1. a)

International Cargo Volume (Million Ton)	
0-25	0
25-50	10
50-75	20
75-100	30
100-	40

III. 1. b)

Location in relation to International See Lane Facing the International Sea Lane	
Not Facing International Sea Lane	0
Facing the International Sea Lane	20

III. 2. a)

Designation of the International Economic Cooperation	
Exist	20
Non Exist	0

III. 2. b)

Number of Cruising Vessel	
0	0
0-5	5
5-10	10
10-15	15
15	20

Table A.5.4.2.5 Preliminary Total Evaluation of the Strategically Important Port

Alternative 1 : Proportion of the weight among Role I, Role II, Role III is 70%, 15%, 15; Alternative 2 : Proportion of the weight among Role I, Role II, Role III is 60%, 20%, 20; Alternative 3 : Proportion of the weight among Role I, Role II, Role III is 50%, 25%, 25%

Expected Role	I			II			III			Comprehensive Total Evaluation		
	Point (Full Point : 700)	Point (Full Point : 150)	Point (Full Point : 150)	Point (Full Point : 700)	Point (Full Point : 150)	Point (Full Point : 150)	Point (Full Point : 700)	Point (Full Point : 150)	Point (Full Point : 150)	Point (Full Point : 1000)	Ranking (500-600)	Ranking (500-600)
Aceh	350.0	18.8	82.5	451.3								
Sumatra Utara	525.0	37.5	120.0	682.5								
Sumatra Barat	350.0	37.5	52.5	440.0								
Riau	525.0	37.5	120.0	682.5								
Jambi	233.3	56.3	75.0	364.6								
Sumatera selatan	466.7	56.3	90.0	612.9								
Bengkulu	233.3	75.0	60.0	368.3								
Lampung	350.0	56.3	105.0	511.3								
Sumatra Total	0.0	0.0	0.0									
D.K.I. Jakarta	593.3	18.8	52.5	654.6								
Jawa Barat	641.7	37.5	60.0	739.2								
Jawa Tengah	641.7	37.5	45.0	724.2								
D.I. Yogyakarta	58.3	37.5	0.0	95.8								
Jawa Timur	641.7	37.5	60.0	739.2								
Jawa Total	0.0	0.0	0.0									
Bali	233.3	18.8	90.0	342.1								
Nusa Tenggara B	233.3	131.3	75.0	439.6								
Nusa Tenggara T	233.3	150.0	82.5	465.8								
Timor Timor	175.0	131.3	60.0	366.3								
Bali, Nusa Tenge	0.0	0.0	0.0									
Kalimantan Bara	408.3	131.3	105.0	644.6								
Kalimantan Teng	291.7	112.5	60.0	464.2								
Kalimantan Selat	408.3	131.3	105.0	644.6								
Kalimantan Timu	408.3	112.5	90.0	610.8								
Kalimantan Tota	0.0	0.0	0.0									
Sulawesi Utara	291.7	131.3	67.5	490.4								
Sulawesi Tengah	175.0	131.3	60.0	366.3								
Sulawesi Selatan	466.7	131.3	75.0	672.9								
Sulawesi Tenggara	175.0	75.0	67.5	317.5								
Sulawesi Total	0.0	0.0	0.0									
Maluku	0.0	0.0	0.0									
Irian Jaya	175.0	131.3	67.5	373.8								
Meluku Irian Jaya Total	291.7	112.5	45.0	449.2								
Total												

Appendix for Chapter 6

Appendix 6.1.2 Establishment of General Policy for National Budget

* Details of cost sharing system in Japan

(1) Relations between Central Government and Port Management Body

The relationship between them are summarized as follows ;

- 1) In Japan, the relations are mainly prescribed by "Port and Harbor Law".
- 2) As explained before, port development, administration and management is assigned to port management bodies (mainly, local governments).
- 3) The function of the bodies covers a wide range of port activities, which relate to development, maintenance, administration and management of port facilities as well as the enhancement of port use such as marketing activities and others.
- 4) The central government supervises activities of each port, which is under the direct management of local government through the review of "Port Development Plan" and "disbursement of subsidies".
- 5) Central government plays an important role in port development, administration and management. However, the function of the government is limited mainly to the aspects which relate to national and financial support for port construction projects.
- 6) For example, in case of major ports, "Local Official Plans", which are established by the local governments from a view point of "local interest", are examined by the central government (Ministry of Transport & Port and Harbors Council) from a view point of "national interest".

(2) Construction Project

Port development in Japan has been carried out as part of general public works with national subsidies, and ports are not expected to cover development costs through their operation. The agency responsible for the construction projects is prescribed in the action program, under the broad classifications below.

- 1) Construction by central government
- 2) Construction by local government with national subsidies
- 3) Construction by local government without national subsidies
- 4) Construction of facilities (sheds, gantry cranes, etc.) and reclamation projects by local government which will later bring revenue. These projects are financed by long-term loans. But, public works with national subsidies are the main scheme in port

development projects.

(3) Sharing Cost in Port Development in Japan

The detail of sharing cost among the central government (MOT), port management body (mostly, local government) and beneficiary is referred to in the following Table A.6.1.2.1.

Table A. 6.1.2.1 Sharing Cost in Port Development in Japan (1996)

* Public or semi-public port

Type of facilities	Use	Construction executing organization	Share of construction cost *1)		
			Central Government (MOT)	Port Management Body	Beneficiary
Water facilities, protective facilities	Public	Port Management Body (or MOT)	SP 2/3 or 5/10 MP 5/10 LP 4/10	SP 1/3 or 5/10 MP 5/10 LP 6/10	-
	* 2) Specific (Public use in future)		SP 2.5/10 MP 2.5/10 LP 2/10	SP 2.5/10 MP 2.5/10 LP 3/10	SP 5/10 MP 5/10 LP 5/10
Harbor transport facilities	Public	Port Management Body (or MOT)	SP 5/10 or 2/3 MP 5/10 LP 4/10	SP 1/3 or 5/10 MP 5/10 LP 6/10	-
Mooring facilities	Public (specialized facilities for bulk cargo)	MOT	SP/MP 4/10	SP/ MP 6/10	(2/10) Special charge
	Limited (foreign trade container wharf works)	Public Corporation	Non-interest loan : 2/10	Non-interest loan : 2/10 Low-interest Loan : 3/10	Loan from user : 3/10
	Limited (ferry wharf works)	Public Corporation	Non-interest loan : 2/10	Non-interest loan : 2/10 Low-interest Loan : 5/10	Loan from user : 1/10

Supporting facilities (cargo handling machine, transit shed etc.)	Public	Local Government	(provide low interest loan)	Loan raising : 10/10	Charge
Land reclamation	Public	Local Government	(provide low interest loan)	Loan raising : 10/10	(rent-free) (loan-price purchased)
Navigation aids	Public	Minister of Transport	10/10	-	-
Others	-	Port Management Body	-	10/10	-

Note :

* 1) SP = specially designated major port (21 ports)

MP= major port (112 ports)

LP= local port (901 ports)

2) Industry-related projects

Appendix 6.1.3 Establishment of General Policy for IPC

Table A.6.1.3.1 Financial Situation of Each Port in IPC I in FY 1996

(Unit : million Rp.)

No	Port	Revenue	Expenditure	Profit	Working Ratio(%)
1	Belawan	61,985	27,752	34,233	44.7
2	Dumai	17,717	9,970	7,747	56.3
3	Lhok Seumawe	8,007	2,526	5,481	31.5
4	Tanjung. Pinang	5,443	3,265	2,178	60.0
5	Pekanbaru	4,243	1,774	2,469	41.8
6	T. Balai Asahan	632	491	141	77.7
7	Sibolga	753	592	161	78.6
8	Malahayati	410	895	-485	218
9	Tembilahan	490	456	34	93
10	Kuala Langsa	157	222	-65	141
11	Gunung Sitoli	266	206	60	77.4
12	Rengat	101	135	-34	133.6
13	Bengkalia	194	331	-137	170.6
14	Selat Panjang	230	349	-119	151.7
15	RSF. Belawan	1,737	1,681	56	96.8
16	RSP. Dumai	549	601	-52	109.5
17	Kantor Pusat	14,704	19,881	-5,177	135.2
Total		117,618	71,127	46,491	60.5

Source : IPC I

Table A.6.1.3.2 Financial Situation of Each Port in IPC II in FY 1996

(Unit : million Rp.)

No	Port	Revenue	Expenditure	Profit	Working Ratio(%)
1	Container Terminal	230,852	92,744	138,108	40.1
2	Tanjung Priok	127,725	70,458	57,267	55.1
3	Banten	26,957	14,450	12,507	53.6
4	Panjang	20,516	12,572	7,944	61.2
5	Palembang	11,298	10,461	837	92.6
6	Teluk Bayur	10,039	9,222	817	91.9
7	Cirebon	9,034	8,345	689	92.3
8	Pontianak	8,978	6,826	2,152	76
9	Sunda kelapa	4,572	3,623	949	79.2
10	Jambi	2,900	2,599	301	89.6
11	Bengkulu	2,838	4,270	-1,432	150
12	Pangkal Balam	956	905	51	94.7
13	Tanjung Pandan	833	831	2	99.8
14	Hospital	10,313	9,945	368	96.4
15	Training Center	1,198	1,853	-655	154.7
16	Head Office	31,728	41,227	-9,499	129.9
Total		500,737	290,331	210,406	58

Source : IPC II

Table A.6.1.3.3 Financial Situation of Each Port in IPC III in FY 1996

(Unit : million Rp.)

No	Port	Revenue	Expenditure	Profit	Working Ratio(%)
1	Head office	16,817	19,366	-2,549	115.2
2	Tanjung Perak	163,160	80,256	82,904	49.2
3	Tanjung Emas	23,083	13,497	9,586	58.5
4	Gresik	4,554	1,557	2,997	34.2
5	Banjarmasin	12,197	12,134	63	99.5
6	Cliacap	6,556	3,120	3,436	47.6
7	Meneng	1,910	1,422	488	74.4
8	Kota Baru	4,510	1,565	2,945	34.7
9	Probolinggo	1,217	951	266	78.1
10	Benoa	3,614	3,036	578	84
11	Sampit	1,143	1,070	73	93.60
12	Tegal	376	542	-166	144.3
13	Dilli	867	766	101	88.4
14	Bawang	474	425	49	89.6
15	Lembar	698	607	91	86.9
16	Pulang Pisau	0	0	0	0
17	Kuala Kapuas	471	462	9	98.1
18	Kumai	0	0	0	0
19	Pangkalan Bun	562	636	-74	113.2
20	Pasuruan	182	233	-51	128
21	Badas	208	222	-14	106.8
22	Maumere	203	254	-51	125.2
23	Kalabahi	154	315	-161	204.6
24	Waingapu	220	306	-86	138.8
25	Ende	146	327	-181	223.9
26	Panarukan	0	0	0	0
27	Kalianget	157	225	-68	142.9
28	Bima	292	382	-90	130.6
29	Kupang	1,231	1,139	92	92.5
Total		245,002	144,815	100,187	59.5

Source : IPCIII

Table A.6.1.3.4 Financial Situation of Each Port in IPC IV in FY 1996

(Unit : million Rp.)

No	Port	Revenue	Expenditure	Profit	Working Ratio(%)
1	Makasar	18,314	8,139	10,175	44.4
2	Balikpapan	12,909	6,182	6,727	47.9
3	Bitung	6,704	4,333	2,371	64.6
4	Samarinda	6,082	3,368	2,714	55.4
5	Ambon	5,119	3,323	1,796	64.9
6	Pantoloan	2,519	1,712	807	68
7	Sorong	2,256	1,906	350	84.5
8	Ternate	1,506	1,145	361	76
9	Pare Pare	1,220	815	405	66.8
10	Biak	927	930	-3	100
11	Other ports	6,551	5,161	1,390	78.8
12	Corporate & other	2,877	14,376	-11,499	500
Total		66,984	51,390	15,594	76.7

Source : IPC IV

Appendix 6.1.3.2 Necessity of Diversification of IPC Funds for Port Development

* Present Situation of "Long-Term Notes" Payable for Port Project

Table A.6.1.3.5 IPC I (Long-term Notes Payable)

Kinds of long-term notes	
① Creditor	Government
② Port financed	Belawan Dumai
③ Type of loan	Installment
④ Commitment	-
① Actual draw	-
② Balance. at 12/31/96	Rp.2,471 M
③ Term	10 years
④ Grace period	5 years
⑤ Interest	10%
⑥ Commitment fee	-
⑦ Bank charge	-
⑧ Repayment start	12/15/93

Table A.6.1.3.6 IPC II (Long-term Notes Payable)

Kinds of long-term notes	IBRD	EXIM	PT. Eksim Bank
① Creditor	IBRD	EXIM	Eksim Bank
② Port financed	Tg. Priok	Tg. Priok	Container Terminal UTPK Koja
③ Type of loan	Development Project	Development Project	Investment Credit & Constructions
④ Commitment	Rp.64.7 B	US\$58 M	Rp.250 B
① Actual draw	Rp.64.7 B	US\$58 M	Rp.200 B
② Balance. at 12/31/96	-	-	Rp.50 B
③ Term	20 years	14 years	13 years
④ Grace period	5 years	-	3 years
⑤ Interest	-	11%	Floating rate
⑥ Commitment fee	-	-	1%
⑦ Bank charge	0.4%	0.40%	-
⑧ Repayment term	1/1/1991~ 1/7/2005	15/7/1992~ 15/1/2001	4/3/1996~ 4/3/2008

Kinds of long-term notes	Obligations	MTN
① Creditor	Public /Investor	Investor
② Port financed	CT III Tg. Priok	Bojonegara
③ Type of loan	Development Project	Development Project
④ Commitment	Rp.100 M	US\$200 M
① Actual draw	Rp.100M	US\$200 M
② Balance. at 12/31/96	-	-
③ Term	5 years	5 years
④ Grace period	1 years	1 years
⑤ Interest	Floating rate	8.06%
⑥ Commitment fee	0.4%	0.4%
⑦ Bank charge	-	-
⑧ Repayment term	1995~1999 Sinking Fund	15/4/2002

Table A.6.1.3.7 IPCIII (Long-term Notes Payable)

Kinds of long-term notes	ADB688	SFD*	ADB797	NIB *	EXIM
① Creditor	7th Port	7th Port	8th Port	8th Port	9th Port
② Port financed	Surabaya	Surabaya	Banjarmasin	Banjarmasin	Banjarmasin
③ Type of loan	Installment	Equal princ.	Installment	Equal princ.	Equal princ.
④ Commitment	US\$86 M	SR.72 M	US\$26.3 M	US\$26.3 M	US\$1.13 M
① Actual draw (in Rp.)	US\$94 M (Rp.171B)	SR.72 M (Rp.36.7B)	US\$12 M (Rp.24.8B)	US\$ 4.5M (Rp.8.5B)	US\$1.1M (Rp.2.2B)
② Balance. at 12/31/96	Rp.12.8B	Rp.2.63B	Rp.639M	Rp.439M	Rp.110M
③ Term	20 years	20 years	25 years	25 years	25 years
④ Grace period	5 years	4 years	5 years	5 years	5 years
⑤ Interest	10.50%	10.50%	10.50%	10.50%	10.50%
⑥ Commitment fee	0.75%	N/A	0.75%	0.50%	0.75%
⑦ Bank charge	0.25%	0.25%	0.25%	0.25%	0.25%
⑧ Repayment start	4/15/93	3/15/93	4/15/93	4/15/93	4/15/94

* Note : SFD= Saudi Arabia Fund Development

NIB = Nordiska Investing Banken

Table A.6.1.3.8 IPC IV (Long-term Notes Payable)

Kinds of long-term notes	ADB797	NIB *	ADB951	EIBJ *	IDB *
① Creditor	8th Port	8th Port	9th Port	9th Port	U.Pandang
② Port financed	Balikpapan	Balikpapan	6ports (Balikpapn, etc)	Consulting	U.Pandang
③ Type of loan	Installment	Equal princ	Equal princ	Equal princ	Installment
④ Commitment	US\$10 M	US\$3.7 M	US\$19 M	US\$2.3 M	US\$ 25.46M
① Actual draw in US \$ (in Rp.)	US\$5.95M (Rp11.25B)	US\$1.6 M (Rp3.52 B)	US\$20.44M (Rp44.96B)	US\$1.86M (Rp4.09B)	Nil
② Balance. at 12/31/95	Rp10.6B	Rp3.3B	Rp.35.5B	Rp.3.6B	Nil
③ Term	25 years	25 years	25 years	25 years	10 years
④ Grace period	5 years	5 years	5 years	5 years	2 years
⑤ Interest	10.50%	10.50%	10.50%	10.50%	8.5%
⑥ Commitment fee	0.75%	0.50%	0.75%	0.25%	N/A
⑦ Bank charge	0.25%	0.25%	0.25%	0.25%	N/A
⑧ Repayment start	10/15/93	7/92	1/95	1/95	N/A

Note : NIB = Nordiska Investing Banken

EIBJ = Export Import Bank of Japan

IDB = Islamic Development Bank

Appendix 6.1.3.4 Sales of Stock (Privatization)

(1) Examples in New Zealand

1) History of the Privatization

The history of privatization of ports in New Zealand can be summarized as follows ;

- ① Before privatization, all ports were operated by locally elected "Harbor Boards". Decisions regarding capital investment were made by the "Port Authority" (a national government-established body). Furthermore, the "Waterfront Industry Commission" controlled the employment at all the ports.
- ② In 1988, major ports in New Zealand were privatized by the "Port Companies Act", and 13 Port Companies were established by October 1988.
- ③ At first, all stocks of these companies were owned by the "Harbor Board" (public port management body). However, in 1989, the Harbor Board was abolished, and its all stocks were transferred to "Regional Councils" (local government) for nothing.
- ④ The government requires that 51% of all stocks must be owned by the "Regional Councils". But, request of deregulation from investors forced the government to abolish all kinds of regulations on possession of stocks.
- ⑤ At the same time, the government decided to disband the "Waterfront Industry Commission". Each port and each employer organization would be free to decide which system it would introduce to employ labor in the ports.
- ⑥ As a result, the stocks of "Auckland" and "Tauranga" Port Companies were listed in 1992. In 1992, 45% stocks of Tauranga Port Company were owned by investors with 20% stocks of Auckland Port Company being owned by investors.
- ⑦ Today, New Zealand government's policy is to promote a more diversified composition of shareholders.

2) Reasons for Privatization

The reasons for the privatization in New Zealand can be summarized as follows.

- ① Under the public port system, port operations were not under any pressure to make commercial returns on their assets.
- ② The absence of commercial pressure, combined with the national system of employment at the ports, also meant the ports had no incentives to reduce labor costs.
- ③ The ports were expensive, inefficient, bureaucratic and lacked the commercial

incentives to fulfill the needs of their customers. Their turn around times were slow, delays were frequent and services were unreliable.

- ④ Therefore, there were good and compelling reasons for reform. The privatization became a platform for positive change which has cemented the New Zealand's position as country with highly successful commercial port operations.
- ⑤ Privatization allows each port to determine its own future, to enhance the competitive advantages, to improve profitability and to serve the customers.

3) Composition of Stockholders in Privatized Port

The composition of stockholders of "Auckland port" and "Tauranga port" in 1992 is given in the following Table A.6.1.3.9. The share sales of Tauranga port in 1992 was very successful - in fact it was over-subscribed.

Although the government favored a reduction in local and regional councils' ownership stakes in port companies, the local governments remain the majority shareholders of 12 ports.

Table A.6.1.3.9 Composition of Stockholders in Auckland and Tauranga Port Company in 1992

Stock holder	Local government	Company investor & others	General investors
Auckland port company	80% (Auckland Regional Council)	-	20%
Tauranga Port Company	55% (Bay of Plenty Regional Council)	25%	20%

Prepared by OCDI

4) Evaluation of the Privatization

The financial situation of Auckland, Wellington and Tauranga Port Companies in 1993 are summarized in the following Table A.6.1.3.10.

The shareholders also continue to benefit from the vigorous growth of the port after privatization. For example, the success of Tauranga Port is reflected in its profitability after listing on the stock exchange. The financial performance has remarkably been improved.

Table A.6.1.3.10 Financial Situation of Auckland, Wellington and Tauranga Port Companies in 1993

(Unit : NZ\$1,000)

Port Company	Auckland	Wellington	Tauranga
① Revenue	106,520	27,348	33,277
② Expenditure	71,916	19,086	23,767
③ Profit before tax	34,604	8,262	9,510
④ Tax and special cost	12,499	155	3,491
⑤ Profit after tax	22,105	8,107	6,019
⑥ Dividend to stock holders	10,675	4,815	3,810
⑦ Net income	11,430	3,292	2,209

Prepared by OCDI

Table A.6.1.3.11 Comparison of Financial Performance of Tauranga Port Company

(Unit : NZ \$)

Item	1993	1997	Rate
① Revenue	\$33.3 million	\$44.6 million	34% up
② Profit after tax	\$6 million	\$12.2 million	203% up
③ Dividends	\$3.8 million	\$8.4 million	221% up
④ Dividends per share	5 cents/per share	11 cents/per share	220% up

Prepared by OCDI

The above Table A.6.1.3.11 shows comparison of financial performance of Tauranga Port Company. Since privatization, Tauranga port has been able to become the gateway to the world because it has gained the ability to deliver on its stakeholders' expectations. The local councils have generally enjoyed good returns on their company holdings as a result of the productivity reforms and better financial performance gained since privatization.

However, some local government shareholders are now beginning to talk about selling down their stake in port companies so that port companies can focus on core activities and operate more transparently. It is only a matter of time before the ownership of some of New Zealand's ports changes hands.

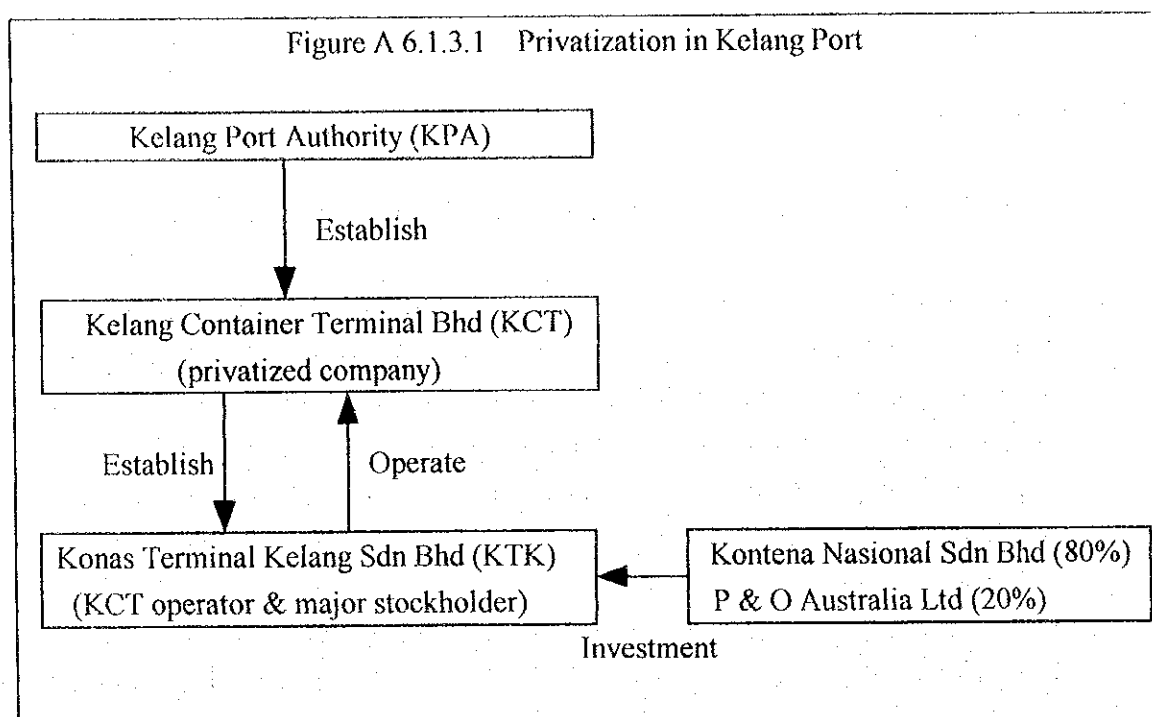
(2) Examples in Malaysia

1) History of the Privatization

The history of privatization of ports in Malaysia can be summarized as follows ;

- ① In the past, Kelang Port was directly managed and operated by the Kelang Port Authority (KPA). In 1986, a container terminal of the north port of Kelang Port was privatized under the control of KPA, and the Kelang Container Terminal Bhd (KCT = private company) was established to manage and operate the terminal.
- ② In the beginning, KPA owned all stocks, and then in 1987, 51% of the stocks were sold to the Konas Terminal Kelang Sdn Bhd (KTK), which was established to operate KCT itself.
- ③ KTK is a joint venture company whose stocks are owned by "Kontena Nasional Sdn Bhd" (80%) and "P & O Australia Ltd" (20%). The relationship among each organizations are summarized in Figure A.6.1.3.1.
- ④ In 1992, KCT was listed on the stock exchange. The composition of stockholders in 1992 is referred to in the following Table A.6.1.3.12.
- ⑤ Furthermore, in 1992, Kelang Port Management (KPM= private company) was established to manage and operate the other facilities of the port and provide port services including pilot, tug, utility services etc. The composition of stockholders in 1992 is referred to in the following Table A.6.1.3.13.
- ⑥ In addition, the terminal operations at West Port were left to privatized "Klang Multi Terminals Sdn Bhd" (KMT).
- ⑦ The port of "Malacca" in 1992, the port of "Bintulu", "Johor" & "Penang" in 1993, and the port of "Kuanatan" in 1994 were also privatized, and private companies were established.

Figure A 6.1.3.1 Privatization in Kelang Port



2) Current Status of Privatization

The following Table A.6.1.3.12 & A.6.1.3.13 shows the composition of stockholders of KCT and KPM. In both cases, the ratio of general investors is smaller than that of other investors. The paid-up capital of KCT amounts to RM125 million with 50,000 stockholders.

Table A.6.1.3.12 Composition of Stockholders of KCT

Stockholder	KPA	KTK	General Investors	KCT employees
1986 (%)	49%	51%	-	-
1992 (%)	20%	40%	35%	5%

Table A.6.1.3.13 Composition of Stockholders of KPM in 1992

Stockholders	Kontena National Bhd	MISC * Malaysia shipping company	Singapore government	Pilgrim fund Board
Percentage	52.5%	25%	12.5%	10%

3) Evaluation of the Privatization

The following Table A.6.1.3.14 shows that financial situation of KCT. The turn-over, profit, paid-up capital, dividend, etc. have been increased from 1990 to 1994. In addition, some say that the quality of treatment of the employees has been improved. Generally speaking, the privatization of ports in Kelang Port can be highly evaluated.

Table A.6.1.3.14 Financial Situation of KCT form 1990 to 1994

(Unit : 1000 Ringgit)

Item	1990	1992 (Privatization)	1994	1990-94 Rate
① Turnover	127,221	160,839	181,551	42% up
② Profit before tax	38,151	48,478	47,768	25% up
③ Profit after tax	21,588	30,397	34,029	58% up
④ Paid-up capital	111,624	125,000	125,000	12% up
⑤ Total shareholder's fund	135,887	199,939	230,632	70% up
⑥ Dividend (net)	12,643	15,180	17,500	38% up
⑦ Dividend rate (%) gross	17.43	18.40	20.00	15% up
⑧ Return on shareholder's fund (%)	15.89	15.20	14.75	7% down

Prepared by OCDI

Note : US\$1 = 2.55Ringgit (1996.3)

Appendix 6.2.3 Establishment of "Appropriate" Tariff System in International Hub Port

(1) Basis of Estimation

The basis of the estimation is as follows ;

Note :

1) Exchanging rate	Rp.5,000 = US\$1 S \$ 0.56 = US\$1 (at 1.16.1998)
2) Source	Singapore : TARIFF 1996 (published by PSA) Indonesia : DGSC (Tariff rate is at July, 1998)

① Port dues (Anchorage)

Description	Indonesia (Tg. Priok)	Singapore
Port dues (Anchorage)	<p>US\$1,980/within 10days</p> <p>* International</p> <p>US\$0,044/GRT/10 days →US\$4.4/100GRT/10days ↓ US\$4.4 × (45,000GRT ÷ 100GRT) = US\$1,980</p>	<p>US\$2,142/ within 24 hours</p> <p>*Not exceeding 24 hours → S\$8.50 = US\$4.76/100GT 24~48 hours → S\$9.00 = US\$5.04/100GT 72~96 hours → S\$10.00 = US\$5.6/100GT * In case of 10 hours US\$4.76/100GT × (45,000GT ÷ 100GT) = US\$2,142</p> <p>* For reference 96~120 hours → S\$11/100GT Per subsequent 24 hours → S\$3/100GT ↓ In case of 240 hours S\$26/100GT/10days =US\$14.56/100GT/10days</p>

② Pilot fees

Description	Indonesia	Singapore
Pilot fees	$US\$268.80 \times 1$ $= US\$268.80$ * Enter/out International 501-1000GRT US\$22.40 For any 500GRT added with US\$2.80 ↓ $2.8 \times (45,000 - 1,000) \div 500$ $= US\$246.40$ ↓ $US\$22.40 + 246.40$ $= US\$268.80$	$US\$173.6 \times 2$ movement $= US\$347.20$ *40,000-50,000GT 1st hour : S\$310 Every subsequent 1/2 hour : S\$155 ↓ $S\$310 \times 0.56$ $= US\$73.60 / \text{movement}$

③ Towage

Description	Indonesia	Singapore
Towage (International)	$US\$715$ * 18,001-75,000GRT regardless of time regardless of how many times are actually used : US\$715	$US\$470.40 \times 2$ movement $= US\$940.80$ * 30,000-60,000GT 1st hour : S\$840 / movement Every subsequent 1/2 hour : S\$420 ↓ $S\$840 \times 0.56 =$ $US\$470.40 / \text{movement}$

④ Berth dues

Description	Indonesia	Singapore
Berth dues	<p>US\$2,610</p> <p>* Concrete berth (International) US\$0.058/per GRT /within 14 days according to the following base period ↓ $0.058 \times 45,000$ =US\$2,610</p> <p>* Base period 15,000 and above : 14 days</p>	<p>US\$1,960</p> <p>*(a) (1) at a container berth with quay crane at Tanjong Pagar Terminal, Keppel Terminal or Brani Terminal</p> <p>(B) where the LOA exceeds 150 meters (1) \$150 per hour thereof for the first 150 meters of LOA (2) \$4 per meter per hour or part thereof any thereof for any LOA in excess of 150 meters ↓ (S\$150 + (S\$4 × 50m)) × 10hr =S\$3,500 × 0.56 = US\$1,960</p>

⑤ Container handling fees by using gantry crane at container terminal

Description	Indonesia	Singapore
Container handling fees (FCL 20' container)	US\$62 × 1000TEU = US\$62,000	US\$84 × 1000TEU = US\$84,000

* Reference

(Unit : per box)

Description		Indonesia	Singapore
FCL container	20'	US\$62 (include wharfage)	S\$150 = US\$84 (loaded FCL container) * S\$80 = US\$44.8
	40'	US\$93 (include wharfage)	S\$215 = US\$120 (loaded FCL container) * S\$118 = US\$66
	Exceed 40'	-	S\$250 = US\$140 (loaded FCL container) * S\$135 = US\$75.6
LCL container	20'	US\$140 (exclude wharfage)	-
	40'	US\$156 (exclude wharfage)	-
	Exceed 40'	-	-
Transshipment	20'	US\$40 (include wharfage)	S\$115 = US\$64.4 (loading or discharging a transshipment container)
	40'	US\$60 (include wharfage)	S\$175 = US\$98 (loading or discharging a transshipment container)
	Exceed 40'	-	S\$190 = US\$106.4 (loading or discharging a transshipment container)

* Note : This rate is applies to loading or discharging an empty FCL container at Tanjung Terminal, Keppel Terminal or Brani Terminal.

For reference

⑥ Wharfage

Scope of application

- 1) Indonesia : In principle, wharfage applies only to un-containerised cargo except for LCL container (refer to ⑥).
- 2) Singapore : Wharfage applies to only un-containerised cargo. For container's wharfage charge is included in the box rate (refer to ⑤).

Description	Indonesia	Singapore
Wharfage	<p>* Main ports</p> <p>20' load : Rp.24,000 =US\$4.8 per box</p> <p>20' empty : Rp.10,500 =US\$2.1 per box</p>	<p>(a) For cargo delivered to or received overside from a vessel berthed alongside another vessel</p> <p>(b) For cargo delivered to or from a vessel and passing over the wharves</p> <p>: S\$1.50 = US\$0.84</p> <p>*This doesn't apply to containerised cargo.</p>

⑦ Other container handling fees at container terminal in main ports

* The following charges shall apply to the handling of any load / container that can only be handled with a container quay crane (gantry crane) / transfer equipment spreader with special attachments or manual slings.

Description		Indonesia	Singapore
Stevedoring charges for un-containerised cargo	20 ‘	US\$225 (exclude wharfage)	S\$750 = US\$420 /per load/per hour regardless of the size (Loading, discharging or shifting)
	40 ‘	US\$312 (exclude wharfage)	
	Exceed 40 ‘	-	
Stevedoring for an overheight or overwidth FCL container (OH FCL)	20 ‘	US\$205	S\$435 = US\$243.6 /per hour
	40 ‘	US\$307.50	S\$650 = US\$364 /per hour
	Exceed 40 ‘	-	S\$710 = US\$397.6 /per hour
Stevedoring for an overheight or overwidth FCL container (OH LCL)	20 ‘	US\$256	-
	40 ‘	US\$384.50	-
	Exceed 40 ‘	-	-
Stevedoring for an overheight or overwidth transhipment container (OH transhipment)	20 ‘	US\$104	S\$350 = US\$196 /per hour (loading or discharging)
	40 ‘	US\$156	S\$525 = US\$294 /per hour (loading or discharging)
	Exceed 40 ‘	-	S\$580 = US\$324.8 /per hour (loading or discharging)

⑧ Stevedoring charges for shifting container at container terminal in main ports

Description		Indonesia		Singapore
		Without landing operation	With landing operation	
Charges for shifting normal containers (using gantry crane)	20 ‘	US\$23	US\$39	* 1 S\$125 = US\$70 / per shifting operation regardless of size of container
	40 ‘	US\$34.50	US\$58	
	Exceed 40 ‘	-	-	
Charges for shifting overheight container (shifting OH)	20 ‘	US\$104	US\$175	* 2 S\$450 = US\$252
	40 ‘	US\$156	US\$262	* 2 S\$675 = US\$378
	Exceed 40 ‘	-	-	* 2 S\$750 = US\$420
Charges for shifting uncontainerised cargo (shifting UC)	20 ‘	US\$225 (exclude wharfage)	US\$335 (exclude wharfage)	-
	40 ‘	US\$312 (exclude wharfage)	US\$464 (exclude wharfage)	
	Exceed 40 ‘	-	-	

Note : * 1 : Per shifting operation including landing and reshipping

* 2 : Shifting an OH or an OW container or a container stored athwartship including landing and reshipping

⑨ Other charges including extra movement, relocation, lift on lift off and others

Description		Indonesia	Singapore
Opening and converting hatch		US\$36	No cost
Extra movement charges	20 ‘	Without supporting devices → Rp.37,500= US\$7.5 With supporting devices →Rp.75,000= US\$15 (per box/per movement)	S\$50 = US\$28 /per box /per movement
	40 ‘	Without supporting devices → Rp.56,000= US\$11.2 With supporting devices → Rp.112,500= US\$22.5 (per box/per movement)	S\$75 = US\$57 /per box /per movement
Relocation	20 ‘	Rp.40,000= US\$8 /per box/per movement	S\$50 = US\$28 /per box/per movement
	40 ‘	Rp.60,000= US\$12 /per box/per movement	US\$75 = US\$42 /per box/per movement
Lift on / lift off	20 ‘	Loaded container → Rp.21,000= US\$4.2 Empty container → Rp.10,500= US\$ 2.1 OH/OW/OL container → Rp.70,000= US\$14 (per box/per movement)	Loaded container → S\$55= US\$30.8 Empty container → S\$20= US\$11.2 (per box/per movement) * Except transshipment / re-export container
	40 ‘	Loaded container → Rp.31,500= US\$6.3 Empty container → Rp.16,000 = US\$3.2 OH/OW/OL container → Rp.105,000= US\$21 (per box/per movement)	Loaded container → S\$82.50= US\$46.2 Empty container → S\$30= US\$16.8 * Except transshipment / re-export container (per box/per movement)

Description		Indonesia	Singapore
Charge for reefer container services	20 ‘	<p>Electric charges → Rp.40,000 = US\$8/shift</p> <p>Monitoring services → Rp.12,500 = US\$2.5/shift</p>	<p>Supply of electricity (including connecting & disconnecting, monitoring at reefer yard)</p> <p>S\$2.20 = US\$1.232/per hour</p>
	40 ‘	<p>Electric charges → Rp.62,500 = US\$12.5/shift</p> <p>Monitoring services → Rp.12,500 = US\$2.5/shift</p>	<p>ditto</p> <p>S\$3.30 = US\$1.84/per hour</p>

⑩ Stacking fees = Storage charges of containers and uncontainerised cargo

Description		Indonesia *	Singapore *
Container	20 ‘	<p>(1) Empty</p> <p>1) From first day~5 days Rp.2,500/per box =US\$0.5/per box regardless of time</p> <p>2) For the period of 6~10 days Rp.2,500/per day/per box =US\$1/per day/per box</p> <p>3) After 11 days Rp.7,500/per day/per box =US\$1.5/per day/per box</p>	<p>(1) Empty</p> <p>1) Tranship container</p> <p>① For the first 7 days No charge</p> <p>② For the period of 7~14 days S\$4.50= US\$2.52 /per day/per box</p> <p>2) Any empty container (Import/export)</p> <p>① Not exceeding 2 days No charge</p> <p>② For the period of 2~7 days S\$6 = US\$3.36 /per day/per box</p>
		<p>(2) FCL / LCL</p> <p>1) From first days to 5 days Rp.5,000 =US\$1/per box regardless of time</p> <p>2) For the period of 6~10 days Rp.5,000 =US\$1 /per day/per box</p> <p>3) After 11 days Rp.15,000/per day/per box =US\$3/per day/per box</p>	<p>(2) A loaded container</p> <p>1) Tranship container</p> <p>① For the first 7 days No charge</p> <p>② For the period of 7~14 days S\$6= US\$3.36 /per day/per box</p> <p>2) Any other loaded container (Import/export)</p> <p>① Not exceeding 3 days No charge</p> <p>② For the period of 3~7 days S\$12 = US\$6.72 /per day/per box</p>

Container	40'	<p>(1) Empty</p> <p>1) From first to 5 days</p> <p>Rp.5,000=US\$1/per box regardless of time</p> <p>2) For the period of 6~10 days</p> <p>Rp.5,000 = US\$1 /per day/per box</p> <p>3) After 11 days</p> <p>Rp.15,000=US\$3 /per day/per box</p>	<p>(1) Empty</p> <p>1) Tranship container</p> <p>① For the first 7 days No charge</p> <p>② For the period of 7~14 days</p> <p>S\$9 = US\$5.04 /per day/per box</p> <p>2) Any empty container (Import/export)</p> <p>① Not exceeding 2 days No charge</p> <p>② For the period of 2~7 days</p> <p>S\$12 = US\$6.72 /per day/per box</p>
		<p>(2) FCL / LCL</p> <p>1) From first day to 5 days</p> <p>Rp.10,000 =US\$2/per box regardless of time</p> <p>2) For the period of 6~11 days</p> <p>Rp.10,000=US\$2 /per day/per box</p> <p>3) After 11 days</p> <p>Rp.30,000 =US\$6 /per day/per box</p>	<p>(2) A loaded container</p> <p>1) Tranship container</p> <p>① For the first 7 days No charge</p> <p>② For the period of 7~14 days</p> <p>S\$12 = US\$6.72 /per day/per box</p> <p>2) Any other loaded container (Import/export)</p> <p>① Not exceeding 3 days No charge</p> <p>② For the period of 3~7 days</p> <p>S\$24 = US\$13.44 /per day/per box</p>

* Note (Standard of days for storage fees)

(1) Indonesia (main port)

(Unit : Rp.)

Description	* Period 1 (per box/day)		* Period 2 (per box/day)	
	FCL/LCL	Empty	Full	Empty
20'	5,000	2,500	After 11 days, it is charged at 200% per day.	
Above 20'	10,000	5,000		
OH/OW/OL container	9,000	18,000		

* Period 1

The first 10 days, of which the first 5 days is counted as one day (within 11 days).

* Period 2

It commences after 11 days and is charged at 200% per day (after 11 days).

(2) Singapore

Free storage for FCL import & export containers except for dangerous containers

Description	Type	Free storage period
* FCL import & export containers	FCL empty	48 hours
	FCL loaded	72 hours
	OH/OW	48 hours
	Reefer	72 hours

* FCL import container

① Commerce time of free storage period

The free storage period shall commence from the time the container is discharged from the vessel is completed.

② Completion of free storage period

If the free storage period is exceeded, the store rent shall be calculated from the time of completion of discharge of the vessel to the time of delivery.

* FCL export containers

① Commerce time of free storage period

The free storage period shall commence from the time such a container is received.

② Completion of free storage period

If the free storage period is exceeded, the store rent shall be calculated from the time of receipt of the containers to the time the vessel berths.

Appendix 6.3.2 Review and Reevaluation of the Present Legal framework

6.3.2.2 Review of Existing Legal Frameworks Regarding PSP

(3) Review of Presidential Decree No. 7 of 1998

The articles include the following items.

1) Contents of the Decree

- ① Establishment of Indonesian corporation to participate in infrastructure project
- ② Scope of sectors applied by the Decree
- ③ Principles of private sector participation
- ④ Responsible ministers (executing agency) for infrastructure development
- ⑤ Submission of infrastructure project
- ⑥ Project list determined by the “Minister of BAPPENAS”
- ⑦ Opening of offer for PSP and arrangement of pre-qualification
- ⑧ Offer evaluation
- ⑨ Evaluation of the result by “Evaluation Team”
- ⑩ Cooperation agreement with private sector
- ⑪ Project implemented by local government or state-owned corporation
- ⑫ Principle of service management
- ⑬ Monitoring and evaluation of PSP by the “Minister of BAPPENAS”
- ⑭ Implementation of the Decree by Ministers
- ⑮ Validity of the Decree

2) Contents of Appendix

The Appendix is composed of 8 chapters. It chiefly regulates the bidding procedure, that is to say, selection style, tender procedure, pre-qualification, tender document, bidding evaluation, bidding rejection by the executing agency, simplified selection procedure, and monitoring and evaluation.

The important points are as follows ;

I . Determination of cooperation project and private party participation

- ① Obligations of the “executing agency” - Pre-feasibility study

- ② Obligations of BAPPENAS - Renewal and publication of “project list”
- ③ Determination of selection style
 - More than Rp.50 billion - opened public bidding
 - Project of clear technical specification - one-stage selection style
 - Big projects require developing technical specification
 - two-stage selection style

II. Pre-qualification procedure

- ① Evaluation of potential candidates based on pre-qualification procedure
- ② Pre-qualification of potential candidates by executing agency
- ③ Implementation of two-stage offer

III. Tender document

- ① Contents of tender document
 - Auction invitation, instruction, offer form, requirements, copy of pre-feasibility study and others
- ② Opening of pre-offer explanation meeting

IV. Offer evaluation

- ① Evaluation of the offers according to requirement and technical criteria
 - Minimal basic design
 - Necessary technical requirement and environmental standard
 - etc.
- ② Cost evaluation
 - Method of “Present Value of Financial Discounting”
 - Demand projection, financial analysis,
 - Cost suggestion

V. Offer rejection by the executing agency

VI. Simplified competitive bidding

- ① Selection of offer process
 - Less than Rp.50 billion - simpler bidding procedure
- ② Process of simplified procedure

VII. Announcement procedure to bidders

- ① Publication of selection result to public
- ② Announcement to all failed bidders

- ③ Submission of objection to the Evaluation Team - Determination by the Team
- ④ Signing of agreement with winning parties

VIII. Monitoring and evaluation

- ① Duty of administration and monitoring of the project by executing agency
- ② Submission of the report to BAPPENAS

3) Strong Points of the Decree

The text of the Decree is highly evaluated in the following respects ;

- ① It stipulates the selection procedure based on clear and transparent principles (§ 1,2,3,11,12).
- ② It clarifies executing agencies and their roles of them (§ 4,5,7,9,10).
- ③ It clarifies the roles of the Minister of BAPPENAS as a total coordinator and evaluator of PSP projects (§4,5,6,13,14).
- ④ It requires “infrastructure project list” to be opened to the public (§ 6-(2)).
- ⑤ It regulates the total procedure of selecting and the content of contract in detail (§ 7~10).

The Appendix of the Decree also should be highly evaluated in the following respects.

- ① It clarifies the obligations of the executing agency, especially, with respect to pre-feasibility study (I -1).
- ② It clarifies the obligations of BAPPENAS (I -2).
- ③ It regulates that large-scale projects must be left to competitive bidding process (I -3).
- ④ It separates “one-stage offer process” for small projects and “two-stage offer process” for big projects (I -4~6, II -2).
- ⑤ It clarifies the procedures of pre-qualification in order to enhance the transparency of selection - advertisement through mass-media, pre-qualification document, etc. (II -1).
- ⑥ It guarantees the right to raise an objection to “Evaluation Team” by disqualified bidders in pre-qualification procedure (II -1 (8)).
- ⑦ It clarifies the contents of tender document in order to enhance the transparency of the system (III).
- ⑧ It defines the general criteria regarding bidding evaluation (IV).
- ⑨ It defines the roles of “Evaluation Team” as a final decision-maker

(II -1 (8), V -3, 4, 5,7,8,9).

- ⑩ It allows “simplified bidding procedure” for projects with the cost of less than Rp.50 billion in order to put forward fast-track implementation (VI).
- ⑪ It allows the selection result to be spread to the public in order to strengthen the transparency (VII-1).
- ⑫ It allows failed bidders to submit complaints to “Evaluation Team” in order to protect their rights (VII-2,3,4,5).
- ⑬ It clarifies the duty of the executing agency in monitoring and evaluation of projects (VIII-1 ~ 3).
- ⑭ It stipulates how to settle disputes between both parties (VIII-4).

Appendix 6.3.3 Expansion of Working Field of Port Services

6.3.3.3 Terminal Operations in Major Asian Ports

(1) Keran Port in Malaysia

1) North Port

In principle, KPA sold all movable properties to private sector and leases all fixed assets to private sector. At north port, KPA now leases all fixed assets including wharves and yards to private sector (Kelang Container Terminal Sdn Bhd = KCT) so that private sector provides port services for users. KCT operates the following 4 container terminals at north port.

Terms of the contract is long term (21 years), and the extension of the contract is also allowed.

Table A.6.3.3.1 Terminal Operation at North Port of Keran

Berth No.	No.8	No.9	No.10	No.11
Berth	Container / RoRo	Container	Container	Container
Length	213m	320m	320m	226m
Depth	-10.5m	-13.2m	-13.2m	-13.2m
Contract style	Lease			
Management body	KPA			
Contractor (Operator)	Kelang Container Terminal Sdn Bhd (KCT)			
Leased Land	Lands for wharves & yards (67.7ha) and buildings for CFS & others			12.3ha
Contract year	1986	1986	1986	1992
Terms of contract	21 years	21 years	21 years	21 years
Lease charge	At beginning : RM16,959,000/year 10% increase with every 3 years			RM1,847,000 /year 5% increase with every 3 years

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2) South Port

At south port, KPA now leases other fixed assets including wharves and yards to private sector (Kelang Port Management Sdn Bhd = KPM). The scopes of work of KPM are as follows ;

- ① KPM operates the remaining non-container terminals at north port.
- ② KPM operates terminals at south port.
- ③ KPM provides “pilot”, tug, utility and other services at the whole port.

3) West Port

Privatization at west port started in 1994 through the following two schemes.

- ① KPA constructs 12 berths, and leases them to KMT (Klang Multi Terminals Sdn Bhd) based on a 30-year lease agreement.
- ② KMT is now constructing the remaining 18 berths, and will operate them based on 30-year BOT agreement.

Table A.6.3.3.2 Terminal Operation at South & West Port of Keran

Port Name			Management Body	Contractor	Contract Type
Non-container terminals at north port & Terminals at south port of Keran			KPA (Keran Port Authority)	Kelang Port Management (KPM)	Leave all operations to private sector (21-year lease agreement)
Terminals at west port of Keran	12 berths	Container Terminal (-14~15m, 300m×4)	KPA (Keran Port Authority)	Klang Multi Terminal (KMT)	Leave all operations to private sector (30-year lease agreement)
		General berth (-14m, 200m×4)			
		Break bulk (-14m, 200m×2)			
		Liquid bulk (-14m, Dolphin×2)			
	18 berths		KPA (Keran Port Authority)	Klang Multi Terminal (KMT)	BOT scheme (30-year BOT agreement)

Prepared by OCDI

Appendix 6.3.4 Review of Possible Forms for Port Development and Operation

(1) Example of BOT Projects in Other Countries

1) Philippines

The government has been promoting development of port including bulk terminal and grain terminal in Manila port on BOT scheme from the beginning of the 1990s.

Participation of foreign companies has been encouraged for infrastructure development projects, and especially, BOT schemes are more valued under "BOT Law". For example, the "PPA 25-year Port Development Plan" includes 49 BOT based projects among a total of 90 projects.

Moreover, the government has established a "BOT center" to promote and arrange PSP projects, especially "BOT projects". The center is playing an important role as a coordinator for the promotion of BOT projects.

2) Thailand

Container terminal B5 at Laem Chabang port was developed on a BOT basis. Furthermore, CT C1, C2 and all D terminals also plan to be developed on BOT basis.

3) Malaysia

The private company (KMT) has been involved in a large-scale construction projects (projected 18 berths) at Keran port (West port) based on 30-year BOT agreement.

4) Vietnam

The government recently passed a specific law on BOT contracts, i.e., a document signed by investors and an authorized state body for the construction in Vietnam of infrastructure projects including seaports. The decree provides some specific incentives for sponsors of infrastructure projects completed in this manner. The BOT regulations also provide that the government shall create favorable conditions and simple procedures for foreign organizations and individuals to invest in BOT projects in Vietnam.

5) Myanmar

Owing to lack of funds, Myanma Port Authority has been promoting port

development projects based on BOT. From 1996, the following four major projects have been implemented by BOT scheme based on "Singapore capital".

Table A.6.3.4.1 BOT Projects in Myanmar

Name of port	Kinds of terminal	Contractor
Ahlong No.2 terminal At Yangon	Terminal for general cargo	Asia World Co. Ltd. (Myanma capital)
MPA-Allied Inland Container Depo project at Yangon	Container terminal	Allied Container Services Private Ltd. (Singapore capital)
General cargo terminal development project at Tilawa	Terminal for general cargo	Sinmardev International Pte., Ltd. (Singapore capital)
C & R container terminal project at Tilawa	Container terminal	C & R Myanmar Private Ltd., Co. (Singapore capital)

Prepared by OCDI

Appendix 6.3.5 Establishment of transparent Selection Procedure for PSP

(1) Examples in the Philippines

According to the BOT law in the Philippines, there are two procedures for selecting, that is, the “public bidding process” and the “unsolicited proposals process”. For reference, both procedures shall be introduced ;

1) Public Bidding Process

The procedure of the public bidding process under RA 7718 (BOT Law) is shown in the following Figure A.6.3.5.1.

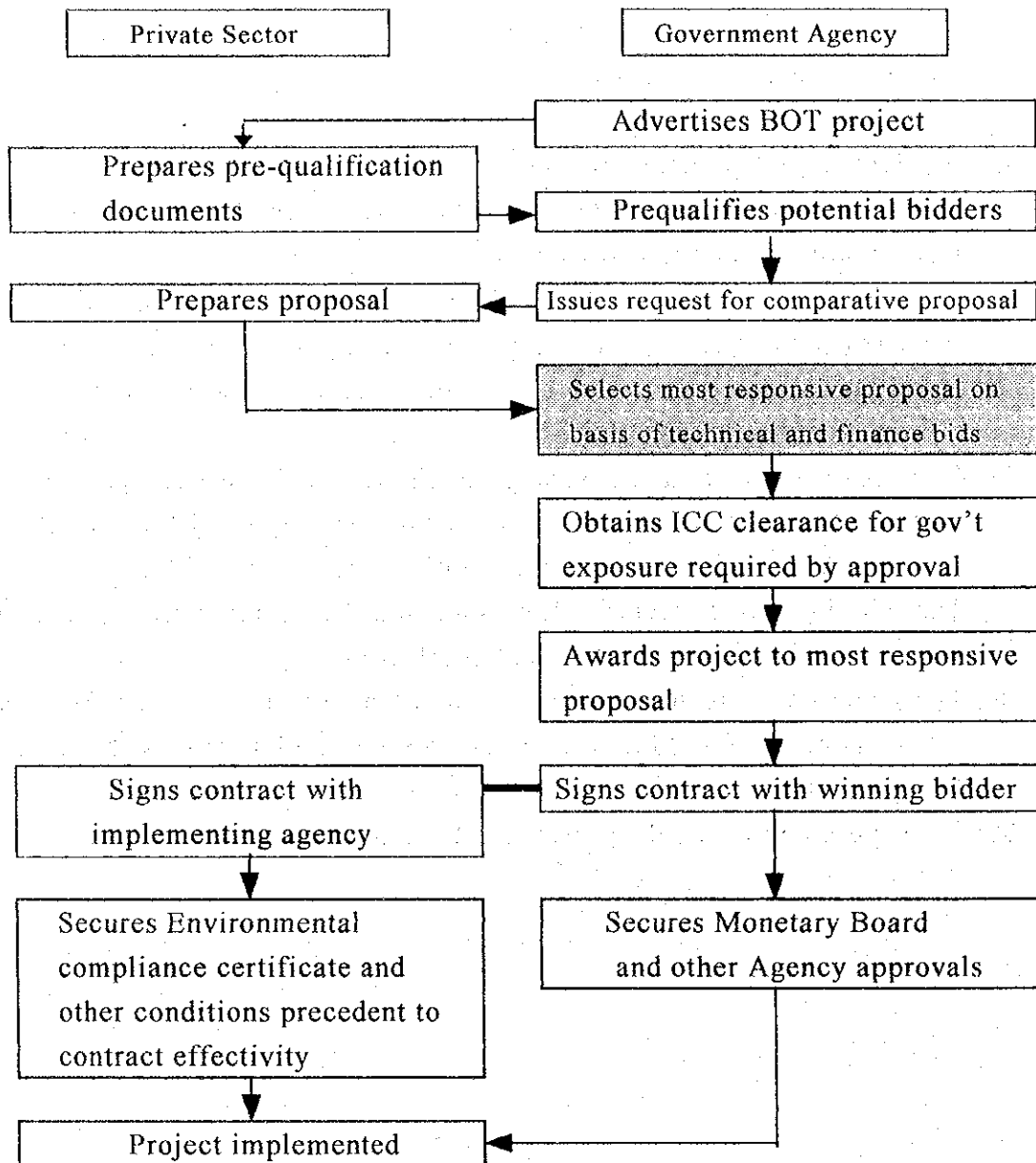
- ① The government agency (PPA) selects projects for port development. Projects which are identified for BOT will be announced in newspapers etc.
- ② Interested private sectors prepare and submit pre-qualification documents.
- ③ Pre-qualification is based on three criteria; technical experience, financial capability and compliance with legal requirements. The government agency selects potential bidders from them.
- ④ The government agency issues request for comparative proposal to prequalified participants.
- ⑤ Those participants prepare the proposal and submit it to the agency.
- ⑥ The agency selects the most responsive proposal of technical and financial bids based on the rule for bid evaluation.
- ⑦ The agency obtain ICC clearance for government’s exposure required by approval. ICC stands for the Investment Coordinating Committee, which is an inter-agency body responsible for overseeing national program and projects.
- ⑧ The agency awards the project to most responsive proposal.
- ⑨ The government agency signs the contract.
- ⑩ The bidder secures environmental compliance certificate and other conditions prior to contract effectivity.
- ⑪ The government agency secures approvals from the Monetary Board and other related agency.
- ⑫ The Monetary Board reviews and approves the terms of foreign exchange payment. After those approvals, project implementation can begin.

2) Unsolicited Proposals Process

The procedure of the unsolicited proposal process under RA 7718 (BOT Law) is shown in the following Figure A.6.3.5.2.

- ① A private sector prepares financial and technical proposal.
- ② The government agency (PPA) endorses project for ICC (The Investment Coordinating Committee) clearance.
- ③ PPA obtains ICC clearance for gov't exposure required by proposal.
- ④ PPA issues request for comparative proposal. Other private sector companies are given 60 days after issuance of request to submit comparative proposals.
- ⑤ Original proponent has 30 days to match price of lowest comparative bid.
- ⑥ If it meets lower price, the original proponent signs with implementing agency (IA). If not, the lowest comparative bidder signs with IA.
- ⑦ The winning bidder secures "Environmental Compliance Certificate" and other conditions precedent to contract effectivity.
- ⑧ The government agency secures the approvals of the Monetary Board and other agencies. The Monetary Board reviews and approves the terms of foreign exchange payments.
- ⑨ After those approvals, the project can be implemented.

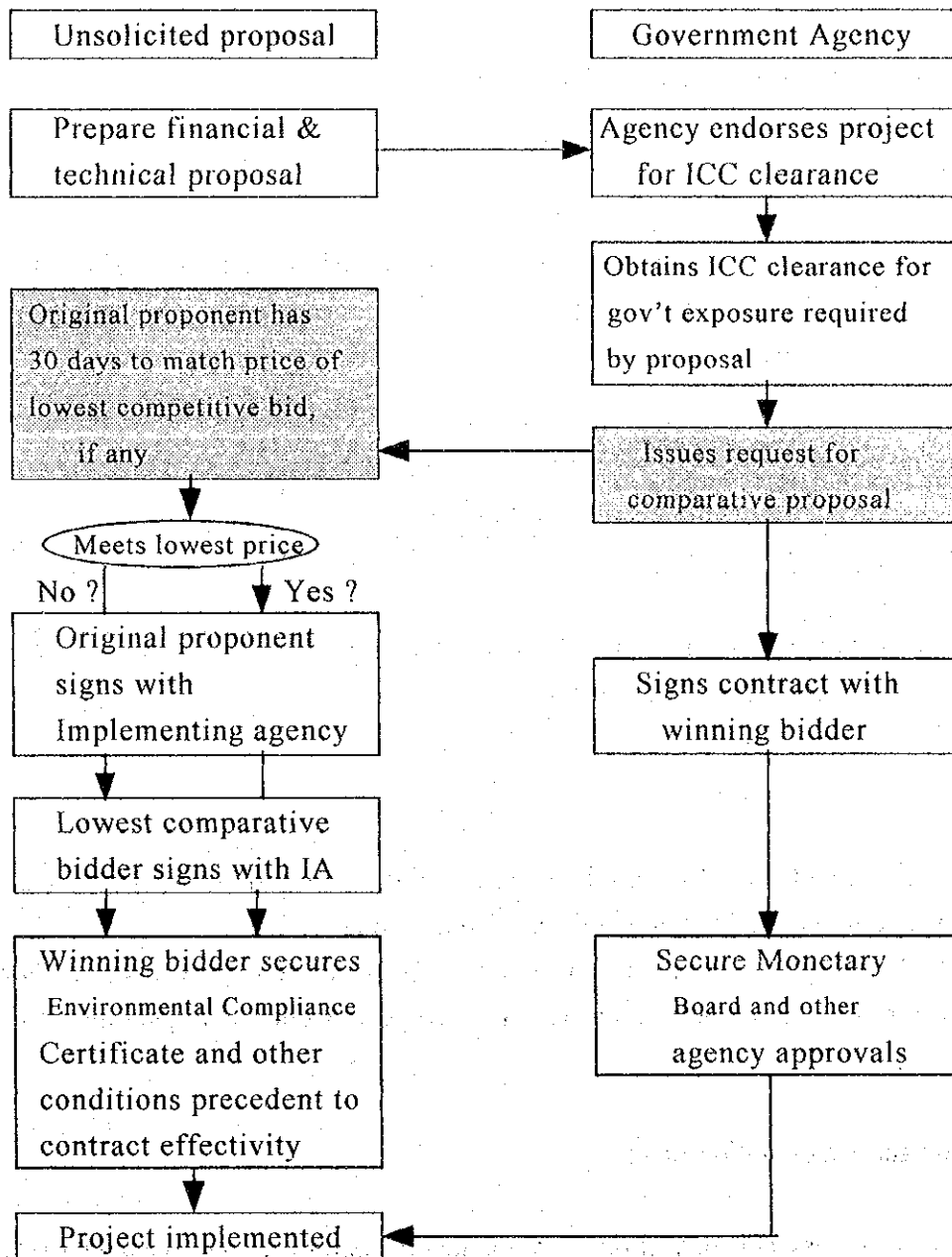
Figure A.6.3.5.1 The Public Bidding Process under RA 7718 (BOT Law)



Note : ICC (Investment Coordinating Committee) is an inter-agency body responsible for overseeing national programs and projects.

Source : PPA

Figure A.6.3.5.2 The Unsolicited Proposals Process under RA 7718 (BOT Law)



Note : ICC (Investment Coordinating Committee) is an inter-agency body responsible for overseeing national programs and projects.

Source : PPA

Appendix 6.3.6 Incentive Through Deregulation

6.3.6.1 Existing Tax System

The data of tax system is at the end of March, 1997.

(1) Income Tax

Income tax in Indonesia is progressive and applied to both individuals and enterprises. A self-assessment method is used to compute the tax.

The tax rates are as follows ;

Taxable Income	Tax Rate
Income less than Rp.25million	10%
Income between Rp.25million and 50million	15%
Income over Rp.50million	30%

Tax rate is comparatively low and lenient for investors. Low and lenient tax rate, and simple tax structure are good incentives to investors.

(2) Losses

The government provides a loss carried forward facility for a period of 5 years. Loss carry period for a certain period is a good incentive to investors.

Especially the former period of time for investment may be hard for many investors. For example, extension of the loss carry period for up to 10 years would be a good incentive for such investors.

(3) Depreciation and Amortization Rates

Depreciation cost on assets is deductible from the income before tax. Depreciable assets are grouped into four categories depending on the useful life of the assets.

Investors may choose either the straight line method (for a period of less than 20 years) or the fast declining balance method (except for building).

Depreciation and amortization rate is determined according to the useful life and utilization of facilities (see Table A.6.3.6.1).

Table A. 6.3.6.1 Depreciation Rate

Physical Asset	Useful Life (years)	Method of Calculation	
		Straight Line (%)	Declining Balance (%)
1) Non Building			50
Group 1	4	25	25
Group 2	8	12.5	12.5
Group 3	16	6.25	10
Group 4	20	5	
2) Building			
Permanent	20	5	-
Non permanent	10	10	-

Table A 6.3.6.2 Amortization Rate

Non Physical Asset	Useful Life	Method of Calculation	
		Straight Line (%)	Declining Balance (%)
Group 1	4	25	50
Group 2	8	12.5	25
Group 3	16	6.25	12.5
Group 4	20	5	10

(4) Value Added Tax and Sales Tax on Luxury Goods

In normal cases, 10% Value Added Tax (VAT) is applied to imports, manufactured goods, and most services. In addition, there is also a sales tax on luxury goods ranging from 10% to 35%, whenever applicable.

(5) Withholding Taxes

Payments of dividends, interests, royalties and technical & management fees for services performed in Indonesia to Indonesian and non-Indonesian residents are subject to withholding tax. The withholding tax rate varies, depending on whether it is paid to a resident or non-resident as follows ;

Payments to Indonesian residents (except for technical and management services)	15%
Payments to non-Indonesian residents	20%

(6) Stamp Duty

Stamp Duty is nominal only at either Rp.2,000 or Rp.1,000 on certain documents. The rate of Rp.2,000 is applicable for letters of agreement and other letters, Notarial Deed and Land Deed including its copies.

Kinds of document	Money value started	The rate
For all documents	More than Rp.1 million	Rp.2,000
	Between Rp.250,000 and Rp.1 million.	Rp.1,000
	Below Rp.250,000	Free
For checks		Rp.1,000 regardless of money value

(7) Land & Building Tax (Property tax)

Land & building tax is payable annually on land, buildings and permanent structure. The effective rates are nominal, typically “not more than one percent per annum” (0.1%) of the value of property.

(8) Double Taxation Avoidance Agreements

To avoid incidental double taxation on certain income such as profits, dividends, interests, fees and royalties, Indonesia has signed agreements (tax treaties) with 32 countries. “Withholding tax rates” applied to residents of these countries signing tax treaty with Indonesia may be reduced based on the provisions of the particular tax treaty.

6.3.6.2 Existing Tax Incentive System for Private Sector

(1) Tax Concessions to Corporate Income Tax for Foreign Investors

The "Foreign Investment Law No.1" provides foreign capital enterprises with the exemption from "company tax on profit" during a specified period not exceeding 5 years from the moment the enterprise commences operation.

In addition, the "government regulation No.45" (1996.7.8) has introduced "a tax holiday" for specified industries. However, the specific industries have not yet been clarified, and thus the industries are determined on a case-by-case basis.

(2) Tax Exemption & Relief for Foreign & Domestic Investment

All investment projects approved by BKPM (foreign direct investment) as well as PMDN (domestic investment) projects including specific expansion projects will be granted the following,

1) Exemption and Relief from Import Duty and Levies

- ① On the importation of capital goods, namely machinery, equipment, spare parts and auxiliary equipment.
- ② On the importation of raw materials for the purpose of 2 years full production (accumulated production time)

2) Exemption from "Transfer of Ownership Fee" for Ship Registration Deed and Certificate made for the First Time in Indonesia

(3) Other Special Incentives for Foreign Investors

Further, as specified by BKPM, foreign investors may be eligible for a number of other incentives such as ;

- 1) Relief from customs duties on raw materials and supplementary goods for a maximum of 2 years
- 2) Deferment of the value added tax on imported capital goods
- 3) Deferment of sales tax on imported capital goods for public transportation

However, no import duty relief is granted if the capital goods being imported are produced in sufficient quantities in Indonesia.

(4) Special Tax Concession for BOO & BOT Projects

Special tax concessions for BOO & BOT projects may be permitted under a new package of tax laws (which came into effect in January 1995) in order to encourage private sector investment. The regulations provide authority to the government to grant special tax concessions for companies establishing industries and economic sectors considered to be of "national priority", or in "remote areas". The kind of industry and the project site will be determined further in the Presidential Decree.

The new concessions include ;

1) Accelerated Depreciation and Amortization

Table A.6.3.6.3 Accelerated Depreciation and Amortization

Physical Asset	Useful Life (years)	Method of Calculation	
		Straight Line (%)	Declining Balance (%)
1) Non Building			100
Group 1	2	50	50
Group 2	4	25	50
Group 3	8	12.5	20
Group 4	10	10	
2) Building			
Permanent	10	10	-
Non permanent	5	20	-

2) Extension of the Loss Carry Period for up to 10 years

3) A Reduced Rate of Withholding Tax on Dividends

4) Reduced Personal Corporate Tax (dropping from 35-30%)

Reduction on income tax of net income after tax as mentioned in article 26 of law No.7, 1983 and law No.10, 1994.

6.3.6.3 Comparison of Tax Incentive System for Foreign Capitals

The data of tax incentive system for foreign capitals is at the end of 1997. The comparison of the existing tax incentive system with other Asian countries is given in the following Table.

(1) Corporate Income Tax

Country	Existing Tax Rate	Tax Incentive System
Indonesia	10, 15 & 30%	Tax holiday system (Government regulation No.45) : The details of specific industries are not yet clarified, and thus the system is not yet established.
Malaysia	30%	① Company with pioneer status : 30% of its statutory income for 5 years commencing from the date of production
		② More favorable tax relief on a case by case basis : 100% tax relief to "strategic projects" of national importance granted in the concession agreement
Thailand	30%	Prioritized company approved by "BOI" : A 3 ~ 8-year tax exemption from the first profit making year
Vietnam	10,15, 20% & more than 25%	① Most-prioritized field : A 4-year tax exemption from the first profit making year, then 50% tax reduction in the next 4 years, and 10% reduction subsequent.
		② Prioritized field : A 2-year tax exemption from the first profit making year, then 50% tax reduction in the next 4 years, and 15% reduction subsequent.
		③ Standard field : A 2-year tax exemption from the first profit making year, then 50% tax reduction in the next 3 years, and 20% reduction subsequent.
China	33%	① Port projects with more than 15 year-business terms : A 5-year tax exemption (commencing from the year when the project begins to make a profit) & thereafter a 50% reduction for another 5 years
		② Port projects with less than 15 year-business terms : 15% tax reduction

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(2) Import Tax Duties imposed on Fixed Assets

Country	Tax Incentive System
Indonesia	Exemption from the duties at the time of entry into Indonesia of fixed assets such as machinery needed for the operation of the enterprises.
Malaysia	Exemption from the duties for most of machinery & others.
Thailand	Exemption or 50% reduction.
Vietnam	Exemption from the duties for machinery & others for some specific cases.
China	Exemption from the duties for machinery & others for some specific cases.

(3) Import Tax Duties imposed on Raw Materials & Supplementary Goods

Country	Tax Incentive System
Indonesia	Exemption from the duties at the time of entry into Indonesia of fixed assets such as machinery needed for the operation of the enterprises.
Malaysia	Exemption from the duties for raw materials & supplementary goods
Thailand	A 1-5 year exemption
Vietnam	Exemption from the duties for raw materials & supplementary goods for some specific cases.
China	Exemption from the duties for raw materials & supplementary goods for some specific cases.

(4) Withholding Taxes on Dividend, Interests & Royalties

Country	Existing Tax Rate	Tax Incentive System
Indonesia	15 or 20%	Exemption from the tax from profits earning during a 5-year period from the commencement of production
Malaysia	NA	NA
Thailand	NA	NA
Vietnam	10% (maximum)	5% reduction on all profits remitted abroad
China	20%	Exemption from the tax from profits earning from foreign investors. No other exemptions.

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(5) Results of the Comparison

The results shows that only Indonesia doesn't have a firm incentive system for corporate income tax. There are little differences among the other tax incentive systems.