



COOPERATIVE DEVELOPMENT OF PORT & LOGISTICS INFRASTRUCTURE

Business Case on Kuala Tanjung Industrial Port
Development in Pelindo 1

Presented by BAMBANG EKA CAHYANA

OVERVIEW OF PELINDO 1



Pelindo 1 manage 16 branches, 12 sub branches and 5 subsidiary companies, located in 4 provinces in Sumatera island, where the branches mostly scattered along the Malacca Straits, the world's busiest strait. Pelindo 1 hinterland dominated by agricultural, mining, plastics and chemicals products.



- ❑ Located along the Malacca Strait.
- ❑ Annual vessel traffic through Malacca Straits $\pm 66,000$ vessels (about ± 180 vessels/day), 25 % of which are DDV & VLCC. The vessel traffic growth about 7,8%/year
- ❑ About 11 Million barrel oil/day crossing Malacca Straits
- ❑ The predicted value of commodities through Malacca Strait \pm USD 400 billion/year
- ❑ 25% world trade through this strait
- ❑ Main commodity lane for Indonesia export and import products

TERMINAL OPERATOR



Container



Liquid Bulk



Dry Bulk



Car Terminal



Passenger Terminal

MARINE SERVICES



STS Transfer



Pilotage



Towage

LOGISTIC SERVICES



Container Depot



Warehousing



Trucking

Hinterland potential dominated by 6 commodities :

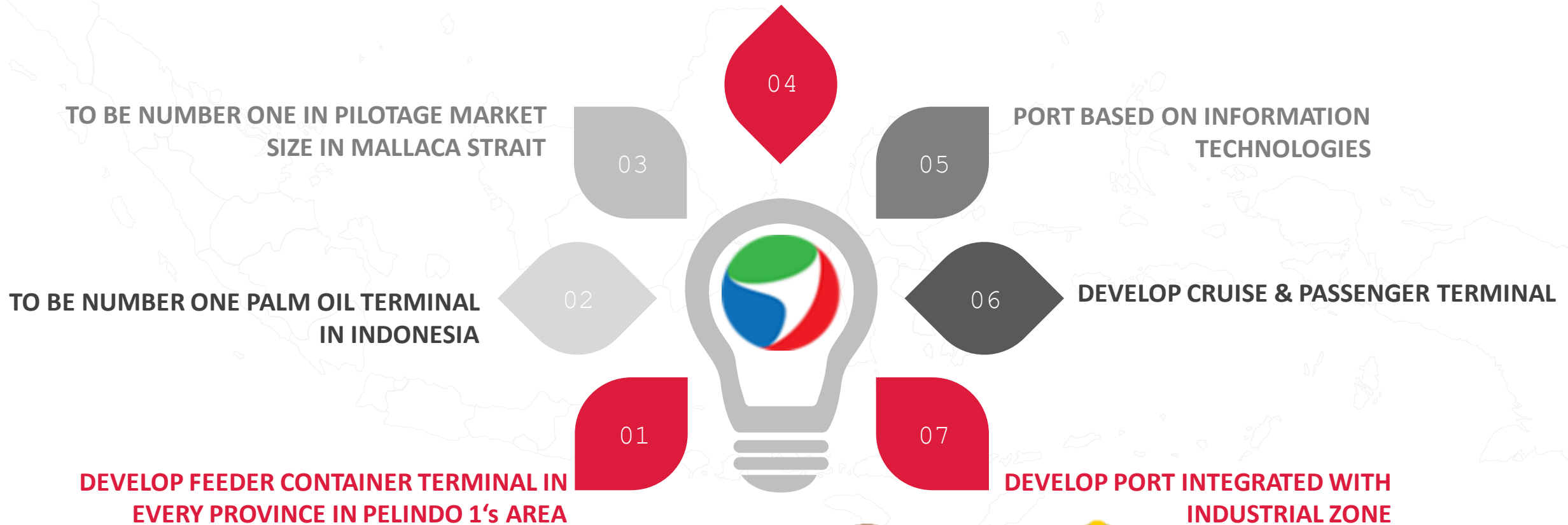
- Palm Oil
- Food products
- Timber and furniture
- Plastics and rubber
- Chemicals products
- Mining products

OVERVIEW OF PELINDO 1



7 ULTIMATE GOALS

DEVELOP INTERNASIONAL HUB PORT IN INDONESIA



OVERVIEW OF PELINDO 1

Key competiveness of Pelindo I

Solid port portfolio with strategic locations and diversified cargo



iv Solid performance driven by a captive market and untapped growth potential in liquid bulk

i Strategically located ports with additional port capacities



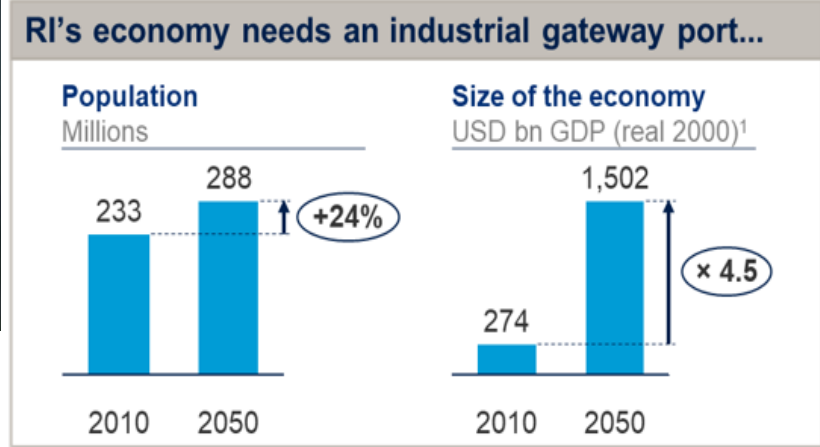
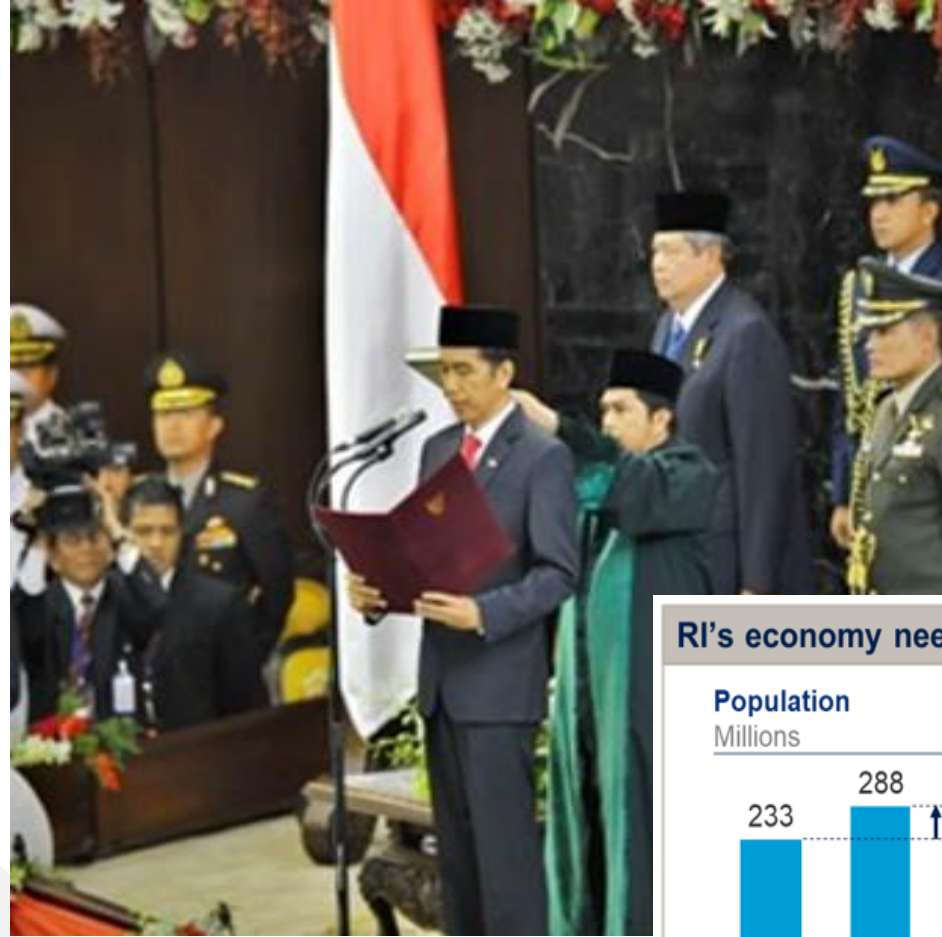
Diversified cargo handling

ii



iii Strong market position with well established clientele

THE PRESIDENT HAS ANNOUNCED THE AMBITION TO MAKE INDONESIA A GLOBAL MARITIME AXIS

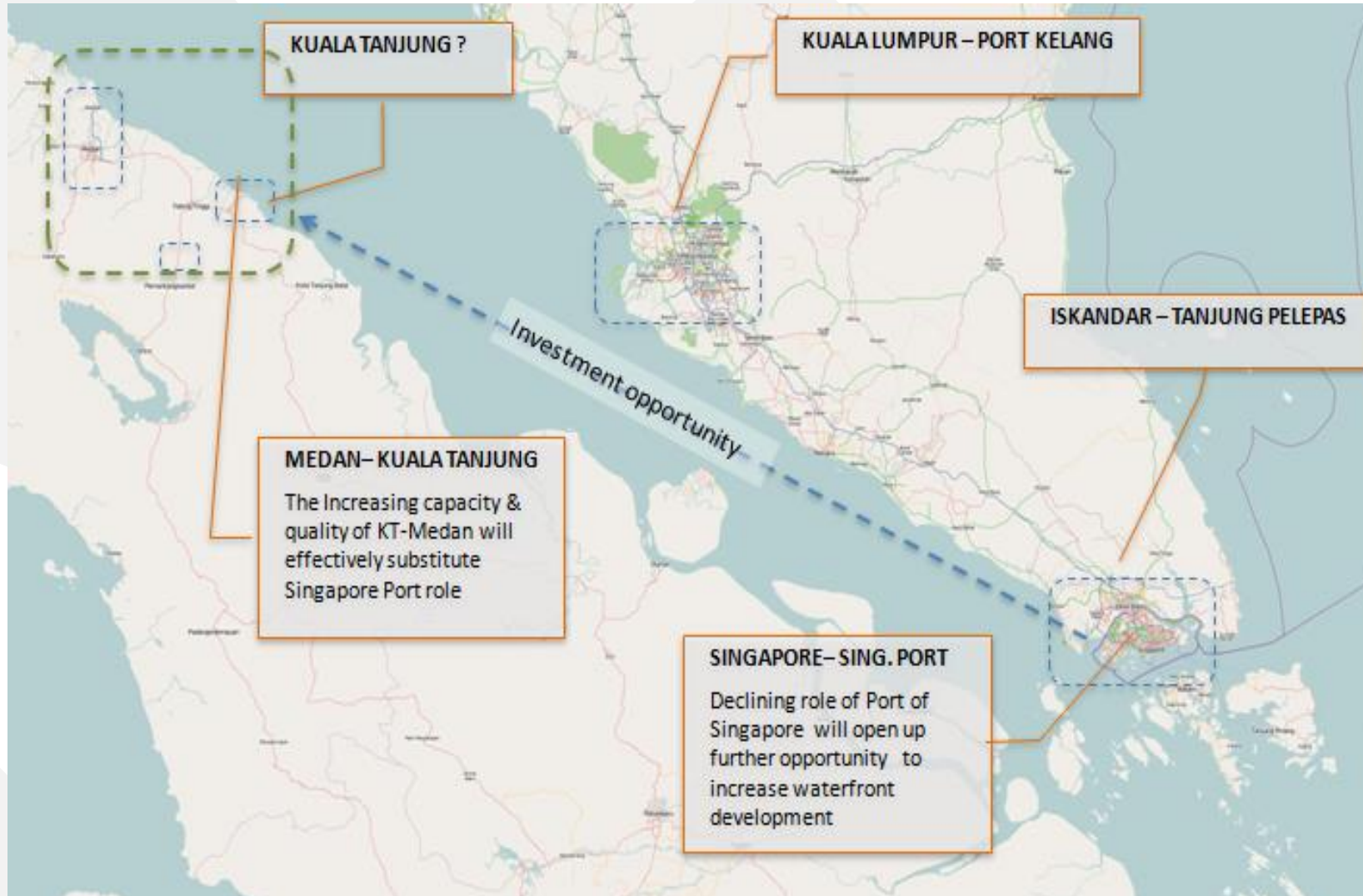


- ### ...which will help RI's Government realise its ambitions
- National government priorities**
- Unleash economic potential
 - Move up in the industrial value chain: from extractive industries to value-adding production
 - Develop more and new industries
 - Regional economical development
 - Attract Foreign Direct Investment
 - Create more jobs

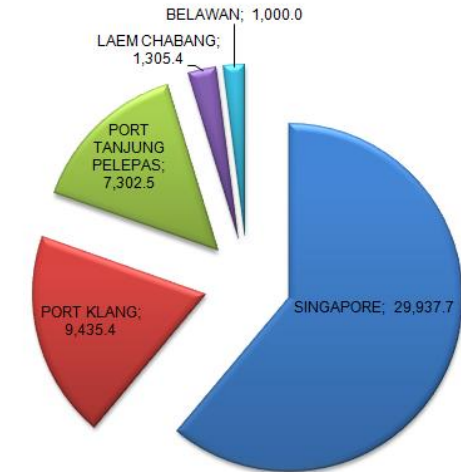
OPPORTUNITY ON SEAPORT INVESTMENT IN **PELINDO 1**



Developing a hub port in Kuala Tanjung will cut the maritime logistic cost by shortening the travel distance for transshipment traffic



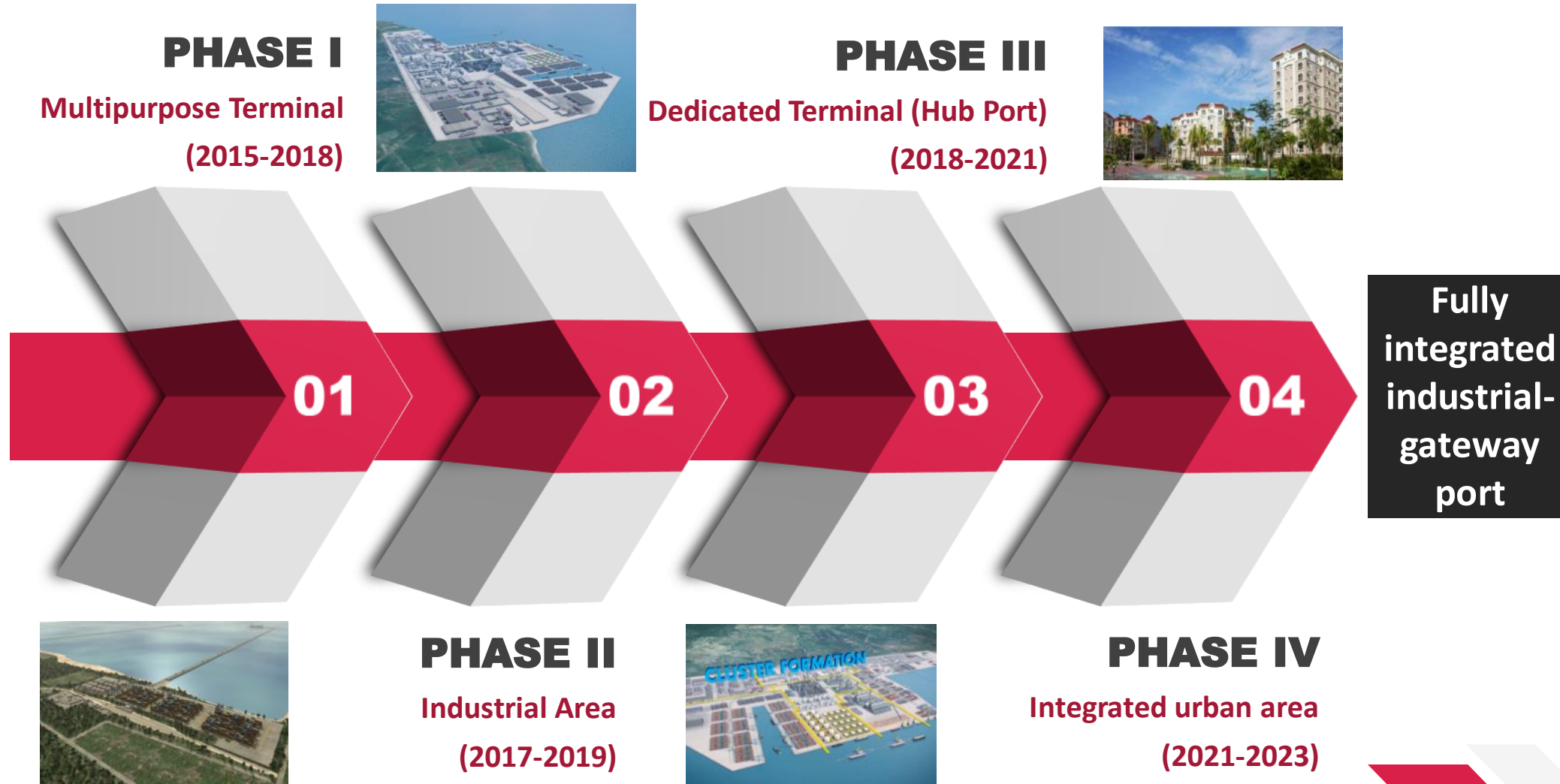
CONTAINER THROUGHPUT of PORTS in MALACCA STRAITS-2011
(in thousand TEUs)



OPPORTUNITY ON SEAPORT INVESTMENT IN **PELINDO 1**



Pelindo I develop Kuala Tanjung gradually to ensure that the development is in line with government policy direction, the development of connectivity infrastructure and utilities, as well as in accordance with market needs



Large scale contributes to the success of a port industrial complex in many ways



EFFICIENCY

Scale translates into economies of scale, that lower transport and production cost



CONNECTIVITY

Scale means large cargo volumes. These connect the port directly to International Trade Routes, Instead of using a port in Singapore Malaysia



WORLD CLASS INVESTMENT

Scale allows it attractive for world class companies to do business, Indonesian and International, from operators to high quality service service providers



CLUSTERING

Scale allows companies of the same sector to form clusters, so that they benefit from each other's presence, eg through shared utilities and services



TOP-NOTCH INFRASTRUCTURE

Scale justifies the investments needed to build deepsea infrastructure and connections to national rail, toll road, pipeline and electricity networks



HUMAN CAPITAL

Scale builds local skills and attracts talent. Together, these will lift Indonesia to the next stage in its development

KUALA TANJUNG HAS THE RIGHT CONDITIONS FOR A LARGE SCALE PORT INDUSTRIAL COMPLEX

- SPACE TO DEVELOP
- GOOD MARKET POSITION

OPPORTUNITY ON SEAPORT INVESTMENT IN **PELINDO 1**

Kuala Tanjung offers multiple key differentiating factors for the development of new industries



Strategic location



Space to develop large scale



Deep water



World-class Port management



Integrated port & industries



Shared infrastructure, utilities and services

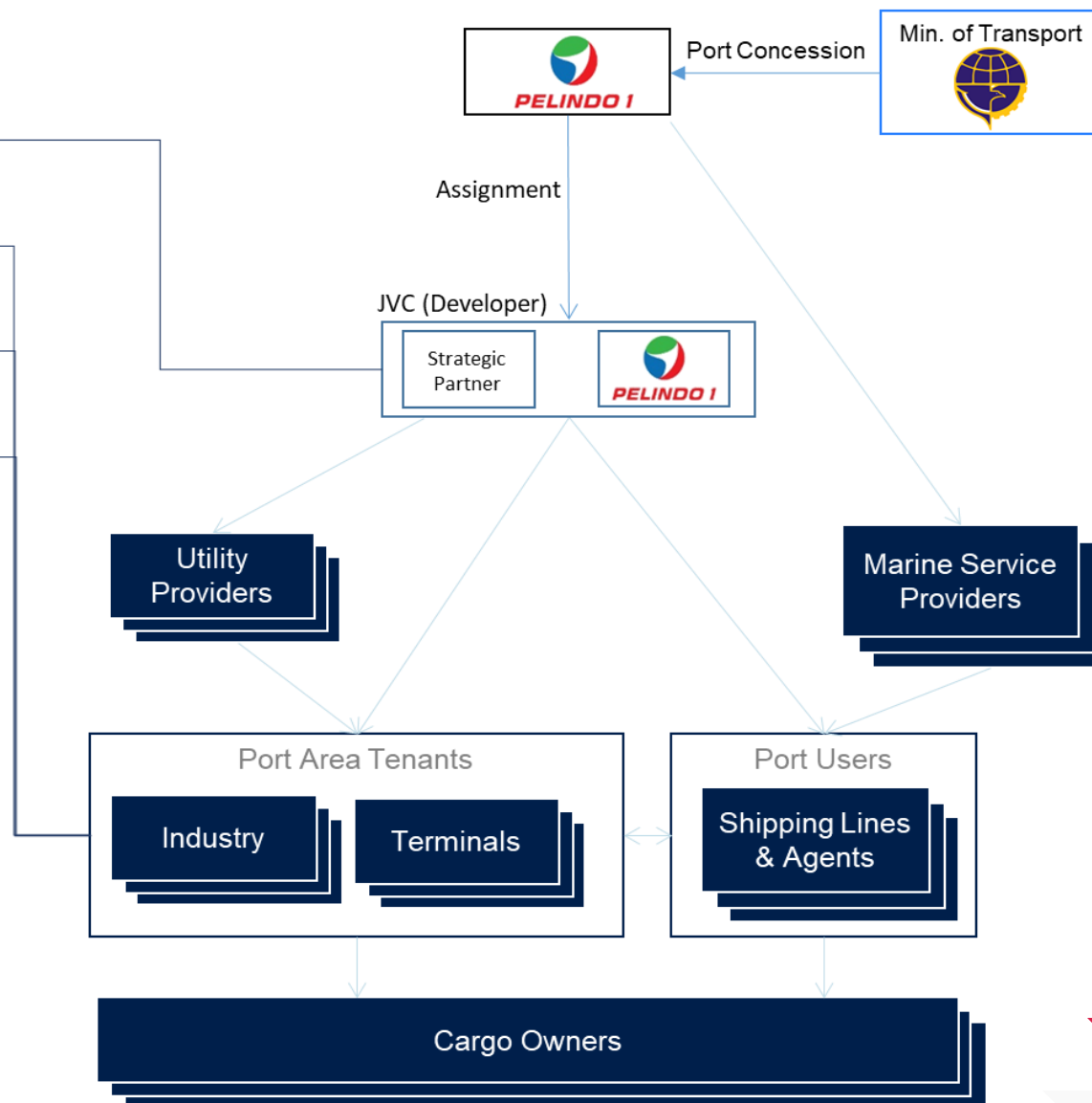


Investment opportunities



Business Model	<ul style="list-style-type: none"> Port and Industrial Developer
JVC's Revenues	<ul style="list-style-type: none"> Port Dues Land Lease
JVC's Expenses	<ul style="list-style-type: none"> Capex for basic infra Opex
Partner's Revenue	<ul style="list-style-type: none"> Dividend from JV Co
Industry/logistic revenue	<ul style="list-style-type: none"> Revenues from their business as industrial player
Terminal Operator revenue	<ul style="list-style-type: none"> Revenues from handling cargo

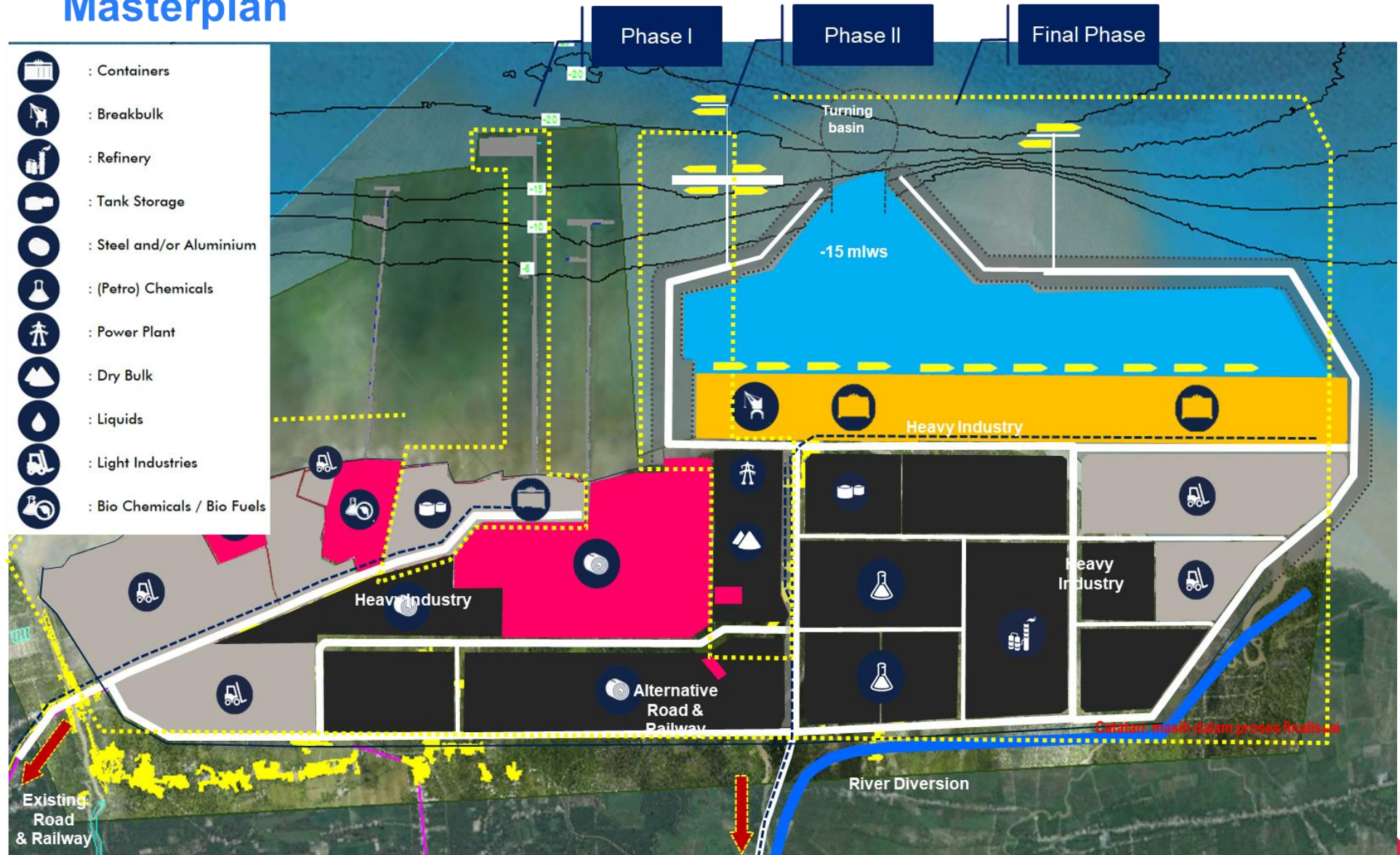
- Strategic Partner for JVC (Developer)
- Strategic investor as industrial tenant
- Strategic investor as logistic player
- Strategic investor as Terminal Operator



Kuala Tanjung port & industrial zone development



Masterplan



KUALA TANJUNG PORT & INDUSTRIAL ZONE DEVELOPMENT

Development in progress



Kuala Tanjung port & industrial zone development

Main Facilities



Kuala Tanjung port & industrial zone development



Technical Facilities



Kuala Tanjung port & industrial zone development

Supporting Facilities



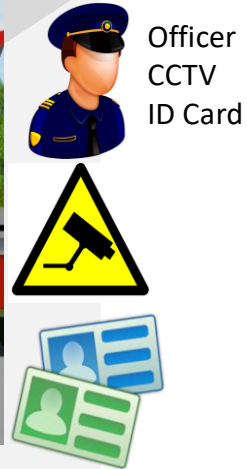
Kuala Tanjung port & industrial zone development



Security System



Main Gate



Officer
CCTV
ID Card



Trestle & Dermaga



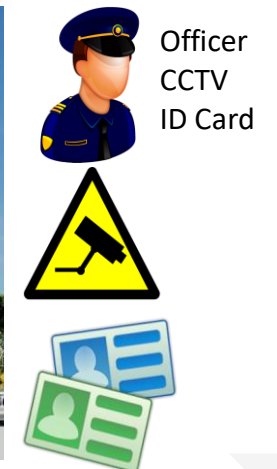
CCTV
Security Sign
Officer



CCTV
Officer
Security Sign
Pager



Main Office



Officer
CCTV
ID Card



Kuala Tanjung port & industrial zone development

Landscape Facilities

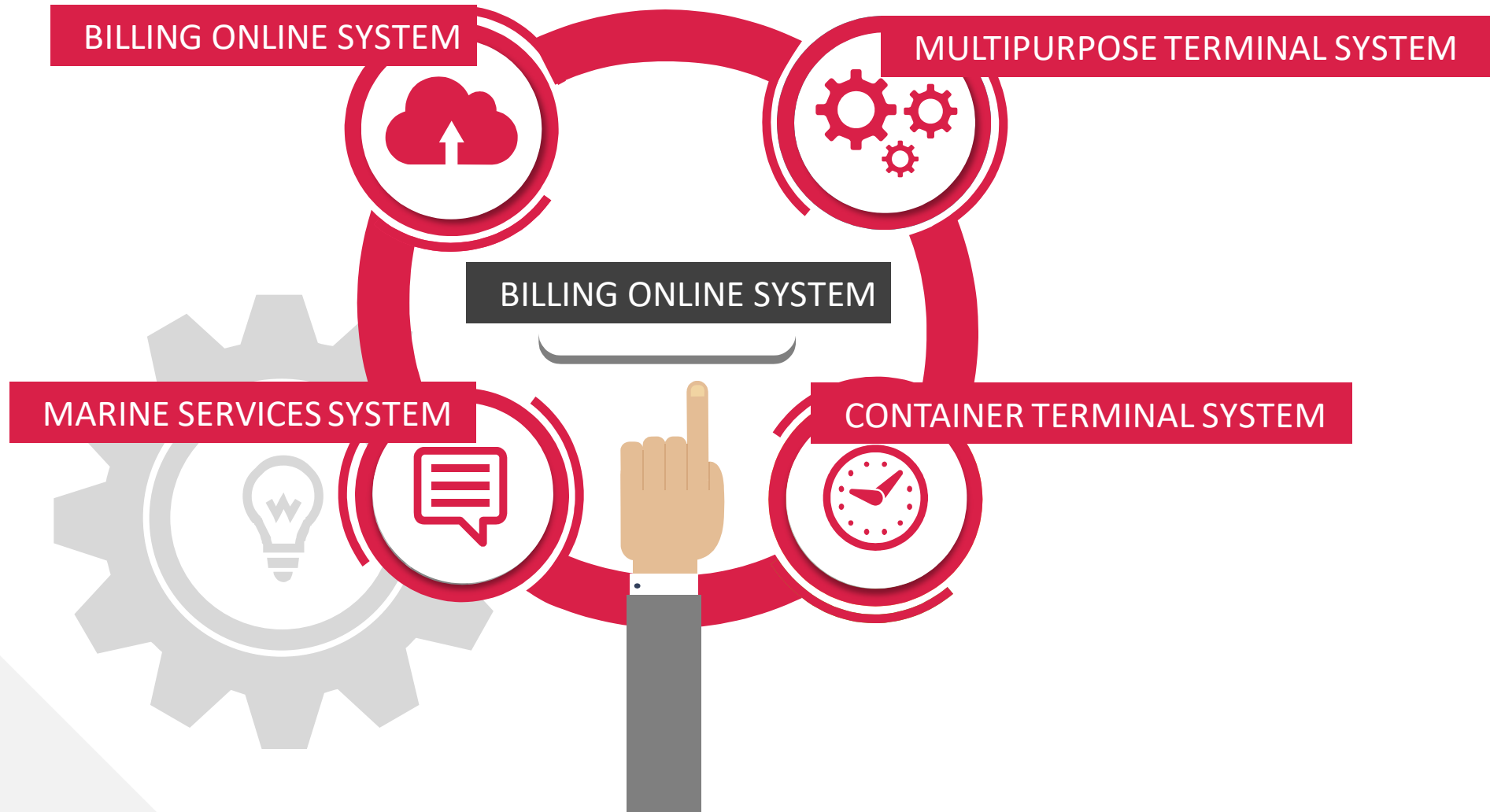


Kuala Tanjung port & industrial zone development

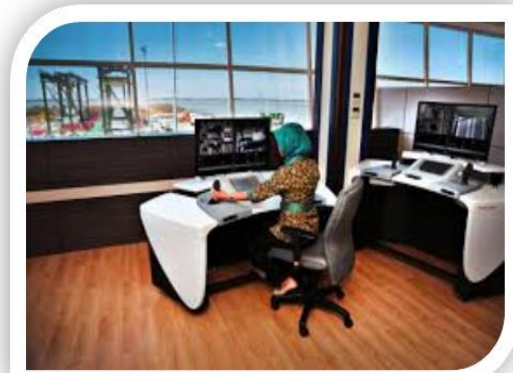


Landscape Facilities

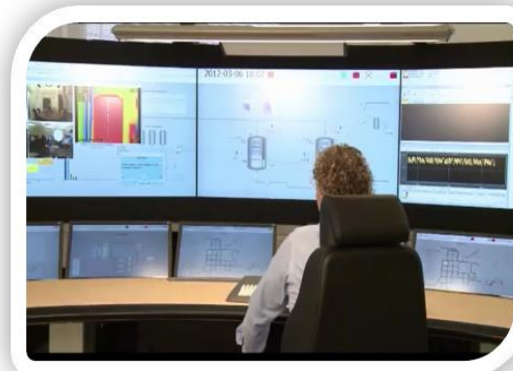




Operating
ARTG by Remote Console



Operating
Pipe Line by Scada System



Kuala Tanjung port & industrial zone development

Top 10 commodities for industrial zone



Aluminium



Iron and
steel



Powerplant



Soft drinks
and food



Cement



Tires



Other rubber
products



Auto parts
and
accessories



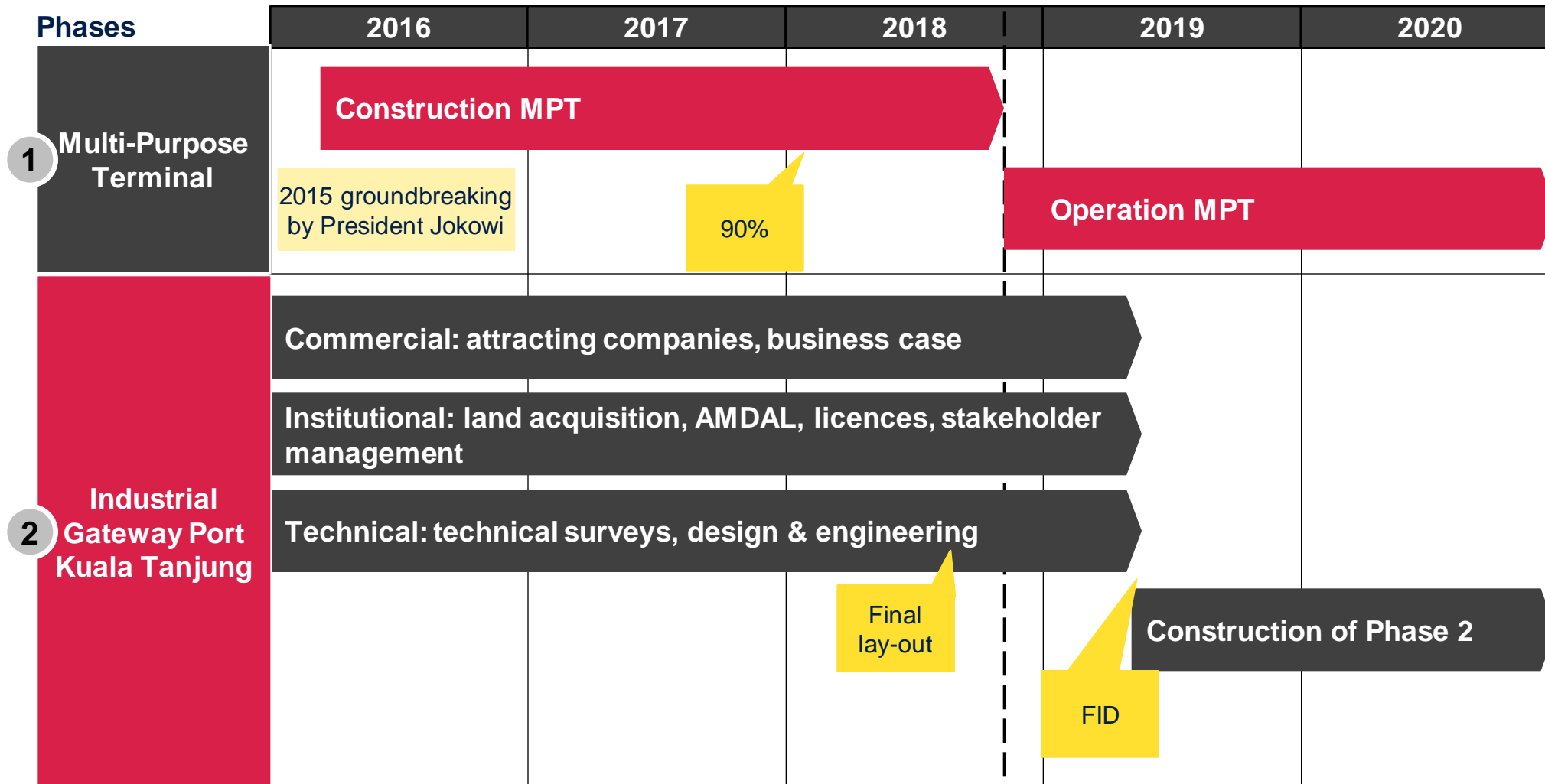
Footwear



Final
products of
palm oil

Kuala Tanjung port & industrial zone development

TIME LINE



Today

Phase 2 timing subject to permitting process, speed of land acquisition & technical investigations



PELINDO 1
INDONESIA GATEWAY



THANK YOU



PELINDO 1

KANTOR PUSAT
Jl. Krakatau Ujung No. 100. Medan - 20241. Sumatera Utara -
Indonesia
Phone: (+62-61) 6610220 | Fax: (+62-61) 6610906 | Email :
pelabuhan1@pelindo1.co.id



www.pelindo1.co.id



(+62-61) 6610220



https://twitter.com/pelindo_1



[https://www.facebook.com/profile.p
hp?id=100008753747341](https://www.facebook.com/profile.php?id=100008753747341)