

## Indonesia

### The Dumai Port Development Project



Loading facilities at Dumai Port

#### Outline of Loan Agreement

Loan Amount / Disbursed Amount	4,375 million yen / 4,107 million yen
Loan Agreement	December 1989
Terms & Conditions	Interest rate 2.5%p.a. Repayment period 30 years (Grace period 10 years)
Final Disbursement Date	May 1996

#### Project Outline

The project involved construction of a wharf for general cargo and affiliated facilities, and procurement of loading equipment for Dumai Port, the only port in Riau Province on the island of Sumatra, with the aim of meeting increases of cargo volume, including palm oil, an important export commodity in Sumatra.

#### Results and Evaluation

The completion of the project (1996) increased the cargo handling capacity of Dumai Port from the pre-project level of 700,000 tons/year to 1,500,000 tons/year.

Palm oil accounts for approximately 80% of cargo handling through Dumai Port and roughly 90% of the outgoing cargo. The cargo handling volume has increased by approximately 60% since project completion, against a background of exponential growth in oil palm production in Riau Province, and in 2000 had grown to 4 million tons, outstripping handling capacity by a wide margin. Of this, roughly 3 million tons is export cargo, which have increased 2.3 fold against the level of 1.3 million tons at project completion. This project is evaluated as having contributed to increasing the production/export of oil palm in the hinterland regions.

Whilst no specific problems identified in the operation and maintenance of the facilities, either in terms of financial viability or organizational structure, it will be necessary to pursue greater efficiency and further expand the port facilities in order to respond to predicted future growth in cargo demand,.