



## Indonesia

# 6 Merak-Bakuheni Ferry Terminal Extension Project (2)

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This project's objective was to increase passenger and freight traffic through the construction of third berths at the ferry terminals in Merak and Bakuheni for the major intra-island route connecting Western Java, home to the capital Jakarta and Sumatra with its abundant natural resources, thereby contributing to regional economic growth.

**Loan Amount/Disbursed Amount:** 5,898 million yen/3,234 million yen

**Loan Agreement:** November 1993

**Terms and Conditions:** Interest rate 2.6%; Repayment period 30 years (grace period 10 years); General untied

**Final Disbursement Date:** December 2002

**Executing Agency:** Directorate General of Land Communications under the Ministry of Communications



**External Evaluator:** Takuya Okada (KRI International Corp.)

**Field Survey:** October 2004

## Evaluation Result

In this project, construction of berths\* capable of accommodating large ferries of 5,000 GRT class and development of access roads, parking areas and a bus terminal, etc. at Merak and Bakuheni Ports were conducted almost as planned. The project period was much longer than planned due to changes in the consultant selection procedure, the effects of the currency crisis, etc. However, the project cost was lower than planned.

The number of ferries crossing between Merak and Bakuheni increased from 11 in 1993 to 26 in 2003, and the number of ferries traversing the route on a day-to-day basis also increased from 64 a day to 120 a day in 2002. The number of passengers (14.01 million) and vehicles (2.63 million) both exceeded the planned number, and the freight volume (6.67 million tons) was almost as planned.

The two regions that are linked by the Merak-Bakuheni crossing are important hubs of economic activity within Indonesia, with Java (including Bali) accounting for approximately 60% of Gross Domestic Product (GDP), while Sumatra accounts for around 20%. Following the currency crisis, both Java and Sumatra experienced negative Gross

Regional Domestic Product (GRDP) growth until 1999, but have since been posting positive figures. This project supports inter-island trade between Sumatra and Java with a total population of 170 million based on the respective economic and industrial characteristics of the two regions mainly by providing a freight transport route.

There is no problem with technical capacity, the operation and maintenance system, or the financial status of the government-run ferry operator (PT.ASDP), which carries out operation and maintenance.

\* A place for a vessel to be moored. Anchorage.

## Third-Party Evaluator's Opinion

This project facilitated physical distribution and flow of people by supporting transport on the artery route connecting Java and Sumatra, thereby activating regional economies. In addition, it is consistent with the program of mass migration from Java to Sumatra.

**Third-Party Evaluator:** Mr. Surjadi Soedirdja (public sector)

Former Minister of Internal Affairs, former Governor of the Greater Jakarta Metropolitan Area, and former Advisor to the President.

### Project Area



Merak and Bakuheni are major ports for promoting physical distribution between Java and Sumatra and activating the economy.

### Effect of the project: increase in the number of ferries

There have been substantial increases in the average number of ferries traversing the route on a day-to-day basis: from 64 a day in 1993, to 94 a day in 2001 and 120 a day in 2002.

#### Number of Ferries by GRT Class

GRT Class	Pre-project (1993)	Post-project (2003)
3,000GRT or less	2	2
3,000GRT-5,000GRT	9	14
5,000GRT or more	0	10
Total	11	26



A ferry docked at the No. 3 berth, Merak Port