

Maritime Transportation Sector Loan in Eastern Indonesia (II)



Sea Lane Marker Vessel Obtained by the Project

Outline of Loan Agreement

Loan Amount/ Loan Disbursed Amount	¥5,231 million / ¥3,928 million
Loan Agreement	October 1992
Terms and Conditions	Interest rate: 2.6%, Repayment period: 30 years (grace period: 10 years)
Final Disbursement Date	March 1999

Project Profile

The project was to develop port facilities and marine safety facilities (sea lane markings and sea lane marker vessels) that were important and very urgently needed for marine transport in eastern Indonesia. These facilities aimed to secure shipping lanes which are fundamental to life in the region, and contribute to economic development.

Results and Evaluation

The project developed five new ports, which helped to raise transport capacity and regularize vessel services. These ports were newly developed in the regional capital cities of eastern Indonesia, releasing the regions from their isolation, and providing an opportunity to stimulate regional economies. Sea lane marking under the project was completed in 1997. It has a synergistic effect with the GMDSS (Global Marine Distress Safety System) that was introduced under a separate ODA loan (Maritime Telecommunication System Development Project (3)) to reduce numbers of marine accidents.

The maintenance of the sea lane marking and marker vessels is managed by the Grade 1 and Grade 2 sea lane marking offices, which are organizations under the shipping office of Directorate General Sea Communication. The port facilities are maintained by the Regional Offices of Directorate General Land Transport. A stable budget for the purchase of spare parts must be provided to ensure the sustainability of the project.