



The Indonesia-Malaysia-Thailand Growth Triangle

Updates of IMT-GT Priority Connectivity Projects

**4th IMT-GT Post-Summit Planning Meeting
19-21 January 2011
Koh Samui, Thailand**

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The logo for the Asian Development Bank (ADB), consisting of the letters 'ADB' in a white, serif font on a dark blue square background.

ADB

PRIORITY CONNECTIVITY PROJECTS

5TH IMT-GT Summit

28 October 2010, Hanoi

Key messages:

- IMT-GT Priority Connectivity Projects will serve as concrete building blocks of the *ASEAN Master Plan on Connectivity* and towards the realization of the *ASEAN Economic Community in 2015*
- Urged the IMT-GT states and provinces to work closely with relevant central government with respect to the design and implementation of priority connectivity projects
- Expressed appreciation for ADB's assistance in establishing a permanent *Subregional Project Development Facility* to help prepare potential PPP projects
- Underscored need to start implementation of PCPs and realize results as these PCPs will serve as concrete and visible building blocks of the Masterplan on ASEAN Connectivity

What are Priority Connectivity Projects?

They are infrastructure projects:

- Focused primarily on IMT-GT Connectivity Corridors
- May also include other priority infrastructure projects supportive of the IMT-GT Connectivity Corridors
- May include software initiatives that are directly supportive of infrastructure projects
- Financing may come from government, private sector and development partners, including ADB



Current Updates on PCPs (1)

Indonesia (USD4.54B)	Malaysia (USD320M)	Thailand (USD328M)
<ul style="list-style-type: none"> - Sumatra Ports Development ; - Melaka-Dumai Economic Corridor Multimodal Transport; - Sumatra Toll Roads; - Southerly section of the Eastern Highway (Bandar Lampung-Bakauheni) to Java; - Melaka-Pekanbaru Power Interconnection; - Development of Aceh Highway facilities: Bandah Aceh-Kuala Simpang. 	<ul style="list-style-type: none"> • Melaka-Pekanbaru Power Interconnection; • ICQS Bukit Kayu Hitam. 	<ul style="list-style-type: none"> - Southern Thailand Ports Development Program (Phuket Port and Naklua Port); - Hat Yai-Sadao Toll Road.
<p>Total No of IMT-GT Projects: 10</p> <p>Total Indicative Project Cost: \$5.19 billion</p>		

Current Updates on PCPs (2)

<p>Under Process: intermediate stage</p>	<ul style="list-style-type: none"> ➤ INO-MAL: Melaka-Penkanbaru Power Interconnection ➤ MAL: ICQS Bukit Kayu Hitam ➤ THA: Southern Ports Development Program (2 subprojects) 	<ul style="list-style-type: none"> ➤ Both governments keen on this project and discussions ongoing; PPTA required; ADB loan ➤ Project ongoing; government priority ➤ Due diligence completed; ready for implementation 1 for public sector funding but 1 with financing still being finalized
<p>Under Process: initial stage</p>	<ul style="list-style-type: none"> ➤ INO: Sumatra Ports Development (4 subprojects, one of which PPP) ➤ INO: Melaka-Dumai Economic Corridor Multimodal Transport Project (2 subprojects) ➤ INO: Development of Aceh Highway Facilities: Banda Aceh- Kuala Simpang Toll Roads ➤ THA: Hat Yai-Sadao Toll Road 	<ul style="list-style-type: none"> ➤ 2 in Blue Book or PPP Book; 2 with unconfirmed funding; PPP no pre-FS ➤ 1 in Blue Book (funding to be confirmed) & 1 in PPP but could also be public sector (pre-FS completed) ➤ in PPP book but open for Blue Book; pre-FS completed ➤ FS completed; PPP modality desired
<p>For Clarification</p>	<ul style="list-style-type: none"> ➤ INO: Sumatra Toll Roads Project (2 PPP subprojects) ➤ INO: Most Southerly Section of the Eastern Highway from Bandar Lampung to Bakaheuni 	<ul style="list-style-type: none"> ➤ no PPP takers as per FS and land issue ➤ From PPP (no investor response) to Blue Book (public sector) but pre-FS completed

Current Status of PCPs (3)

Project Name	Description/Scope of Work	Indicative Project Cost (million USD)	Remarks
INO: Sumatra Ports Development Project	II1a Ulee Lheue Port.	0.5 (Public sector)	<ul style="list-style-type: none"> • Possible grant; donor funding (Update?) • GOI to confirm if ferry or sea port.
	II1b Malahayati Port.	29 (Public sector)	<ul style="list-style-type: none"> • Confirmed by Min. of Transport • Container port: for internal financing • External funding possible • Funding to be confirmed
	II1c Belawan Port:	12.9 (Public sector)	<ul style="list-style-type: none"> • Listed in Blue Book (revised 2008) • IsDB already financing international container terminal • Roro facility and passenger terminal already internally financed as planned for 2010 (Update?)
	II1d Kuala Enok Port.	15.0 (PPP)	<ul style="list-style-type: none"> • Confirmed by BAPPENAS (PPP Unit) • Listed in PPP Book 2010-2014 (p. 72) as a potential project but project name is Development of Bulk Terminal (Kuala Enok Port, Riau) • Any pre-FS or FS ?

Current Status of PCPs (4)

Project Name	Description/Scope of Work	Indicative Project Cost (million USD)	Remarks
INO: Melaka-Dumai Economic Corridor Multimodal Transport Project	II2a Dumai Port.	30.2 (Public sector)	Possible Japanese funding (Update?)
	II2b Pekanbaru-Dumai Road.	845 (Possibly PPP or public sector) (Revised amount based on PPP book [Previous amount was \$389.7M])	<ul style="list-style-type: none"> Confirmed by Ministry of Public Works Listed in PPP Book 2010-2014 (p.92) as a potential project but found not financially feasible. Project now proposed for government financing with operation and maintenance by the private sector (Update?) Already included in the Blue Book (public sector) under MPW Government of Riau and the regencies in Riau signed an MOU for land acquisition of the project. Supporting studies completed
INO: Sumatra Toll Roads Project	II3a Palembang and Indraraja Toll Road.	105.0 (PPP)	<ul style="list-style-type: none"> Confirmed by MPW Listed in PPP book 2010-2014 as a priority project (p.10) but no investor response In line with the National Spatial Plan and Road Network Master Plan, but not listed in Blue Book (Update?) Government needs to provide contribution (land), which if resolved might still be considered as PPP
	II3b Palembang – Betung Toll Road	388.0 (Possibly PPP)	<ul style="list-style-type: none"> Not in the latest PPP book Not in line with the National Spatial Plan and Road Network Master Plan project has no taker as a PPP and not shifted to Blue Book (Update?)

Current Status of PCPs (5)

Project Name	Description/Scope of Work	Indicative Project Cost (million USD)	Remarks
INO: Most southerly section of the Eastern Highway from Bandar Lampung to Bakauheni and on to the southern tip link across to Java	Bakauheni-Terbanggi-Besar Toll Road	820.0 (Possibly PPP or public sector) (Revised amount based on PPP book)	<ul style="list-style-type: none"> • Confirmed by MPW • Listed in PPP Book 2010-2014 (p. 97) as a potential project but no investor response as per GOI; was delinked as a separate project since it was shifted for public sector financing (Blue Book) due to low FIRR. • Update?
INO: Melaka-Pekanbaru Power Interconnection	Construction of 500 kvHVDC power transmission line between Malacca and Pekanbaru for power sharing during respective peak periods	300.0 (Public sector)	<ul style="list-style-type: none"> • Updated studies on proposed ownership structure & mechanism presented to PLN in III Oct • TNB (MAL) and INO (PLN) are both keen on the project. • PLN and TNB agreed in Dec'10 to set up a new team to work on this Project. • Both PLN and TNB agreed that a detailed FS needs to be carried out before project can be financed • ADB proposes PPTA in 2011; and TA loan for a marine survey in 2012 and a loan in 2013-2014 (needs to be in Blue Book for Indonesia) • Possibly with counterpart loan with Malaysia
INO: Development of Aceh highway facilities: Banda Aceh – Kuala Simpang (Toll Roads Project)	<p>Banda Aceh – Sumatera Utara Distance : 450 Km Bridges Length : 3,298 M (127 units)</p> <p>As part of the Sumatera Eastern Highway: Banda Aceh – Sigli – Lhokseumawe – Langsa – Binjai</p>	2,000 (PPP or public sector)	<ul style="list-style-type: none"> • Confirmed by MPW • Included for PPP but open for inclusion in Blue Book (public sector) • Pre-feasibility study completed • In line with the National Spatial Plan for 2020 and Road Network Master Plan, but not listed in Blue Book. • Update?

Current Status of PCPs (6)

Project Name	Description/Scope of Work	Indicative Project Cost (million USD)	Remarks
MAL: Melaka-Pekanbaru Power Interconnection	Construction of 500 kvHVDC power transmission line between Malacca and Pekanbaru for power sharing during respective peak periods	200.0	Public sector financing. Can be NSO to TNB. Previous amount was \$500M Has a counterpart loan with Indonesia (see updates above)
MAL: ICQS Bukit Kayu Hitam	<i>Information to be provided</i>	120.0	Confirmed as priority; With government funding



Current Status of PCPs (7)

Project Name	Description/Scope of Work	Indicative Project Cost (million USD)	Remarks
THA: Southern Thailand Ports Development Program (Phuket Port and Naklua Port) [2011]	IT1a Phuket Port	3.0	Project ready for implementation. Due diligence has been completed. Financing to be determined; Could be PPP
	IT1b Naklua Port	25.0	Project ongoing; Due diligence has been completed. Public sector financing
THA: Hat Yai-Sadao Toll Road [2012]	With existing 4-lane road passing through Sadao and many villages on the way, causes congestion and resultant transport delays, thus the proposed tolled motorway to be developed with a totally new alignment	300.0	Feasibility study to be updated next year (funds allocated); PPP desired as a funding modality

**Thank you for your
kind attention!**