

FOR IMMEDIATE RELEASE

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Indonesia - Fisheries (2)*



INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT



INTERNATIONAL DEVELOPMENT ASSOCIATION

1818 H STREET N.W.

WASHINGTON D. C. 20433

TELEPHONE: EXECUTIVE 3-6360

Bank Press Release No. 74/42
IDA Press Release No. 74/29
June 6, 1974

Subject: Indonesia is lent \$70.5 million for railways, tourism and fisheries.

The World Bank Group is lending Indonesia \$70.5 million for three projects that will assist railway modernization, tourism and increased fisheries output. The operations, which have just been approved, include the first World Bank loan to Indonesia. To date, most World Bank Group lending to Indonesia has been through the International Development Association, the affiliate which grants long-term, interest-free credits.

Railways, \$48 million, 20 years, 7-1/4%

The World Bank will lend \$48 million to help finance the rehabilitation and modernization of Indonesia's 7,000 kilometer railway network. The Indonesian State Railways (PJKA) is the largest railway system in Southeast Asia. It is an important mode of transport in the country, handling annually about 4.6 million tons of freight traffic and 40 million passengers.

For a number of years, maintenance, repair and new investment in the railways was inadequate and traffic declined as the service deteriorated. To remedy this situation, the Government and PJKA have prepared a detailed Railway Investment Plan for the next five years (1974-79) which is designed to enable PJKA to regain its financial viability.

The \$158 million project being assisted by the Bank loan will finance the first three years of the Railway Investment Plan. The project consists of investments in the rehabilitation of track and signalling equipment on the main lines, the rehabilitation and procurement of locomotives, passenger cars, and freight cars. The project also includes technical assistance for training in all fields of railway operation and in the implementation of the project.

Tourism, \$16 million, 50 years, interest free

The International Development Association has approved a credit of \$16 million to assist the orderly development of tourism in Bali.

Bali has considerable tourist potential and its main assets are the cultural and scenic attractions of the island. Until recently, the development of tourism in the island proceeded without central planning and with little regard for the natural and human environment.

The project to be financed by the IDA credit will alleviate this situation. It will minimize the adverse effects of increased tourism on Balinese society by concentrating future hotel development at Nusa Dua, on the sparsely populated Bukit peninsula at the southern tip of Bali. The area has few alternative uses but is very attractive for tourism.

The project consists of supporting infrastructure and facilities for the Nusa Dua estate, which, at full development, will accommodate about 2,500 hotel rooms.

The project will include also a hotel training school, a 10-hectare demonstration farm and the building of several roads.

Fisheries, \$6.5 million, 50 years, interest free

Indonesia's overall plans for agriculture and rural development will be assisted by a \$6.5 million IDA credit which will help to finance a fisheries credit project. This project will increase fisheries output for both domestic consumption and export and provide increased employment opportunities and incomes for fishermen and their families.

The project consists in part of the improvement and expansion of the facilities and operations of the State Fisheries Enterprise, Maluku (PNM) and in part, of a lending program to be undertaken by the Bank Rakyat Indonesia (BRI). PNM will purchase and operate about 10 pole-and-line skipjack tuna fishing boats, two carrier vessels and ice-making, cold storage and other shore facilities for tuna fishing and export. BRI will extend financial assistance to fishermen and cooperatives to purchase about 10 tuna fishing boats and a number of bait-fishing nets; BRI will also extend financial assistance to small fish pond operators to help increase production of fish and shrimp from about 15,000 hectares of brackish water ponds and to private entrepreneurs and cooperatives to establish nine small ice-plants to improve project fish and shrimp preservation and marketing; BRI will also make sub-loans to fishermen for the purchase and utilization of about 25 gross-ton trawlers for fish and shrimp catching in the Java sea.

Banque l'Indochine, Paris will participate in the railway loan.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT



1818 H STREET, N.W., WASHINGTON D. C. 20433 TELEPHONE: EXECUTIVE 3-6360

June 6, 1974

TECHNICAL DATA

PROJECT: Railways

COUNTRY: Indonesia

TOTAL COST: \$158 million

BANK FINANCING: \$48 million, for a period of 20 years, including 5 years of grace, with interest at 7 1/4% per annum.

OTHER FINANCING: Indonesian Government and bilateral lenders.

IMPLEMENTING ORGANIZATION: Indonesian State Railways (Perusahaan Jawatan Kereta Api), Indonesia

PROJECT DESCRIPTION: Project includes a financial recovery plan to allow P JKA to break even by 1979/80. Specific investments will be made in the rehabilitation of track and signalling equipment, on the main lines and the rehabilitation of 59 diesel locomotives, 120 passenger cars and four diesel rail cars; the procurement of 40 diesel locomotives, 10 sets of electric rail cars, 61 passenger coaches, 200 bogie freight cars; fitting of air brakes on about 3,700 freight cars and automatic couplers on 670 freight cars. Technical assistance and training in fields of railway operation.

PROCUREMENT: All items financed under the loan will be procured under international competitive bidding, except for certain components and spare parts required for equipment already in service (estimated to cost \$6.5 million). For these items, procurement will be negotiated, mainly with original suppliers, after consultation with the Bank.

ESTIMATED COMPLETION DATE: 1978

INTERNATIONAL DEVELOPMENT ASSOCIATION



1818 H STREET, N.W., WASHINGTON, D. C. 20433 TELEPHONE: EXECUTIVE 3-6360

TECHNICAL DATA

June 6, 1974

PROJECT: Tourism

COUNTRY: Indonesia

TOTAL COST: \$36.1 million

BANK FINANCING: \$16. million, 50 years, including 10 years of grace, interest free except a service charge of 3/4 of 1% per annum to cover IDA's administrative expenses.

OTHER FINANCING: Government of Indonesia

IMPLEMENTING ORGANIZATION: Bali Tourism Development Corporation

PROJECT DESCRIPTION: Basic infrastructure at Nusa Dua for development of tourism estate of about 2,500 hotel rooms; construction of estate access road, Denpasar by-pass road and eleven roads north of Denpasar; a hotel training school; a demonstration farm; and technical assistance to the Bali Tourism Development Corporation, Bali Tourism Development Board and the provincial agriculture department.

PROCUREMENT: Through international competitive bidding except for the following categories: Small and scattered civil works and furniture contracts of less than \$100,000 to be awarded after local competitive bidding; and equipment for the telecommunication facility at Nusa Dua will be procured through a negotiated contract with an existing supplier. Whenever international competitive bidding is required, qualified local manufacturers will receive a preference of the lesser of 15% or the level of customs duties. Qualified local civil works contractors will receive a preference of 7.5%. Retroactive financing of about \$350,000 is recommended to cover costs incurred for exploratory drilling, detailed engineering and technical assistance for BTDC.

ESTIMATED COMPLETION DATE: August 31, 1978.



INTERNATIONAL DEVELOPMENT ASSOCIATION

1818 H STREET N.W., WASHINGTON 25, D. C. TELEPHONE EXECUTIVE 3-6360

June 6, 1974

TECHNICAL DATA

PROJECT: Fisheries Credit

COUNTRY: Republic of Indonesia

TOTAL COST: \$12.9 million

IDA FINANCING: \$6.5 million, 50 years, 10 years of grace, interest free, service charge of 3/4 of 1% to cover IDA's administrative costs.

OTHER FINANCING: Sub-borrowers will contribute \$1.9 million. The Bank Rakyat Indonesia will finance about \$3.2 million of sub-loans from its own resources, and the Directorate General of Fisheries will finance about \$1.4 million of project costs from budgetary sources.

IMPLEMENTING ORGANIZATION: The project will be carried out in part by the State Fisheries enterprise, Maluku (PNM) and in part through a lending program to be undertaken by the Bank Rakyat Indonesia (BRI) with the assistance of the Directorate General of Fisheries, (DGF), Rear Admiral Nizam Zachman, Jl. Salemba Raya, 16 Jakarta, Indonesia.

PROJECT DESCRIPTION: The project is designed to accelerate the Government's program to increase production from its fisheries resources for both domestic consumption and export and to provide increased employment opportunities and incomes for fishermen and their families. The project is in part the improvement and expansion of the facilities and operations of PNM and in part a lending program to be undertaken by BRI with the assistance of the DGF.

PROCUREMENT: Contracts for vessel hulls will be awarded after local competitive bidding. Vessel engines, fishing gear and other equipment will be ordered by PNM, and by sub-borrowers through BRI, from suppliers prequalified after international advertisement. Shore facilities at Ambon for the ice-making, freezer, and cold storage complex, jetties and repair facilities will be procured under a single contract to be awarded after international competitive bidding. The nine small ice plants will also be procured through international competitive bidding.

CONSULTANTS: Three pond fishery experts will be recruited to assist DGF to implement the pond improvement component. DGF will also employ a management specialist, electrical/mechanical engineer, civil engineer or engineering firm and naval architect/master boat builder.

ESTIMATED COMPLETION DATE: 1979