



U.S. TRADE AND DEVELOPMENT AGENCY

FOR IMMEDIATE RELEASE

August 22, 2007

MEDIA INQUIRIES:

Donna Thiessen
(703) 875-4357

USTDA GRANT PROMOTES INCREASED PORT EFFICIENCY IN SOUTH AND SOUTHEAST ASIA



USTDA Country Manager Steve Winkates (left) and Sabang Mayor Munawar Liza Zianal (right) shake hands following the award of a USTDA grant on the establishment of a new transshipment port facility on the outskirts of the Strait of Malacca in northern Sumatra's Aceh Province.

JAKARTA, INDONESIA – Increasing trade capacity in South and Southeast Asia's port system through the establishment of a new transshipment port facility is the objective of a USTDA grant awarded today to the Sabang Free Trade Zone and Free Port Authority (BPKS), a government-established port management agency on Weh Island in Indonesia. The proposed new terminal, which would be located on the outskirts of the Strait of Malacca in northern Sumatra's Aceh Province, would provide shippers, including oil tankers and container ships, with a strategic location to transfer cargo to smaller, regional vessels serving local markets throughout the region.

The \$512,950 grant will be used to partially fund a study on the technical and economic feasibility of establishing the proposed combined oil and container transshipment port facility. The grant was conferred during a signing ceremony held at the U.S. Commercial Service office in Jakarta. The grant agreement was signed by USTDA Country Manager Steve Winkates and Sabang Mayor Munawar Liza Zianal, on behalf of the U.S. government and BPKS, respectively. Commercial Counselor Richard Rothman and Faisal Azwar from the Sabang Development Agency signed as witnesses to the agreement.

The Strait of Malacca is one of the most important shipping corridors in the world, as it is the main passageway linking the Middle East and South Asia to East Asia and the Pacific Ocean. Each year, more than 50,000 ships pass through the strait, or approximately 25 percent of world sea trade, including an average of 11 million barrels of oil per day. However, the lack of ports in the region with a capacity to handle increasingly larger ships has led vessels traveling eastward from the Middle East and South Asia to first pass through the strait to southern Malaysia or Singapore before offloading onto regional carriers. This project would establish a new facility to help address this inefficiency and enable offloading in Indonesia.

(More)

BPKS has selected TEC Inc. of Charlottesville, Virginia, to conduct the study. In addition to the USTDA grant, TEC will provide additional resources towards the completion of the study.

The U.S. Trade and Development Agency advances economic development and U.S. commercial interests in developing and middle-income countries. The agency funds various forms of technical assistance, early investment analysis, training, orientation visits and business workshops that support the development of a modern infrastructure and a fair and open trading environment. USTDA's strategic use of foreign assistance funds to support sound investment policy and decision-making in host countries creates an enabling environment for trade, investment and sustainable economic development. In carrying out its mission, USTDA gives emphasis to economic sectors that may benefit from U.S. exports of goods and services.

-30-

Visit USTDA's Website at www.ustda.gov