

# THE BORNEO POST

## SUNDAY

SUNDAY, MARCH 25, 2007

# A boost for barter trade in Sandakan

## RM315 mil integrated project in two years

By Sunar Tumiran

**KOTA KINABALU:** A RM315 million Integrated Barter Trade Terminal will be built in Sandakan, which when completed, will give Sabah's second biggest town a boost as a major trading port within the BIMP-EAGA region.

The terminal to be completed in two years time will be the most advance and modern barter trade centre in this region, which is expected to accelerate the economic growth of the State.

"The project has created great potential for growth in the development sector, especially in Sandakan, particularly in trading activities between Southern Philippines, Kalimantan (Indonesia), Papua New Guinea, Brunei and Sabah," said State Secretary Datuk KY Mustafa.

Mustafa witnessed the signing of the tripartite agreement between Sabah Government, SEDCO and Windsor Trade Sdn Bhd (WTSB) on Sandakan Integrated Trade Exchange Terminal (SITEXT) at the Pacific Sutera here, yesterday.

He said Sandakan, blessed with a strategic location in the busy Straits of Sulu has the distinctive character capable of being developed into an Integrated Barter Trade Terminal.

Mustafa said such terminal could generate a lucrative income by providing the technological know-how in the area of processing natural

resources and agricultural produce not only to the neighbouring countries but also for the global market.

He said barter trade is no longer just the exchange of goods between parties but is similar to normal business where goods and services are sold and bought between different parties.

"This development has made it necessary for the Sabah Government to upgrade the facilities in Sandakan to ensure adequate docking and landing facilities for the smaller vessels engaged in regional trade, along with dedicated facilities and amenities geared to meeting the specific needs of the barter traders," he said.

He said barter trading activities generate RM100 million income for Tawau, another barter trade port in East Coast Sabah, and Sandakan also reaps similar income.

According to Mustafa, SEDCO is being given 20 per cent equity in the project free of liabilities and not subject to dilution at any given time.

Ministry of Infrastructure Development Permanent Secretary Pg Hassanel Datuk Pg Tahir represented Sabah Government while SEDCO was represented by its group general manager Maisuri Besri.

WTSB was represented by its Chairman Datuk Mohd Shariff Ibrahim and executive director Tengku Shaiful Bahri Tengku Zainal Abidin.

## Peninsular Co to build and operate terminal

**WINDSOR** Trade Sdn Bhd (WTSB), a Peninsular Malaysia-based company, will build, finance and operate the RM315 million Integrated Barter Trade Terminal in Sandakan.

WTSB will finance the project through a combination of equity and an Islamic bond issuance.

Sabah Economic Development Corporation (SEDCO) holds 20 per cent equity in the terminal project.

The terminal will be developed on a 46-acre area in Batu Sapi, at the East Coast town.

To be completed in two years, it will have a grain warehouse, bunkering area, a Customs, Immigration and Quarantine Complex and a commercial centre.

WTSB Executive Director Tengku Shaifful Bahri Tengku Zainal Abidin said the terminal was slated to become the barter distribution and transshipment hub for the region.

He said when completed, the terminal would cater to traders from Japan, China, Singapore, South Korea, US, Thailand, Germany, Brunei, Indonesia and Papua New Guinea.

Tengku Shaifful said facilities for Customs clearance, Immigration, security and a cargo storage area for barter ships of 150 gross tonnage are to be provided.

He said the commercial area includes a hotel and a commercial centre is also in the pipeline to support the terminal.

Among the goods to be exchanged will be grain like maize and rice, timber, food products, livestock, palm oil, electrical products, beverages, tobacco and chemicals, he said.

A tripartite agreement between WTSB, Sabah Government and SEDCO for the development of the terminal was inked at the Pacific Sutera, here, yesterday.