

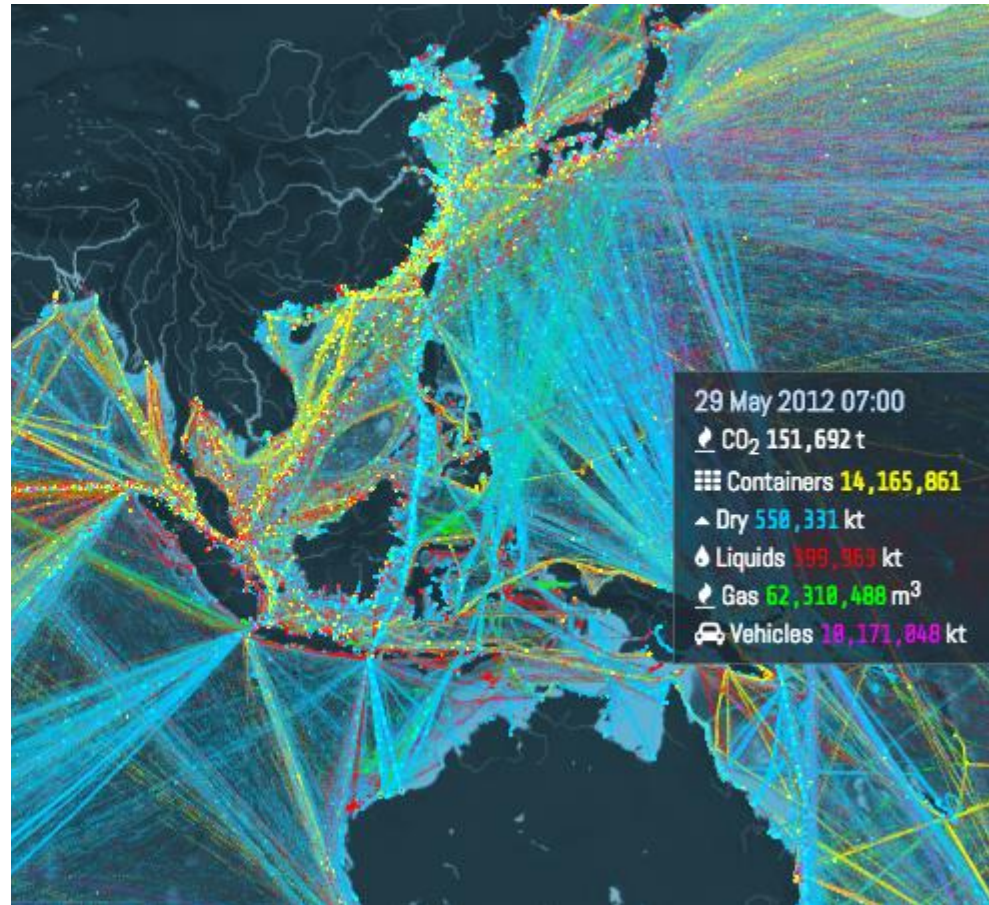
# The role of Sapangar Bay in re-emerging BIMP-EAGA economic development

Presentation










# Sapangar Bay versus global shipping lanes

- Main container lanes far to the West
- Main dry bulk lane to the East of Sabah
- East-West traffic within the Sulu Sea is limited
- Mixed traffic along Sabah coast
- General cargo traffic not included (small) in this picture



# Sapangar Bay long term growth potential – a snapshot macro view

## Potential

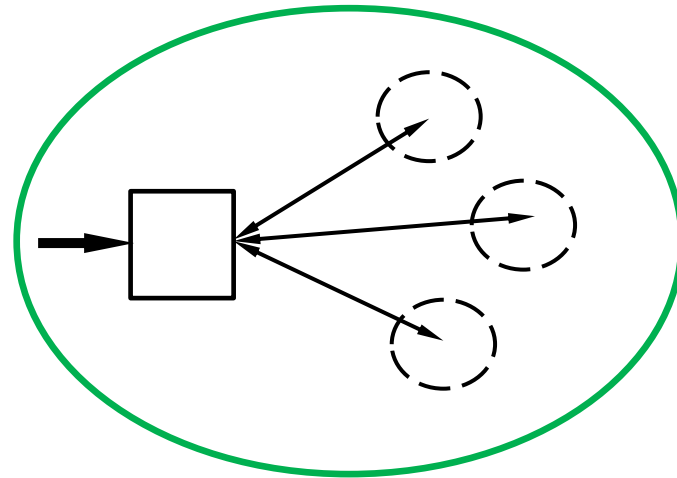
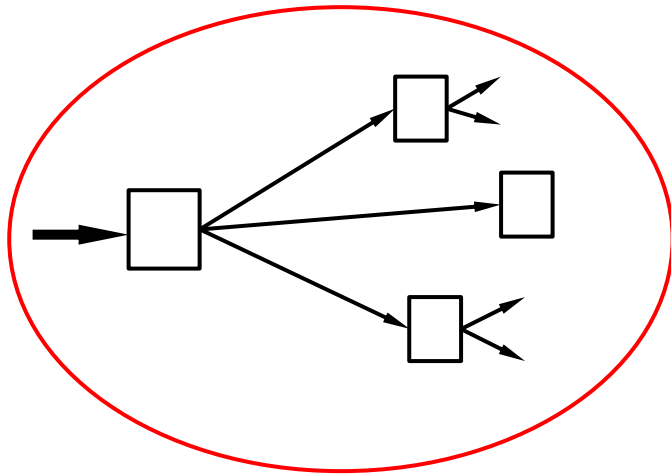
• Global relay transshipment	
• Regional transshipment	
• Transit cargo	
• Regional distribution	
• Local distribution	
• Local VA for export	
• Regional VA for export	



## Suggested Focus:

- **Local distribution & transit**
- **Local VA for export**
- **Regional VA for export**

# The common local distribution model for fast-moving consumer goods is changing everywhere



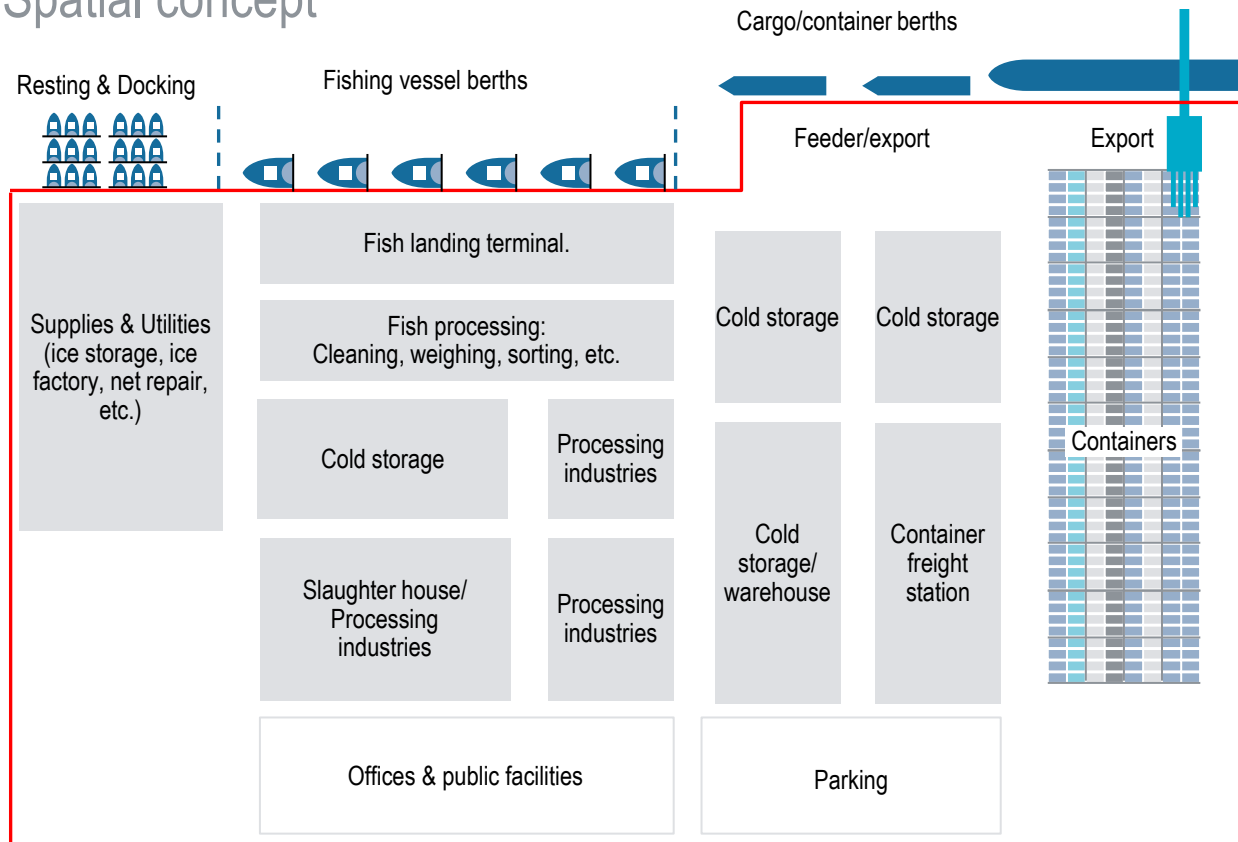
- Reduction / elimination of local distribution warehouses
- Widening role and size of central warehousing
- Direct and daily deliveries to outlets from central warehouse



**Growth of Sapangar Bay as central distri-hub**

# VA for exports → Port-based physical hub for agri-logistics and agri-based exports (and possibly other products)

## Spatial concept



- Processing and export hub at the port for various types of agri and fish products
- Fish- both fisheries and aquaculture
- Inputs can come by sea AND by road and rail
- Plug-and-play model for facilities
- Managed by port authority and regulated by MOF
- Fenced – Anyone/ anything entering subject to Customs check
- May or may not have (modified) FTZ status

# Some governments take steps to boost agriculture exports through the set up of dedicated agriculture FTZs

## Fish FTZ, Uzbekistan



- > Plans to set up a **fish farming Free Economic Zone** in the Kuyichirchik district of the Tashkent province for 30 years
- > Purpose is to **meet the growing demand for fish products** and exporting to neighboring countries
- > The zone will host **modern facilities** for processing and producing fish products (canned fish, caviar, fish meal)
- > The FEZ will carry out **research and innovations** on technologies for growing, catching and processing fish

## Agriculture FTZ, Hainan



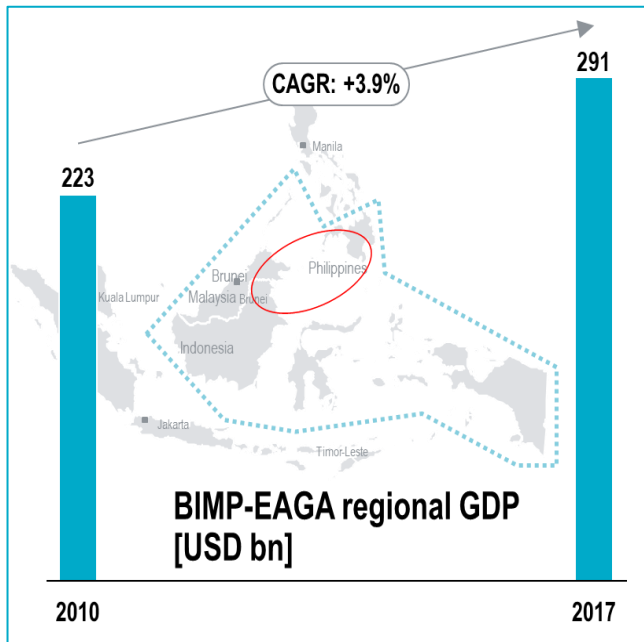
- > Hainan's tropical climate and natural resources has caused many farmers move their plantations to
- > The FTZ will **attract foreign investment, develop export for processing businesses,** and encourage foreign investors to establish **large-scale commercial ventures**
- > The FTZ has the potential to **reduce agriculture import prices, stimulate consumer demand** for imported agricultural products and thus **push for development in agricultural trade**

## Agriculture FTZ, Sudan



- > Sudan has allowed China to set up a **free-trade zone for agricultural products and livestock**
- > The FTZ will **boost exports of agricultural products and livestock** such as cattle to **generate a new source for state revenues** and foreign exchange
- > Memorandum of understanding has been signed
- > China would also cooperate with Sudan to **train farmland workers and help with equipment**

# New regional economic development opportunities that Sapangar Bay could exploit?



## Sulu Sea

- Aqua projects for exports along NE coast
- Aqua projects across Sulu Sea in JV with the right partners, with export processing at Sabah

## Mindanao

- Agri projects for export with the right JV partners – both ways
- Same for aqua projects

## Other?

- Fish export hub for international trawlers (like Penang or Davao)
- East Kalimantan?

## Sabah itself

- *Smart agri and aqua projects for exports*
- *Distri-hub and transit hub*
- *Smart agri-logistics FTZ hub at Sapangar Bay*
- *Smart collaboration with Kudat, Sandakan, Lahad Datu*

In case of questions, please do not hesitate to contact me

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