



Bolloré wins deep-sea concession in Timor-Leste

Turloch Mooney, Senior Editor, Global Ports | Feb 03, 2016 8:17AM EST



Paris-listed [Bolloré Group](http://www.joc.com/international-logistics/logistics-providers/bollor%C3%A9) (<http://www.joc.com/international-logistics/logistics-providers/bollor%C3%A9>) was selected to build and operate a new \$424 million port close to Dili, capital of Timor-Leste.

The project involves construction of a container and general handling cargo port on the southwest side of Tibar Bay, around 10 kilometers (6 miles) west of Dili.

The port will consist of a 630 meter (2,067 feet) wharf with a 15 meter draught and a 24-hectare (59 acres) yard. It will have an annual container throughput capacity of 350,000 twenty-foot-equivalent units and will be capable of handling vessels with capacities of 7,500 TEUs.

The government is thought to be contributing \$346 million toward the project with Bolloré Group contributing the remaining \$79 million. The public-private partnership deal is for a 30-year term on a build-operate-transfer basis and the government will receive royalties, fees and taxes from the operation of the port during the term.

The International Finance Corporation, part of the World Bank group, advised the government of Timor-Leste on the PPP deal.

The new port will replace Timor-Leste's only existing international seaport, Dili Port, a small facility originally built for break-bulk operations with a wharf length of 285 meters and an alongside depth of just seven meters.

Dili Port can handle vessels of up to 500 TEUs only and there are delays in berthing when several vessels arrive during the same period. The frequency of delays is increasing, cargo volumes are growing and port capacity is limited on the landside. The port is expected to experience critical congestion levels by 2018.

Timor-Leste is a post-conflict economy classed as lower middle income by the World Bank. It has \$10 billion in sustainably managed funds from its oil reserves, which it is using to rebuild its economy and GDP has been growing steadily in recent years. The country grew by 6.2 percent in 2015 and is projected by the Asian Development Bank to grow by 6.6 percent in 2016.

Cargo throughput has been growing steadily and the government projects economic and population growth will push container throughput to 350,000 TEUs by 2040. As per capita income increases, there is also high growth anticipated in non-containerized cargo such as vehicles and construction materials.

The awarding of the contract is nine months behind the original schedule outlined by the government. Given that delay, the expectation is construction will be complete by 2016 or 2017 with the port operational by 2017 or 2018.

Bolloré Group holds 21 port concessions worldwide. It has a major presence in Africa where it operates 14 container terminals on a PPP basis. In addition, Bolloré Africa Logistics is one of the largest transport and logistics operators on the continent with a network of 250 subsidiaries and 24,000 employees.

In Asia, Bolloré holds a port concession at Tuticorin on the southern tip of India.

"We are very proud to have been selected to work with the authorities of East Timor on this project. It will help to speed up the growth of the nation's economy by facilitating trade with Asia and the rest of the world to the benefit of the whole population", said Philippe Labonne, CEO of Bolloré Ports and deputy CEO of Bolloré Transport & Logistics on the announcement of the deal.

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