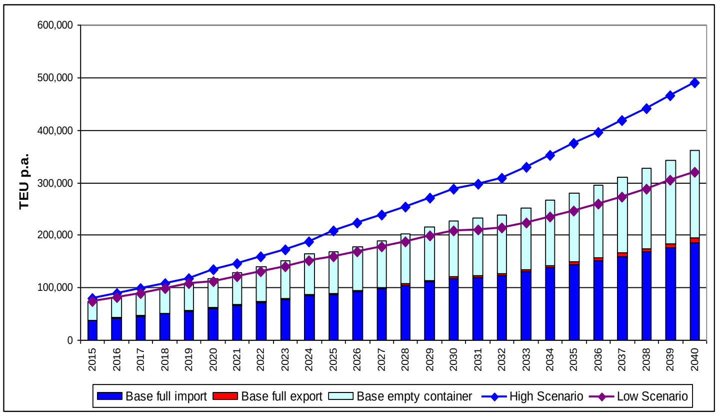
# Tibar Bay Port PPP



## Where we are now …

1. Economic and population growth will drive cargo growth from around 45,000 TEU (2012) to over 350,000 TEU by 2040.
2. Dili Port is an economic bottleneck and cannot cater for the long-term needs of Timor-Leste.
3. Dili port will reach full capacity by 2018, resulting in congestion, delays and high costs. Goods will need to be trucked in from Indonesia.
4. Without action, the cost of cargo delay and diversion is forecast to reach US$ 20m per year in 2018 increasing to US$170m per year by 2044.

# What will be the cargo traffic?




**Three planning scenarios:**

- Base case: most likely (Suai with up to 10% of total Timor Leste container traffic at end of forecasting period)
- High case: Additional transit (to Indonesia) and transshipment traffic (no container handling in Suai)
- Low case: Stronger competition with planned Suai port (up to 20% of total market potential)



# What Infrastructure is Needed?

1. Two berth (630m) facility on the western side of Tibar Bay. Meets operational needs while minimizing costs and environmental/social impacts.
2. Long-term design:
   - Design vessel is 7,000 TEU, larger than any vessel currently operating in the region, and twelve times larger than vessels currently serving Dili
   - further expansion, if needed in the long term (from 2044), is possible
   - Cargo handling based on a modern but flexible operational concept using rail-mounted and mobile quay cranes able to handle containers and general cargo.
3. Total CAPEX is about $300-400 million over the life of the Concession
   - About $200-300 million in initial construction CAPEX
   - About $100 million in operations CAPEX (expansion and maintenance)

## Port Layout

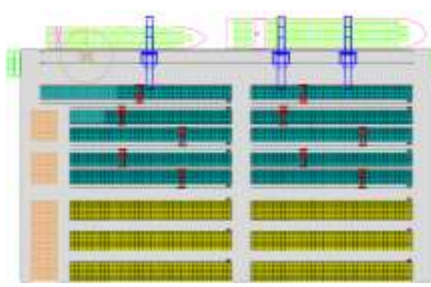



## Terminal Phasing

**Phase I**

- 100% Quay-Wall (630m)
- 100% Dredging
- 100% Reclamation
- 60% Pavement & Utilities

**Phase II (2026)**



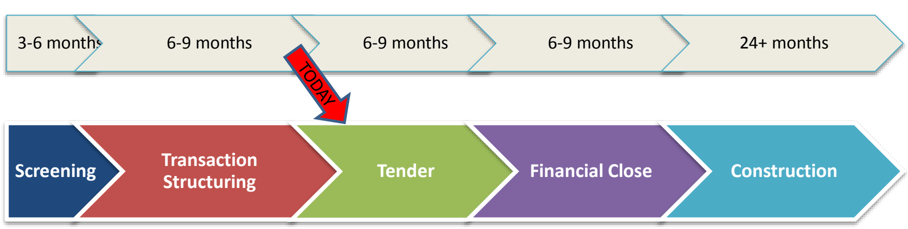
- 100% Quay-Wall (630m)
- 100% Dredging
- 100% Reclamation
- 100% Pavement & Utilities

## Recommended PPP Structure: Concession

1. 30-year Concession to design, construct, finance and operate the port:
   - Marine services (tug/pilot) included-suitable for outsourcing to local firms
   - Dili port closed to cargo and redeveloped
   - Ferry services remain at Dili, consistent with waterfront development
   - Investors encouraged to form consortiums with local firms
   - Investors encouraged to outsource breakbulk cargo handling to local firms
2. Private sector to contribute a major proportion of the required investment. Government will also need to contribute to make the project viable.
3. Contract ensures construction delivered on-time and within budget and has clear performance standards.
4. Private sector has own funds at stake so strong incentive to build, operate and maintain to a high quality.
5. Government receives a share of the revenue through a royalty payment as well as navigation and dockage fees. Other revenue goes to the Concessionaire.
6. All charges and adjustment mechanisms fixed in the Concession to control monopoly behavior.



# Typical PPP Timeline




1. Screen for PPP suitability
2. Business Case

1. Select Specialized Consultants
2. Technical Analysis
3. Commercial Analysis
4. Legal Analysis
5. Financial Analysis and Model
6. Environment and Social Analysis
7. PPP Structuring Options
8. Tender Strategy

1. Prepare Tender Document
2. Market Transaction to Bidders
3. Prepare, consult and finalize Contracts
4. Bid Process
5. Bid Evaluation
6. Tender Award
7. Audit Tender Process
8. Sign Contracts with Winning Bidder

1. Detailed Design
2. Environment and Social Assessment
3. Land Secured
4. Sign Financing Documents