

Tibar Bay - Investor Conference Q&A

#	Question	Answer
1	Has the project taken in to account flooding, relocation of people, sacred sited and other E & S issues etc.? How will road access to the new port affect the local community?	E&S issues are a very important aspect to the WBG. At present specialist consultants appointed by the IFC are assessing the E&S conditions of the project. Scoping work has commenced and the project will be structured in a manner that will be a reasonable compromise between least impact to E&S conditions and operational efficiency.
2	What type of PPP model is being considered for the project? What other examples of this model is available? Will the contract be awarded as a single contract or will there be opportunity for subcontractors to be involved in the different stages (dredging, reclamation etc...) of the project?	The PPP model for the project will be design, build, own, transfer (DBOT). This model is being used to develop the Mauritania/Mauritius ports. The contract will be awarded as a single contract to an international operator who will be overall responsible for the development and operations of the project. Such an operator may subcontract specific areas of the development to sub-contractors.
3	What type of tariff structure will be available for the project	The tariff structure is being designed at present and will be presented to Government when the due diligence studies are complete. The tariff structure will be part of the concession agreement and will be reviewed annually and will be indexed to something which is currently being designed.
4	What will be the likely duration of the concession? Will operations of the existing port be part of the concession until the new port comes in to operation?	A concession period of 25 to 35 years is being contemplated with the possibility of extension. However, this will be finalized after transaction structuring has been approved by the Government. The possibility of the winning bidder taking over the operations of Dili port is being considered in the transaction structure so as to ensure no disruption of operations and smoothe transition to the new Tibar Bay port.
5	What will be the partnership between the international and local (Timorese) private sector?	Participation by the local private sector is strongly encouraged, and is expected to be one of the bid evaluation criteria. Government is still considering whether or not a minimum local content provision will be a mandatory criterion.
6	The projections for the Project appear to be too optimistic given the present level of operations at Dili Port ?	The traffic forecasts for the new port have been based on conservative assumptions. IFC's external consultants have based the forecasts on economic and regional considerations, the competitive environment of ports in the region and transhipment capability.
7	How does the Government / IFC think of subsidizing the project if it is not profitable in the short term?	The Government is currently considering methods of funding the Project so that it is commercially viable as a PPP.
8	How will the construction of the Suai port impact the traffic projected for Dili port?	The Suai port will be developed to support the oil and gas sector. No major implication is anticipated for the container business. Suai port will be a 4 phased development with container business to be introduced in the 3rd phase which will be around 2025. Around 9000 - 40,000 TEU's are expected to be lost from Tibar Bay to Suai port at that stage. However, the most conservative assumptions will be used for traffic forecasts for Tibar Bay when structuring the project.
9	How does the Government / IFC think of subsidizing the project if it is not profitable in the short term?	The Government is currently considering methods of funding the Project so that it is commercially viable as a PPP.
10	Are there any incentives provided to the investors/operator involved in this project (i.e. tax exemption etc.)?	The Private Investment Law N.º 14/2011, which discusses the benefits and incentives of fiscal and customs nature for investments, would apply to the Project.
11	What is the schedule for finishing the project?	It is expected that the concession agreement will be signed in early 2014 with construction to commence by January 2017.
12	What are the ownership rights to the land? Govt. or private individuals?	This work is in progress though the Government will be responsible for ensuring that land required for the Tibar Bay port is made available to the port developer/operator.
13	How will this project be dealt with under the recently promulgated Investment Law with the requirement that 75% of all businesses be nationally controlled?	This project will not fall under the Investment Law as it is a PPP project. It will however, have its own laws and regulations set out in a new PPP/Decree Law and these will be clearly set out in the concession agreement.

Tibar Bay - Technical Q&A

#	Question	Answer
1	Estimated area of sea (as shaded in green)	The entire bay has a water area of approximately 2 square kilometers. The planned harbor basin has a diameter of 600 meters; the access channel is 200 meters wide.
2	Estimated area of land (as shaded in red. Is this area part of the Tibar Bay Project?)	There are 7 alternative locations presently under discussion. Parts of red area are foreseen for some alternatives (not all). Generally port land area is proposed to be approximately 39 ha in the final stage of extension.
3	Draft of sea	Planned water depth of harbor and access channel is -15m CD.
4	Number of berths based on calculation	Number of berth depends on the type/size vessels calling. See Answer 5.
5	Estimated quay length	330 / 630 meters consecutive berth (Phasing still under discussion).
6	Soil test and condition	A geotechnical survey has been carried out recently, through a total of 17 boreholes. The boreholes are distributed across Tibar Bay, ten of them under water and the rest on land. Depth of drilling reached levels between 30 and 45m. The material found is the following: - carbonate silty fine to coarse sand with gravel, sand with silt, sand, gravel with silt and coral
		Concession period of 25 years commencing from start of project or start of port operations, Presently under discussion is 30 years from start of project (including construction)
		Access road from Dili is under consideration for upgrading and new alignment in parts. Electricity to be provided through national grid (to be improved).