

PORT PRIVATISATION:  
THE INTERNATIONAL EXPERIENCE

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## Port Privatisation: The International Experience

### Overview Of Presentation

- Privatisation: Political Agendas and Economic Objectives
- Different Privatisation Models
- BOT Project Structure
- Port Privatisation Players
- Queen Elizabeth Quay Project - Colombo

### Privatisation: Political Agendas and Economic Objectives

- No longer Tory mantra
- Government out of the business
- Redeployment of public sector capital
- Reduce public sector debt
- Shift capex responsibilities
- Gain operating efficiencies

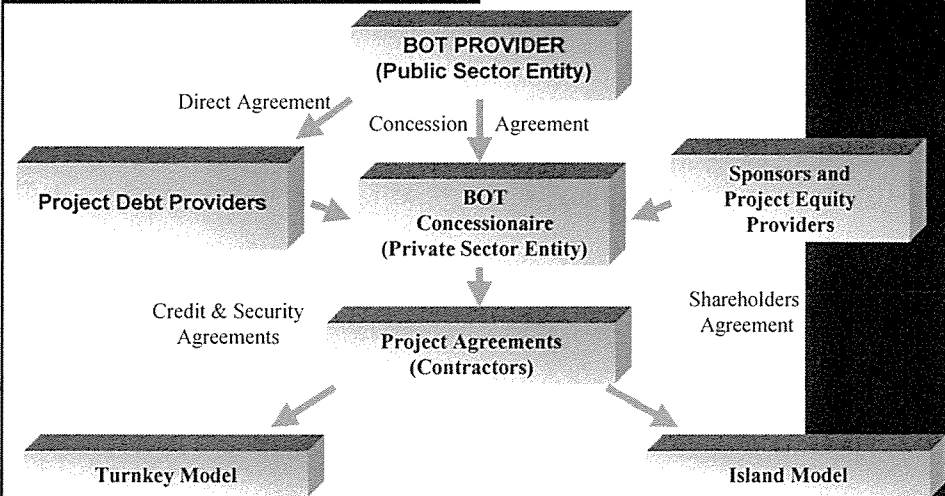
### Port Privatisation Models

- Outsourcing of Services
- Ownership Transfer
- Build Operate Transfer (BOT)

### Port Privatisation - Models

- Outsourcing of Services
  - Minimal Privatisation
  - Discrete services - stevedoring, towage, bunkering, maintenance etc
- Ownership Transfer
  - Absolute Privatisation
  - Sale of Victorian Regional Ports

### BOT Project Structure

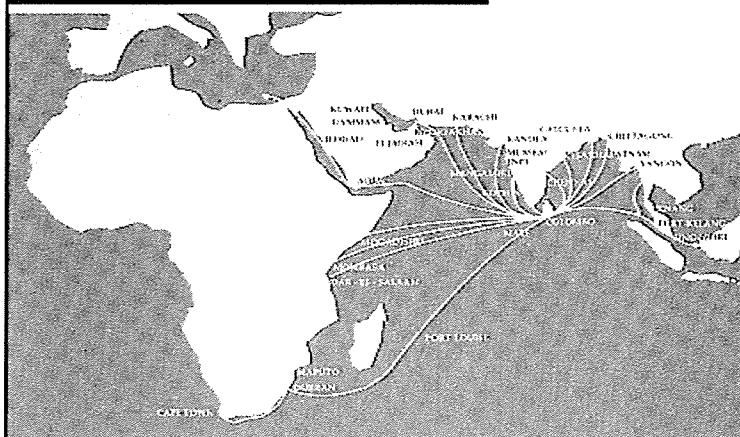




### Port Privatisation Players

EQUITY PROVIDERS	DEBT PROVIDERS	CONTRACT PARTIES
<ul style="list-style-type: none"> <li>➤ Shipping lines</li> <li>➤ Transport operators</li> <li>➤ Terminal operators</li> <li>➤ Infrastructure funds/financial investors</li> <li>➤ Port Authorities</li> </ul>	<ul style="list-style-type: none"> <li>➤ Multilaterals</li> <li>➤ Commercial Lenders                             <ul style="list-style-type: none"> <li>- Direct</li> <li>- B Loan</li> </ul> </li> <li>➤ Development Lenders and Aid Agencies</li> </ul>	<ul style="list-style-type: none"> <li>➤ EPC Contractors</li> <li>➤ Designers</li> <li>➤ Builders</li> <li>➤ Terminal Operators</li> <li>➤ Equipment Suppliers</li> <li>➤ Port Authorities</li> </ul>

### Sri Lanka and World Trade Routes



### Sri Lanka - Area of Detail



### Queen Elizabeth Quay Project

- Long term lease and concession (BOT)
- Concession signed August 1999/Funding achieved March 2000
- Approx. 1 km of new quay line
- 3 container berths
- 28 RTGs and 9 quay cranes
- 3½ year construction period
- USD 240M project costs - debt and equity

### Colombo Project Players

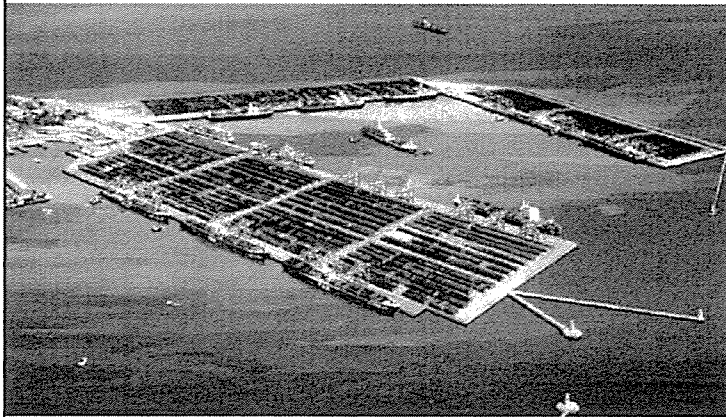
SPONSORS	EQUITY PROVIDERS	DEBT PROVIDERS
<i>John Keells</i> ➤ John Keells Group  ➤ P&O Group	<i>Lines</i> ➤ P&O Nedlloyd ➤ Evergreen  <i>Financiers</i> <i>11</i> ➤ ADB, IFC, CDC  <i>Government</i> ➤ SLPA <i>15</i>	➤ ADB  ➤ IFC  ➤ CDC  ➤ World Bank (PSIDC)

### Outer Harbour Project

- New breakwater - 3 km length *\$350m*
- 11 to 12 berths
- 17m dredged depth
- Mainline/deep draft vessels
- Integrated 7 berth terminal with QEQ
- Aid money - substantial total project cost

*2nd parallel  
 urban in Colombo*

Colombo - South Port When Completed



Conclusion

- Flexibility
- Right of commercial exploitation
- Right of ownership
- Flotation
- Hand back