



Sihanoukville Cruise Terminal Project

PRESENTATION BY THE CENTRAL PPP UNIT, MINISTRY OF ECONOMY AND FINANCE OF CAMBODIA

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Project Pipeline

No.	Project	Implementing Agency	Status	Indicative Cost
1	Phnom Penh-Sihanoukville Expressway	Ministry of Public Works and Transport	Contract signed, implementation	US\$1800 million
2	Sihanoukville Cruise Terminal	Sihanoukville Autonomous Port	Full feasibility study completed	US\$11-25 million
3	Phnom Penh Logistics Complex	Ministry of Public Works and Transport	Undergoing pre-feasibility study	TBD
4	Sihanoukville Logistics Complex	Ministry of Public Works and Transport	Undergoing pre-feasibility study	TBD
5	Stoeng Treng Airport Redevelopment	State Secretariat of Civil Aviation	Project Conceptualisation	TBD
6	Aeronautical Meteorological Centre	State Secretariat of Civil Aviation	Project Conceptualisation	TBD
7	Affordable Housing in Battambang and Poipet	Ministry of Land Management, Urban Planning and Construction	Project Conceptualisation	TBD

Project Background

- ▶ Cambodia's PPP Policy:
 - ▶ Introduce systematic management of PPP projects
 - ▶ Selection and preparation of pilot/demonstration projects
- ▶ Sihanoukville Cruise Terminal was selected as a pilot project and utilised Asian Development Bank technical assistance for conducting the Project Feasibility Study (FS) to see if it would be possible to take to market for bidding
- ▶ Sihanoukville is a coastal town in the south of Cambodia on the Gulf of Thailand, around 230 km from the capital city of Phnom Penh

Project Rationale

- ▶ Tourism is an important sector for development of the local economy and also contributes to poverty reduction efforts
- ▶ Improvement of tourism facilities or infrastructure is an important part of tourism sector development
- ▶ Sihanoukville Autonomous Port already has an old jetty that is used for berthing international cruise ships – 290m x 25m, can moor ships on both sides, is still in good condition and its life can be extended by up to 30 years by implementing a rehabilitation and maintenance plan
- ▶ The jetty has no on-shore facilities for reception and facilitation of passengers and there is no marketing of the jetty as the Port considers it a non-core activity
- ▶ Intervention is needed to make this jetty realise its potential to promote tourism sector development

Project Drivers

- ▶ Strong growth potential for cruise tourism in Asia
- ▶ Increase in cruise ship calls at Sihanoukville
- ▶ Cruise passengers tend to be families, are relatively wealthy and have strong spending power
- ▶ The improvement of the infrastructure and facilities will attract more cruise ships while at the same time signalling to tourism operators to develop more offerings for tourists in the area surrounding Sihanoukville
- ▶ Sihanoukville can be positioned as a rustic, traditional and cultural stopover that complements existing cruise itineraries

The Project

- ▶ Objectives:
 - ▶ Develop a cruise terminal that can safely, efficiently and comfortably berth international cruise ships and facilitate passenger disembarkation and onward travel arrangements
 - ▶ Increase number of cruise ships visiting Sihanoukville as a transit stop
 - ▶ Increase number of cruise passengers disembarking and going on short excursions
- ▶ To achieve these objectives, the selected Private Partner shall design, finance, construct, operate and maintain the old jetty along with associated tourism facilities under a Build-Operate-Transfer model over a 30-year concession period, including construction period

The Project (in more detail)

- ▶ Rehabilitation of old jetty and associated assets
- ▶ Construction of passenger terminal on the old jetty
- ▶ Construction of a passenger facilitation centre and waterfront real estate development on a small parcel of land and warehouses adjacent to the old jetty
- ▶ Operate and maintain the Project facilities
- ▶ Levy, collect and retain fees associated with usage of the terminal and also real estate linked fees
- ▶ Market the Project facilities to cruise line companies to attract cruise ships and cruise passengers
- ▶ Collaborate with local inbound tourism operators to create more tourism offerings for cruise passengers
- ▶ Share a percentage of gross revenue earned by the Private Partner with PAS
- ▶ Transfer the Project facility to PAS on completion of the concession period

Government Undertakings

- ▶ Handing over existing old jetty along with connecting bridge on an as-is-where-is condition to the Private Partner
- ▶ Allocating land and warehouses within the port area to the Private Partner for setting up passenger terminal and passenger facilitation centre
- ▶ Providing permissions and approvals for charging market linked user fees and real estate linked fees
- ▶ Providing nautical navigation services to incoming ships with fees payable to the port
- ▶ Provide support and facilitation for developing Sihanoukville as a cruise destination
- ▶ Oversee construction, monitor operations and maintenance by the Private Partner according to agreed Key Performance Indicators
- ▶ Takeover the Project on completion of the concession period

Project Feasibility

- ▶ A comprehensive FS was conducted covering all aspects relevant to PPP projects
- ▶ Estimated project cost is around US\$11 million but may be higher if larger amounts of real estate development by the Private Partner are undertaken
- ▶ The option of a phased-development approach is provided
- ▶ The conclusion of the FS is that the Project is feasible as a PPP project
- ▶ Relevant parts of the FS shall be made available to bidders during the procurement stage for preparation of their proposals

Challenges

- ▶ Sihanoukville does not yet have well developed tourism offerings whereas the Private Partner will be required to take on demand risk
- ▶ Sihanoukville Autonomous Port, together with the Ministry of Tourism, will support the promotion of Sihanoukville as a tourist destination
- ▶ There is a trend in the cruise industry towards larger and larger ships
- ▶ This can somewhat be addressed through the upgrade of bollards and fenders along with installation of a mooring dolphin
- ▶ The Private Partner may extend the length of the Port if needed

Next Steps and Timeline

- ▶ The Project will be submitted to the Inter-Ministerial Committee on PPP Projects for their consideration of Project Approval by September 2019
- ▶ Upon Project Approval, the procurement procedures will start in order to select the Private Partner
- ▶ Procurement procedures will follow the new Procurement Manual that has been developed under Asian Development Bank technical assistance
- ▶ Upon selection of the Private Partner, negotiations will begin with a view to finalising and signing the Concession Agreement by June 2020
- ▶ Construction is expected to start in January 2021 and take 12 months

Contact Details

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