

Ministry of Ports & Shipping Gwadar Port Authority



Gwadar Port & CPEC

A Presentation to Parliamentary Committee on CPEC
28th November 2015
Gwadar

Sequence of Presentation

- Introduction of Gwadar Port
- Gwadar Port Related Projects

Gwadar Port Authority

- **GPA established under GPA Ordinance 2002**
- **GPA's mandate is making arrangements for the planning, construction, operations, management and maintenance of Gwadar Deep Water Port at Gwadar**
- **GPA Management Board consists of Chairman and 9 members**
- **GPA Chairman also acts as Chairman of the Board**

Gwadar Port Authority

- **A 50-year Port Master Plan was approved for Gwadar Port in 2006 for operation, management, and further development**
- **Based on the Master Plan, the operations of the Port were assigned to a Port Operator (PSAI) after ICB under a Concession Agreement for 40 years during 2007**
- **Concession rights were transferred to COPHC in 2013**

New Silk Road Economic Belt & 21st Century Maritime Silk Road: One Belt One Road



Goal and Targets

Major functions of Gwadar Port



Handling, storage, transit, transshipment



Multimodal transport, Transport management



Shipping services



Free Zone function



Port industrial function



Commercial services

Multipurpose Terminal Phase – I

Completed (April, 2005)

- **3 multi-purpose berths, 200m each**
- **1 RORO Facility**
- **1 Service Berth Length 100 m.**
- **4.7 Km approach channel; width 206-155 m**
- **Turning Basin 595 m in diameter 50,000 DWT Vessels**
- **Channel & berth-side depth 14.5 m.**

Phase-II sites may go upto 20 m deep.

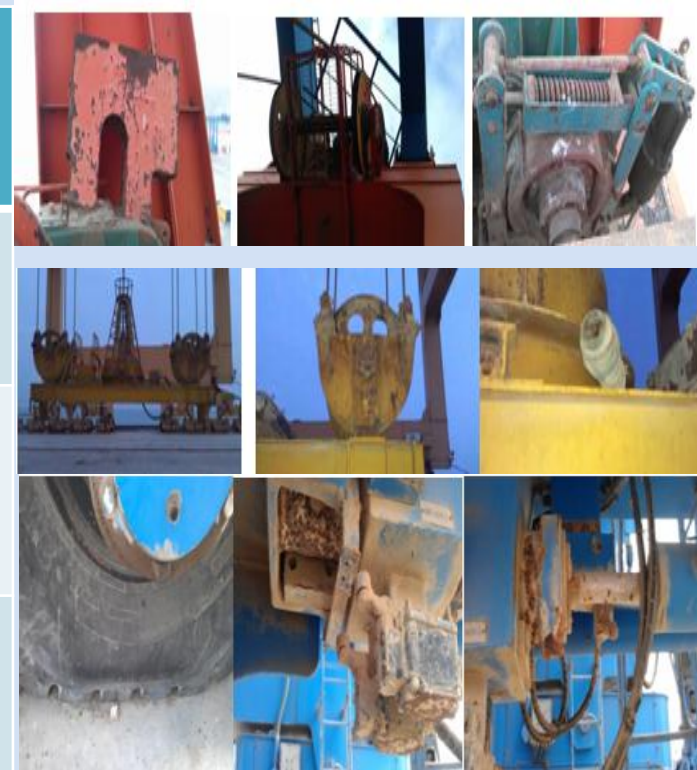
Port Area

- Existing MPT &
Future Expansion : 158 acres
- Mullaband (CFS) : 69 acres
- Fish Harbour : 31 acres
- Free Zone : 2281 acres
- Total : 2539 acres (1,028 ha)**

Handling Capacity of Existing Port Facilities

Design handling capacity of berths

	Cargo Type	Design handling capacity
1	Container	137,000 TEU / year
2	General cargo	304,000 ton / year
3	Bulk cargo	564,000 ton / year



Cargo Handling Since 2008



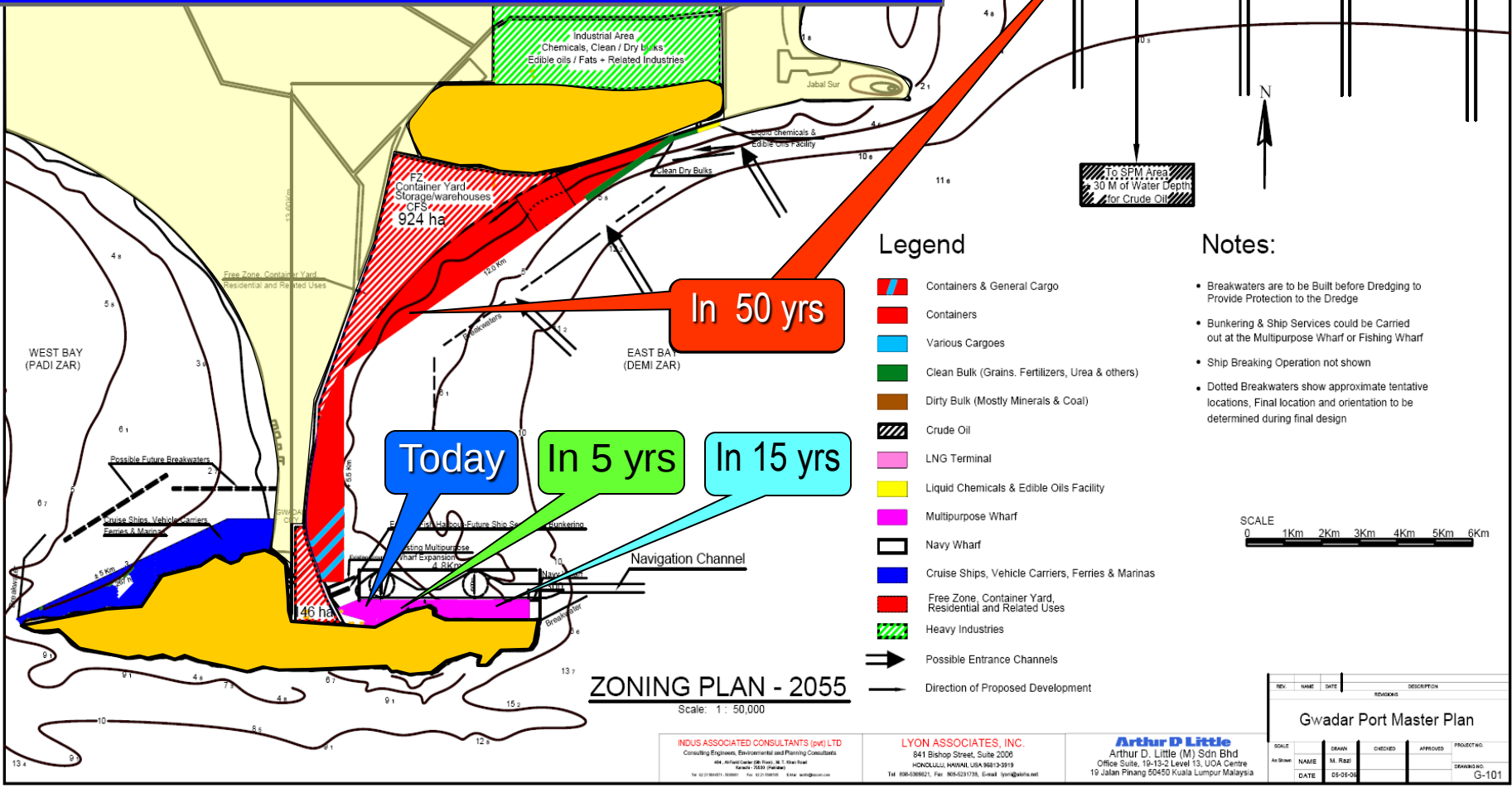
- Urea Ships 150 tons = 5.4 M

- Wheat 26 =

963 609 140 tons



- Channel depth 20 m
- >80 berths of various categories
- Container, RORO, Clean & Dirty Bulk, Oil, LNG and Liner/Ferry terminals
- Off-Shore Oil Loading/Unloading



Transfer of Concession Rights

- **Gwadar Port Operations were handed over to China Overseas Ports Holdings Limited through an Assignment & Transfer Agreement in May 2013 from Port of Singapore Authority. The CA covers following broader areas:**
 - 1. Multi-purpose terminals (Phase-I & Expansion i.e, Phase-II)**
 - 2. Container terminals (Initial & Expansion)**
 - 3. Marine Services**
 - 4. Free Zone Area**

Extent of Concession

- Entire existing terminal has been handed over to the Concession Holder for 40 yrs: all port mobile & immobile, afloat & ashore assets, superstructures, infrastructures & systems
- Development and expansion works at CT & MPT sites
- 2282 acres of land to Free Zone Company on 43-yrs lease
- Freedom of operation and remittances

Tax Exemptions to Concession Holder

Exemption from:

- **Corporate income tax for 23 years**
- **Income tax on interest income of loans acquired**
- **Stamp duties on loans acquired**
- **23 years tax holiday: all federal, provincial and local taxes, charges and levies**
- **Import duties and sales tax on all imports for materials / equipment required for construction / expansion and operations of Port for 40 years**
- **Duties on ship bunkers oils**

Gwadar CPEC Projects

CPEC Projects

- **Gwadar has been considered as one of the Pivotal Points & Gwadar Port as Gateway of CPEC**
- **Ten (10) projects were approved by 2nd JCC (Feb 2014) as first stage EHPs, five (5) more projects have been considered as second phase EHPs by 5th JCC (Nov 2015)**
- **Tentative cost for all is over US\$ 2.500 billion**
- **The completion time line is within the EHP, i.e. 3-5 years**

Gwadar Port CPEC Projects

- **First Stage EHPs**
 1. **East Bay Expressway**
 2. **Free Zone Phase-I**
 3. **Pak-China Vocational & Technical Training Institute**
 4. **Development of Port Related Infrastructure at Mullahband Area**
 5. **Up-grading GPA Housing Complex**
 6. **Construction of LNG Terminal**
- **Second Stage EHPs**
 1. **East Bay Expressway Phase-II**
 2. **Expansion of Multipurpose Terminal**
 3. **Free Zone Phase-II**

Construction of Expressway on East Bay of Gwadar Port

- **Type:**
6-lane (Embankment) 04 Lane road at initial stage plus double track railway
- **Length:** 18.9 km
 - Off Shore (Coastline): 4.3 km
 - On Shore: 14.6km
- **Bridge:** 01
- **Box Culverts:** 51
- **Cattle Creeps:** 02
- **Pedestrian Bridges:** 02

General Layout Of Eastbay Expressway



Project Approval & Funding Modality

- **The Executive Committee of the National Economic Council (ECNEC) the project at the Cost of Rs. 14,062 Million.**
 - **FEC Rs. 13,543 Million**
 - **Local Rs. 520 Million**
- **Funding source is 100% interest free loan from Chinese Government**

Implementation Modality

- **During the Chinese President's visit of Pakistan on 20th April 2015 a Framework Agreement was signed between Government of Islamic Republic of Pakistan and Peoples Republic of China**
- **As per Framework Agreement Chinese Government nominated 03 Construction Companies in June 2015, to bid for the project**
- **Bid document issued to bidders in July 2015**
- **The work will be awarded through competitive bidding between Chinese Companies**

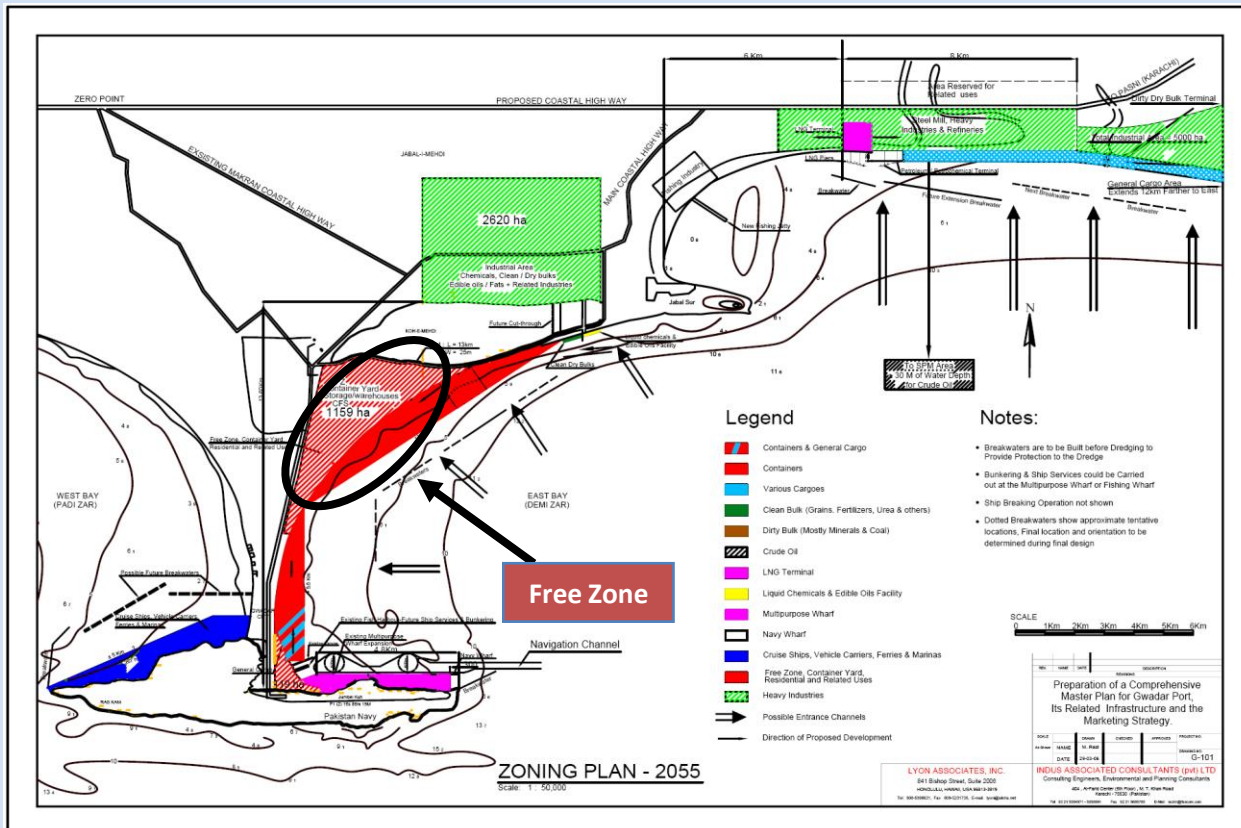
Gwadar Port Free Zone



Gwadar Port Free Zone:

located near the port terminals, the coastal express way, the railway yard, Makran Coastal Highway & NGIA

- Area is reserved for industries or businesses which would like to benefit from the tax exemption that is typical of these zones. Regime package will be competitive with international standards (e.g. Jebel Ali, Salala, Chahbahar)



- The Gwadar Port FZ is located on land immediately to the south of Koh-e-Mehdi on the shoreline of the East Bay
- Sufficient land area exists further north of this location
- It is adjacent to container terminals in the area
- It is also convenient in terms of land access and rail marshaling and inter-modal facilities being proposed

巴基斯坦政府为吸引外资，针对特别经济区、出口加工区出台了一系列优惠政策。瓜达尔自由区将享受更为优惠的政策条件，主要包括：所有税种免税期的延长、政府一站式服务、中巴口岸通关的便利性等。

目前，瓜达尔正准备开展疏港路（东湾快速路）、内陆腹地联系路网、新国际机场、燃煤电厂、供水和污水处理、LNG码头和管道、技术培训学校等设施的建设工作。

In order to attract foreign investment, Pakistan Government has carried out a series of preferential policies for the Special Economic Zone and Export Processing Zone. Gwadar Free Zone will enjoy even more policy privileges which may include but not limited to: extension of all types of tax exemption periods, One-stop Service and convenient customs clearance. Currently, Gwadar is preparing for the construction of East-bay Expressway, Hinterland Road Network Connectivity, New Gwadar International Airport, 300 MW Coal-based Power Plant, Fresh Water Treatment, Water Supply and Distribution Facilities, LNG Terminal & Pipeline, and Pak-China Technical & Vocational Institute, etc.



鸟瞰效果图 Airscape

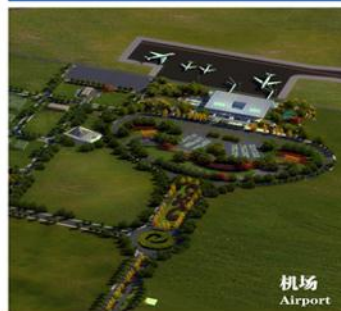


分期建设规划图 Phasing Planning



一期工程总体平面布置图 Phase I General Plan

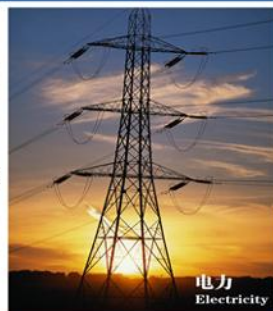
巴基斯坦瓜达尔自由区 Pakistan Gwadar Free Zone



机场
Airport



道路
Road



电力
Electricity



Gwadar Port Free Zone: facilitate trade, logistic chain for shippers and light manufacturing

Definition

- Typically a warehouse and value addition area often adjacent to the port
- Facilitator of trade and imports

Activities

- Activities such as:
 - Warehousing
 - Container Freight Station
 - Re-packaging
 - Processing plants
 - Light manufacturing
 - Assembling
 - etc.

Regime

- Duty free
- Free from customs interrogation
- Tax free (Tax only on the goods sold in the local market or goods coming in from the local market)
- General regulations by the Owner
- BOT model
- Operated by an experienced operator

Success Factors

- Facilitation in storage of cargo without paying duties
- Light manufacturing which helps in boosting manufacturing/assembling products with minimum cost
- Contributing to local economy as engine of Industrial growth
- Assisting in port productivity

Incentives offered to the investors in FZ

Taxes	Duties	Repatriation	Foreign Investment
■ No corporate income tax for 23 years ■ Reduced corporate income tax by 50% for 10 years after 23 years of tax break (Proposed)	■ 100% exemption of customs duties on Import and exports of commodities and finished products for the purpose of export and re-export ■ No duties on machinery and raw material used in production	■ Full repatriation of profits ■ Full repatriation of capital	100% foreign ownership allowed

General specifications

- Total area earmarked initially 923 ha
- Development in 3 stages
- Subsequent further development is possible, up to 1600 ha
- Immediately adjacent and directly connected with the container terminals

Facilities

- Access and internal roads, normal range of modern infrastructure
- Residential areas, primarily meant for executives working for terminal operators and other industries
- Commercial and office buildings, meant for business linked to the FZ and the container terminals
- Standard factory buildings for FZ companies: packaging, storage, distribution etc.
- Common warehousing, including cool rooms and cold rooms
- Custom-made factories and warehousing, distribution centers
- CFS facilities. These should be located close to the container terminals themselves, to reduce logistics costs
- Container storage yards (primarily for high value containers and reefers)
- Common facilities: roads, mosque, canteens etc.

The total cost of FZ development is estimated at about US\$ 1.0 bn, jointly borne by the main developer, sub-developers and investors

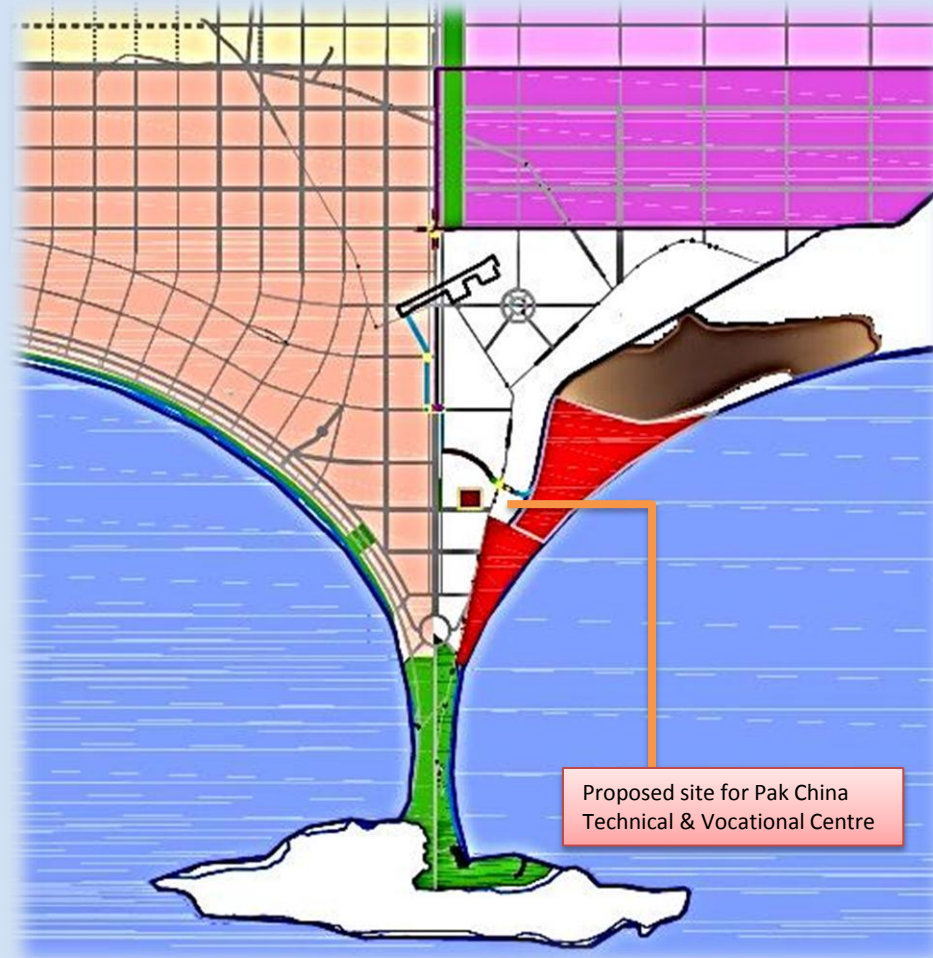
Sub-Area	%
Residential	0.1
Common infrastructure	0.1
Commercial, office buildings etc.	0.1
Standard factory buildings, including CFS facilities	0.3
Common warehousing, various kinds (incl cool and cold rooms)	0.1
Custom-made factories and warehouses	0.2
Container storage yards	0.1
Total	1.0

Current Updates

- **GoP provided US \$ 64.85 million for purchase of land**
- **With this amount the entire land as spelled-out in the CA (923 ha.) is available to GPA**
- **Legal and approval procedures have been completed**
- **Lease Deed signed between GPA & GFZC/COPHCL**
- **Around 30% of the land transferred to COPHCL for starting the internal development and allotments during the First Phase**
- **Construction work in the Initial FZ Project is scheduled for January 2016**

Pakistan-China Technical & Vocational Institute

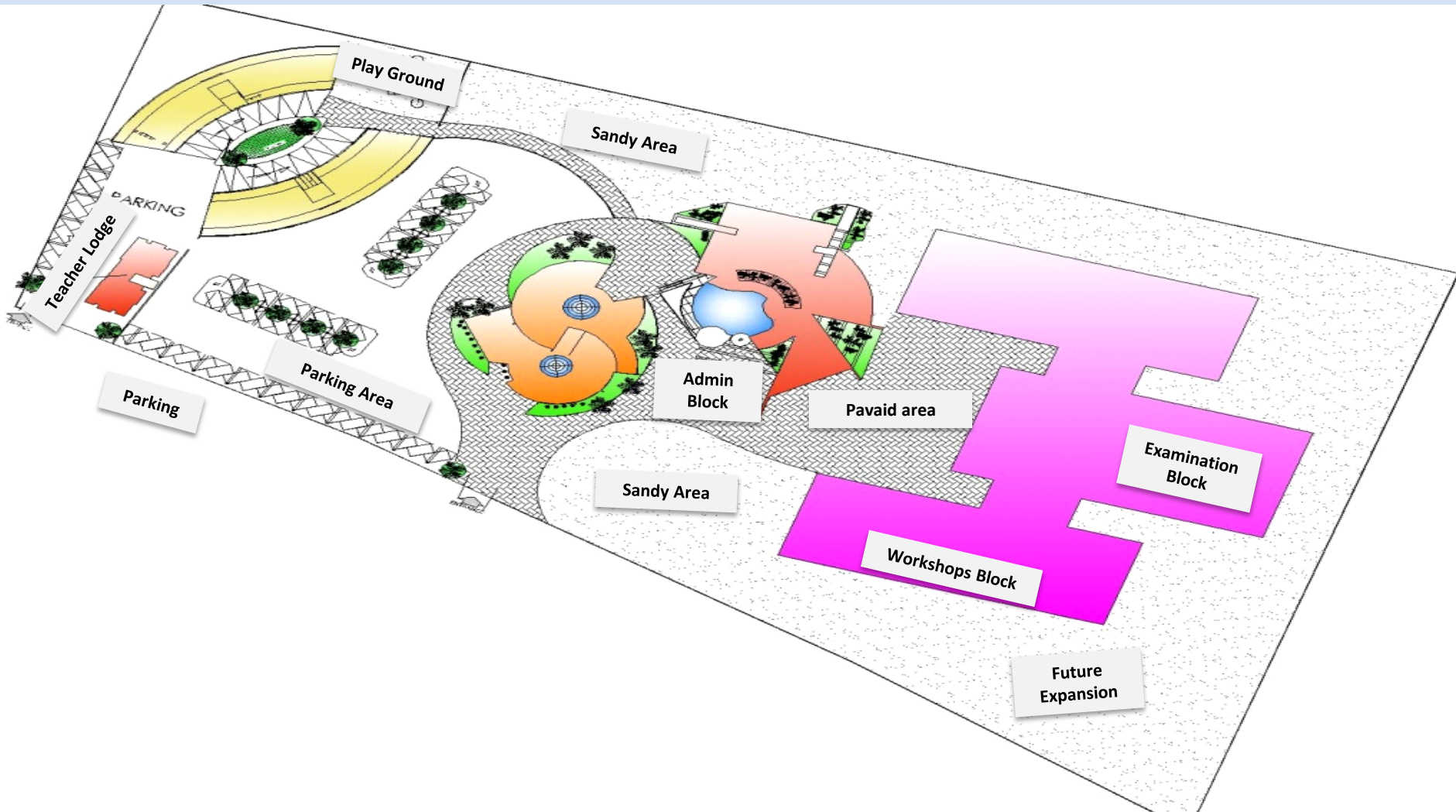
- Caters for the future requirements of technical manpower within industrial and Port related fields
- The project comprises following structures:
 - Main Building for Class Rooms, Admin Block, Workshops; Labs, Hostels, Examination Block, Teacher's Lodge, Parking Area.
- Completion Period 02 years.
- Approved by CDWP, in principle
- Funding: Chinese Grant



Trades / Technologies

1. **Container Terminal System**
2. **Port Supervision**
3. **Truck & Cranes System**
4. **Mechanical**
5. **Port Equipment**
6. **Electronics**
7. **Environmental**
8. **Civil**
9. **Electrical**
10. **Other Trades**

General Lay-out Design



Port Allied Infrastructure at Mullahband



1 EXISTING PORT OPERATIONS

2 CHINESE CONCESSION AREA (DISPLAY CENTERS)

3 PROPOSED 75 M. EAST BAY EXPRESSWAY

6 LAND TO BE ACQUIRED FOR PORT EXTENSION

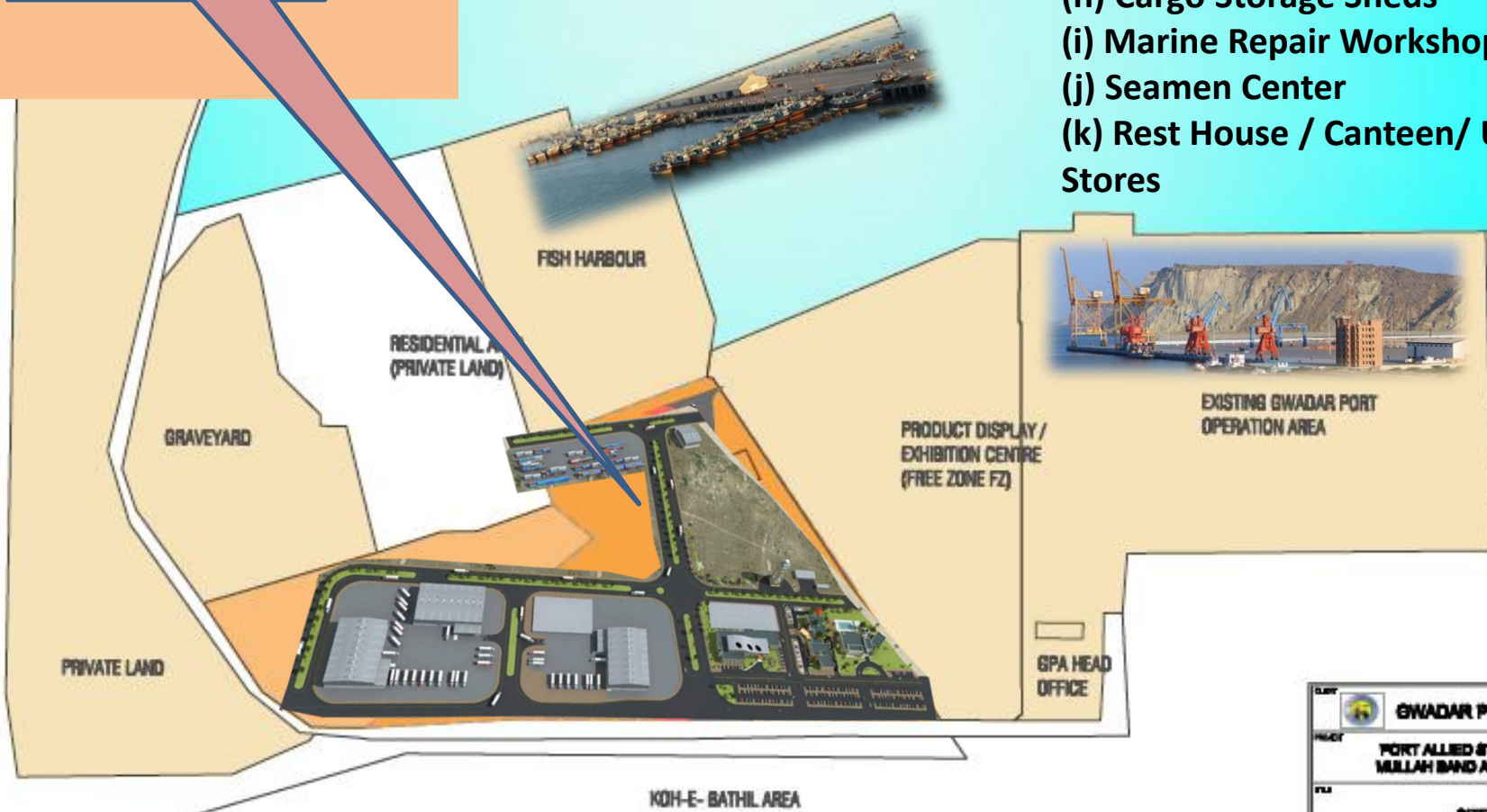
7 EXISTING GRAVE YARD

8 EXISTING FISH JETTY

Following port related activities are proposed to be developed:

- (a) Bank Branches
- (b) Stevedores Offices
- (c) Agency Offices
- (d) Custom Clearing Agents
- (e) Containers Freight Stations
- (f) Container Repair / Testing Yard
- (g) Cold Storage
- (h) Cargo Storage Sheds
- (i) Marine Repair Workshop
- (j) Seamen Center
- (k) Rest House / Canteen/ Utility Stores

69 acres of land
Mullah Band Area
for further
development





VIEW - 1



Commercial Complex I:

Reserved for Banks
 offices of Stevedores, Custom
 Clearing Agent, Agency Offices,
 Port Health Office, Mercantile main
 department and office for
 Security with CC TV System, Cafeteria
 with Kitchen and Store.





Commercial Complex II:
Guest House,
Mart and
Cafeteria.



Cargo Storage Sheds

Cold Storage Sheds
office/kitchen/toilets

Container Repair Sheds

Marine Repair Sheds

The above Pre-Fabricated
Structures will be of Steel and
the foundation
works is of Concrete.



Seamen Center

**Guest Rooms, Admin office,
Cafeteria, Kitchen, Store,
Shopping area, Staircase,
Generator Room also having
Swimming Pool, Changing Room,
Open Air Sitting Area, all ancillary
spaces & fire escape.**



Up-gradation of GPA Housing Complex: Location of the Site



Gwadar Port Housing Complex Master Plan

MASTER PLAN G.P.A. HOUSING COMPLEX



Components of the Project:

S#	Name of Component	Approximate Area
01	Additional Residential blocks	100 x 40 (G+2) 04 units
02	GPA House / Chairman House	6,000 sq.ft
03	Construction of Parking Sheds	70 x 20 (05 units)
04	Boundary wall renovation / rehabilitation	6,200 R.ft.
05	Store Shed for departmental use	160 x 70 Dadex Sheet
06	Mosque boundary wall, paving etc	500 R.ft.
07	Football ground and Sports Complex	310 x 280 = 86,800 sq.ft
08	Community Centre	13,868 sq.ft
09	Rehabilitation of internal roads	8,000 R.ft.
10	Commercial Centre	16794 sq.ft

11	Dispensary	40 x 60 = 2,400 sq.ft
12	Waste Water Treatment Plant	200 x 120 = 24,000 sq.ft
13	Water Supply + Filtering System	Overall Housing Complex
14	Walking Track	6,200 R.ft.
15	Primary School	100 x 100 = 10,000 sq.ft.
16	External development and landscaping	As per site requirement
17	Establishment of laboratory at Desalination Plant	As per site requirement

LNG Terminal Project at Gwadar Port



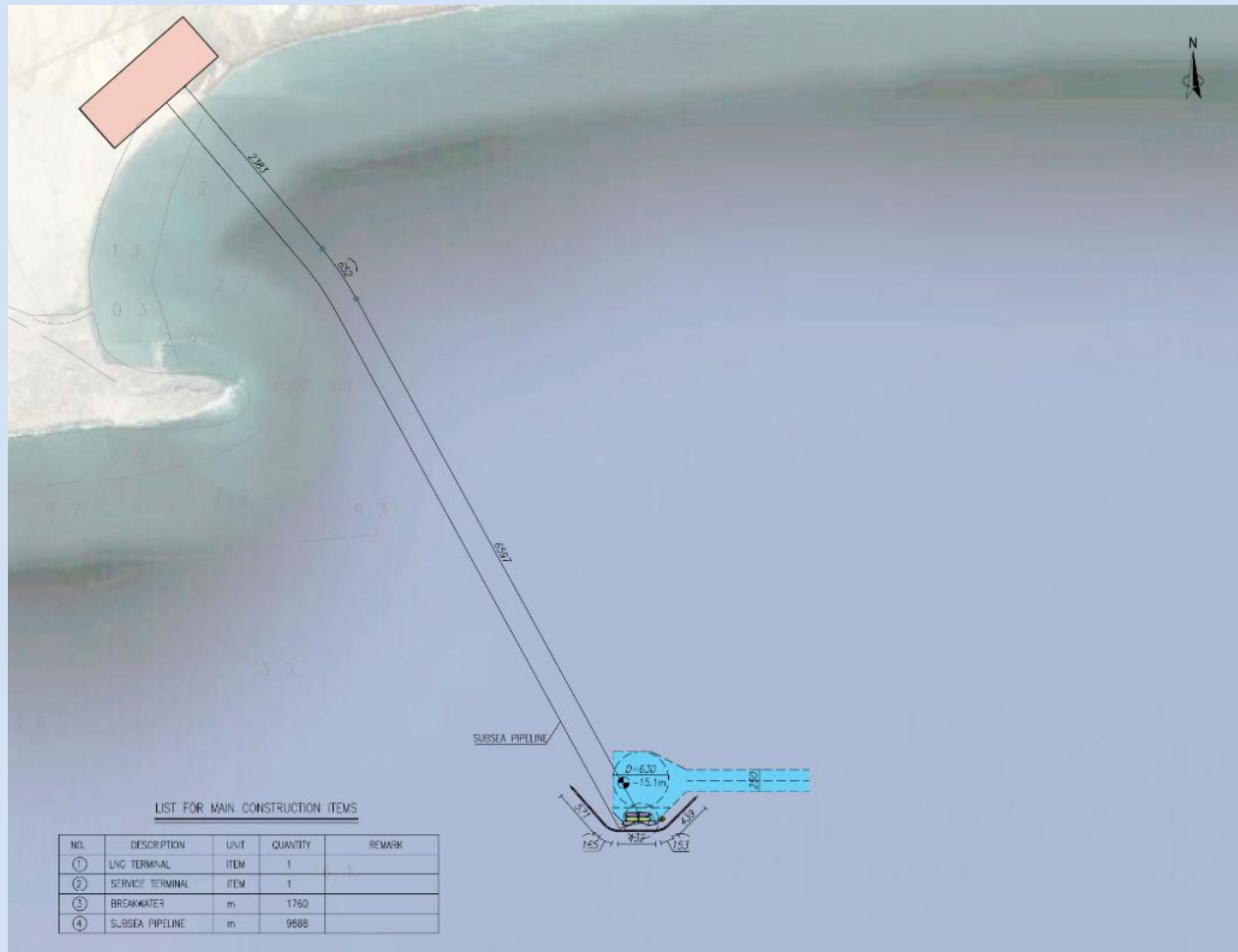


The proposed LNG Terminal is Located at

25°15'11.6"N
62°28'5.73"E

General Layout of FSRU

FSRU Terminal with 10km Subsea Pipe



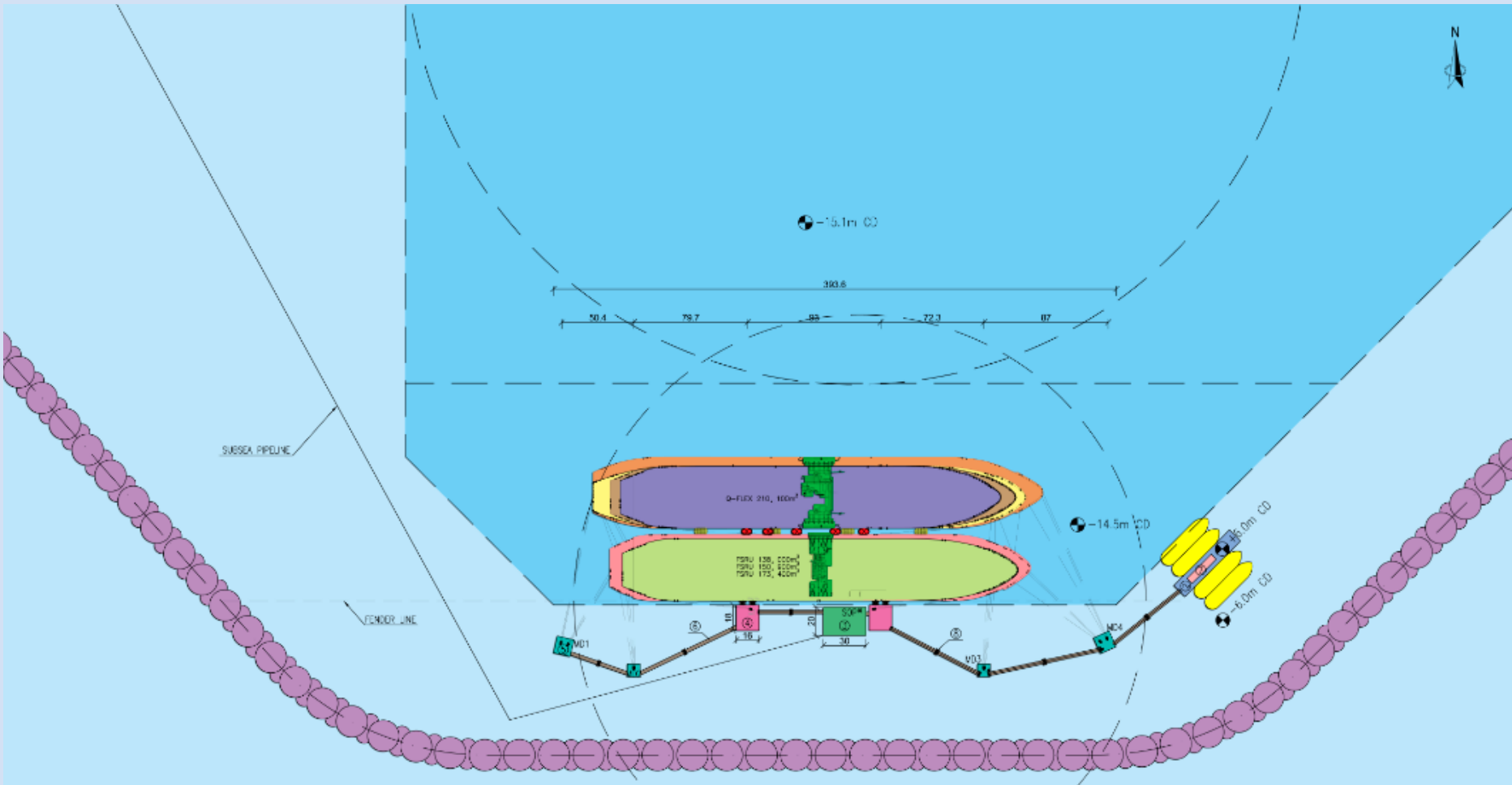
Main Construction Items

- 1) Jetty(Working Platform 30mX20m)
- 2) Service Terminal
- 4) Breakwater(1760m)
- 5) Land Area(100ha.)
- 6) Utilities and Services
- 7) Subsea Pipe (10km)

General Layout of FSRU Terminal with Subsea Pipe

General Layout of FSRU

FSRU Terminal with Subsea Pipe



Terminal Layout of FSRU Terminal with Trestle

Issues Hampering Take Off of Gwadar Port

- **Low number of ship-calls** : Government imports+ Afghan Transit Trade+ Trade with Iran and beyond through Gbad
- **Hinterland connectivity**: Gwadar-Helmand Road/Railway
- **Power deficiency**: Early implementation of 100 MW electricity from Iran+ Way forward on 300 MW Coal Power Plant
- **Water deficiency**: Way forward on CPEC water project
- **Security**: Expeditious approval of Gwadar Security/Safe-city Project



THANKS!