

Ports and Aviation

Current Developments

Ports and aviation sector has been identified as a key sector for economic development of Sri Lanka and therefore development of ports and aviation infrastructure has been assigned high priority during the period between 2005 and 2010. The total commitment during this period for ports and aviation sector was USD 1,125 million. China, Asian Development Bank (ADB), Japan and Denmark were the major donors who made this commitment for development of ports and aviation infrastructure in Sri Lanka. Of this total China made the highest commitment of USD 306.7 million for the construction of Magampura Port – Phase I in 2007. The following were the key projects which were implemented in 2010.

Magampura Port Development Project – Phase I

The Magampura Port Development project is a flagship project in the development program of the country. The project includes two Phases. Phase 1 of the project commenced in 2008 and the filling of the harbor basin was completed. The Phase 1 of the project consists of construction of East breakwater (315m length) and West breakwater (950m length), two berths with total length of 600m, a marine structure to accommodate 100,000DWT container vessels and 1km length approach channel with 210m width and 16m depth. 90 percent of the project work was completed by the end of 2010. The total cost of the Phase I was estimated at around USD 360.8 million of which USD 306.7 million has been provided by the EXIM Bank of China and the balance USD 54.1 million has been financed by the Sri Lanka Ports Authority.

The total estimated cost of the Phase II of the project is USD 826 million and negotiations with the EXIM Bank of China are currently underway for financing the Phase II.

Bunkering Facility and Tank Farm in Magampura Port

Bunkering Facility and Tank Farm are also established in Magampura Port as an integral part of the Port Development under this project. This will provide facilities to supply and store marine fuel, aviation fuel and LP gas and bunkering services for the vessels passing by Sri Lanka. The main components of the project are construction of a bulk storage tank farm with a capacity of 80,000 cubic meters with mixing facilities of fuel oil, connection of pipe lines from tank farm to the oil terminal, loading/unloading facilities and other service connections. At the end of 2010, project works including back filling 100 percent, piling 86 percent, base concrete 80 percent and tank erection 38 percent were completed. The overall progress of the project in 2010 was 60 percent. The project is to be completed by October 2011.

The total cost of the project is USD 76.58 million and 85% of the cost is financed with a loan of USD 65.1 million from the EXIM Bank of China.

Colombo Port Expansion Project

The proposed Colombo South Harbour will be located west of the present south west Breakwater in an area of approximately 600 hectares. The proposed harbour will have 4 terminals of over 1,200m in length each to accommodate 3 berths alongside depths of 18m and provision to deepen to 23m to accommodate deeper draft vessels in the future. The channel width of the harbour is to be 560m and depth of 20m, with harbour basin depth of 18m and a 600m turning circle.

The ADB has provided a Loan amounting to USD 300 million for the implementation of this project. These funds have been utilized for dredging the approach channel and inner harbor west of the existing harbor, constructing a breakwater to the west of the existing harbor, relocating the existing submarine oil pipe line near the entrance to the new terminal, establishing a new marine operations centre providing navigational aid, and constructing shore utilities. At the end of

2010, 95 percent of submarine pipeline and 48 percent of Breakwater were completed.

The development of Phase-1 of the Colombo South Harbour is to be carried out in two stages. The first stage of development of infrastructure is with public funds using ADB loan of USD 300 million and the stage two is the construction of terminal facilities with private sector participation.

In addition, construction of the Olivil Port and Galle Tourist Port Development Project are being in progress. Further, HSBC UK provided US\$ 35 million for emergency purchase of Container Handling Equipment for Jaya Terminal in 2010. Total disbursement from foreign loans for ports development in 2010 was USD 268.1 million. Out of the total disbursement, USD 114.97 million was made by China for Magampura Port Development Project in 2010.

Mattala Hambantota International Airport

The construction of a new International Airport at Mattala commenced in 2010 with financial assistance from the Government of China. The Government of China committed a concessional loan of USD 190 million for the construction of International Airport at Mattala in March 2010. The main objective of construction of the International Airport is to develop an alternative international airport for the Bandaranaike International Airport. The project includes construction of a 4km long runway, parking apron, a taxiway connecting the runway and the apron, terminal building, cargo storage, fuel farm and fire service building. At the end of 2010, conceptual and preliminary designs were completed and detailed design is in progress. 90% of earthwork for runway is completed. In 2010, US\$ 48.85 million was disbursed for the construction of Mattala Hambantota International Airport project. The International Airport at Mattala is expected to commission by mid 2012.

Table 3.16 Disbursements of Ongoing Ports and Aviation Development Projects

Projects	Donor	Loan Amount (USD Million)	Total Disbursements as at 31/12/2010 (USD Million)	Disbursements in the year 2010 (USD Million)
Ports Development Magampura Port Development	China	306.7	269.0	114.97
Oluvil Port	Denmark	63.0	33.8	19.0
Colombo Port Expansion Project	ADB	300.0	164.2	72.3
Bunkering Facilities and Tank Farm in Magampura Port	China	65.0	26.8	26.8
Emergency purchase of Container Handling equipment – Jaya Terminal	HSBC (UK)	35.0	35.0	35.0
Galle Port Development Project (I)	Japan	124.1	3.6	0
Aviation Development Mattala Hambantota International Airport project	China	190	48.85	48.85
Total		1,083.8	581.25	316.92

