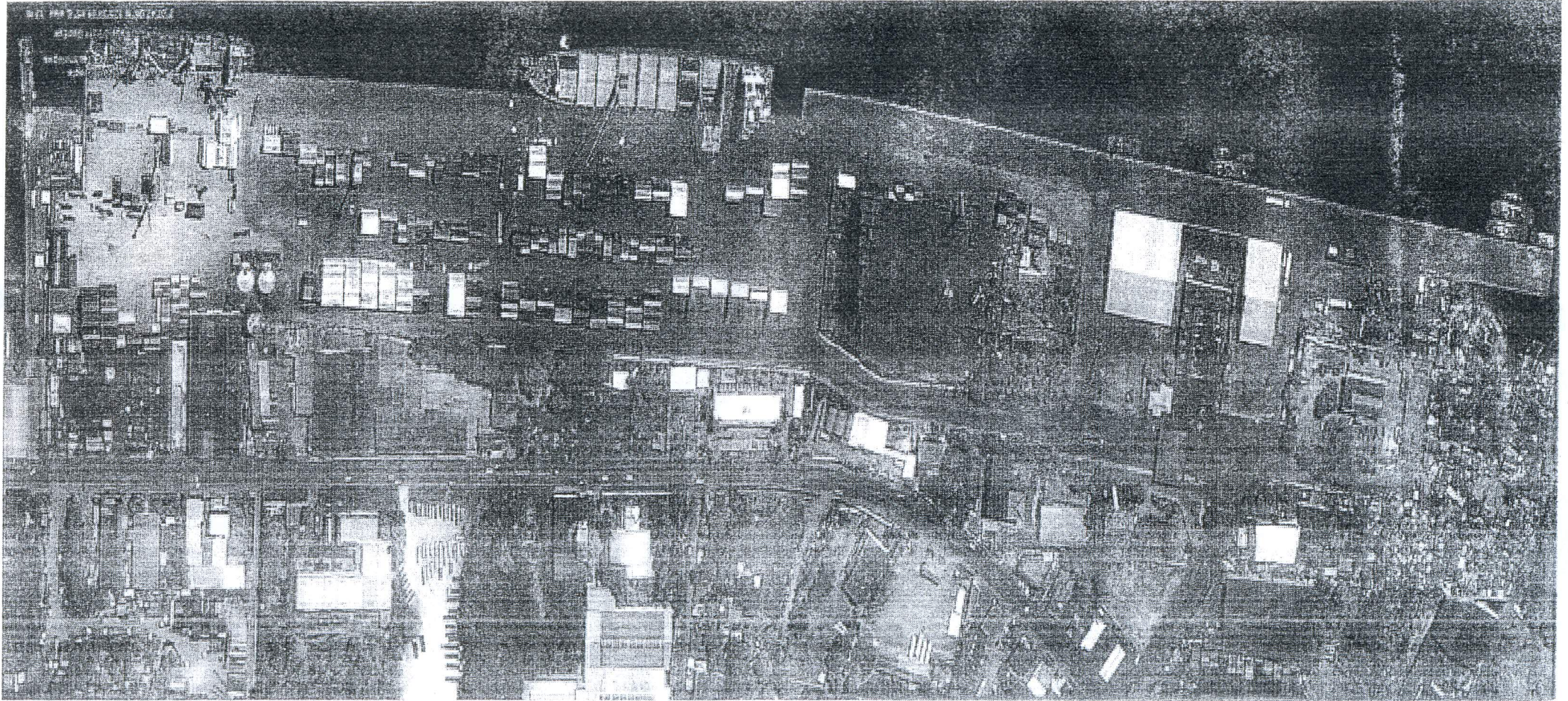


# REVISED DEVELOPMENT PLAN PORT OF DAVAO (October 19, 2011)





**CONSIDERATIONS FOR THE PROPOSED NEW DEVELOPMENT PLAN  
FOR DAVAO-Sasa Port (from Php6.65 B to Php 3.98 B)**

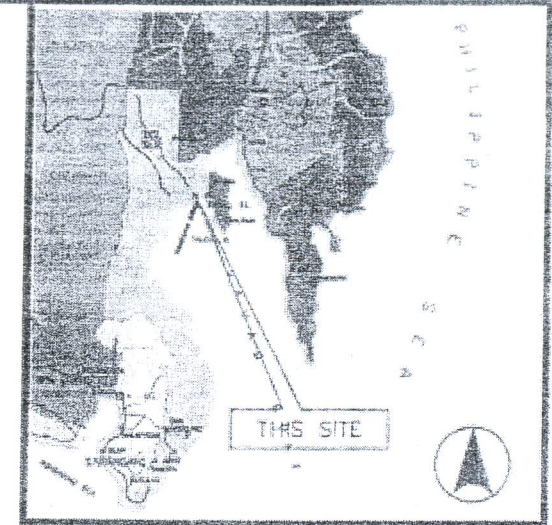
Global Developments	Global events such as those in Europe, Japan and Middle East have dampened demand and also the country's economic growth rate has been lowered (from 8.0% to 4.5%)
Private ports gearing up to make their ports container-ready provided they are authorized to do commercial operations	Concrete negotiations/works are underway for TADECO & Hijo Plantation, Inc. to refit existing ports & make them container ready prompting PPA to scale down development plan
Other alternative development plans are admittedly very costly	Other development scenarios which will entail reclamation or redevelopment of usable berths for ship's gear operation will entail high cost not attractive to private investors.

Strengthening of Berths 1&2	: 180 x 3.73 x 2 = Php1,342.8 M
Development of Container Yard 3	: 20,672 x 4,400 x 1.02 x 1.135 = Php1 05.30 M
Demolition of Existing Building	: 25,000 x 1,000 x 1.02 x 1.135 = Php28.94M
Development of Container Yard	: 46,565 x 4,400 x 1.02 x 1.135 = Php237.2M
Reefer Outlets (300)	: Php100M

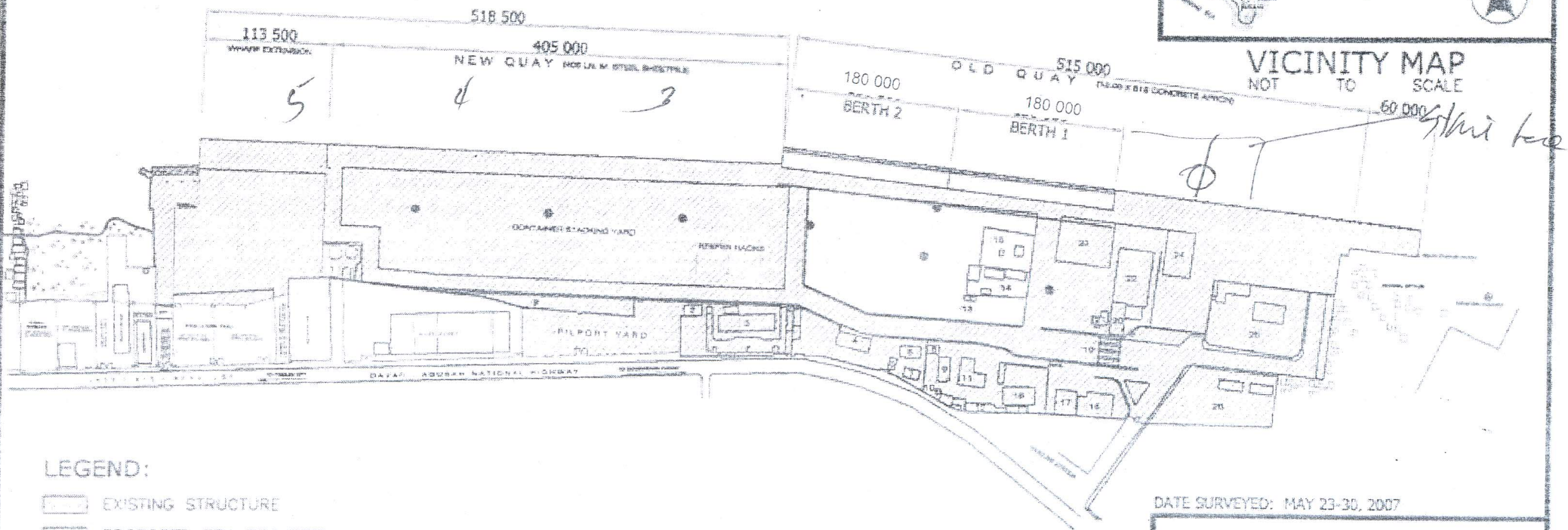
Supply and Installation of Gantry Cranes: 4x 387= Php1,548M  
 Supply and Installation of RTGs :8 x 77= Php616M

**TOTAL COST = Php3,977M or Php3.98B**

**PAKIPUTAN STRAIT**



**VICINITY MAP**  
 NOT TO SCALE



**LEGEND:**

EXISTING STRUCTURE  
 PROPOSED PPA PROJECTS

DATE SURVEYED: MAY 23-30, 2007

**PHILIPPINE PORTS AUTHORITY**  
 PROJECT DEVELOPMENT DEPARTMENT  
 DEVELOPMENT PLAN

**PORT OF DAVAO**  
 KM 10, SASA, DAVAO CITY

SCALE: 1:5000



## NEW FORECAST - TEUs *- Twenty-foot Equivalent Units*

	TEUs 14.25%- 12.07% 2012- 2015; Declining onwards	Existing Capacity	Addl Capacity Required
2010	525,000	700,000	(175,000)
2011	600,000	700,000	(80,000)
2012	685,000	700,000	(15,000)
2013	780,000	700,000	80,000
2014	879,000	1,000,000	(121,000)
2015	986,000	1,000,000	(14,000)
Max. yard capacity reached			
2016	1,099,000	1,000,000	99,000
2017	1,218,000	1,000,000	218,000
2018	1,345,000	1,000,000	345,000
2019	1,479,000	1,000,000	479,000
2020	1,621,000	1,000,000	621,000

INVESTMENTS IN NEW INFRA/EQPT			
New Container Berths Required (cumula- tive)	Quay Cranes Required (Cumula- tive)	RTGs Required (Cumula- tive)	New Capacity (cumula- tive)
-	-		
-	-		
-	-	-	
-	-	-	
1	2	4	300,000
2	4	8	600,000
2	4	8	600,000
2	4	8	600,000
2	4	8	600,000
2	4	8	600,000
2	4	8	600,000

1/ Existing capacity using ship's gears is up to 700,000 TEUs.

2/ Estimated crane readiness of Sasa Port begins only in 2014 (for Berth 2) and 2015 (for Berth 1).

3/ Optimum yard capacity is 1.03 M TEUs; Upon completion of 2 berths, part of projected traffic that cannot be accommodated in new berths will continue to be handled by ship's gears.

[illegible]

### Financial Viability Profile

Investment Cost	Php3,978,240,000.00
Interest Rate	5.05%
Discounting Rate	12%
IRR	16.78%
Payback Period	12 years