



Aerial view

A Project to Enter the 21st Century

***The International Dry-dock
Services and Allied Facilities
Ltd.***

(IDSAF)

**Presentation to Jamaica Stock Exchange
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Initiated by: Dr. Lloyd A. Cole

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INTRODUCTION



INTRODUCTION

Introduction

Jamaica's geographic location in the Caribbean Basin commands a most strategic point in relation to the Panama Canal and the busy international sea lanes entering and emerging from the great waterway. The entire maritime population of vessels from Alaska, the west coast of Canada, the United States, Central and South America, as well as vessels from the far east traverse the region via the Panama Canal.

International Dry-dock Services & Allied Facilities Limited (IDSAF) is proposing to take advantage of the island's strategic position to construct a major commercial marine dock and servicing facility on the south coast of the island.

Regionally, facilities of the order considered by IDSAF are available only on the Gulf Coast of the United States. There are small facilities in existence in Trinidad, Curacao and Cuba.

The proposed location of the dry dock is on the south coast of Jamaica.

The Sugar Company of Jamaica is committed to working to agree an approach that will promote implementation of the Project on land at Jackson Bay. Permission to survey was granted. A survey was conducted on one thousand acres of land.

Introduction

The proposed dry dock will accommodate vessels up to 250,000 dwt, amongst the largest vessels to traverse the Caribbean sea lanes.



http://upload.wikimedia.org/wikipedia/commons/1/1/4/dry_dock_in_Singapore.jpg

Introduction

The potential design will comprise at least two “graving or basin docks”, a floating dock and a standby berth to facilitate the off-loading of vessels seeking emergency dry dock services as well as general supplies for both the dry dock and allied facilities.

- Typical services may include:
 - Electrical repairs
 - Repair and conversion
 - Hull treatment
 - Mechanical repairs
 - Pipe and boiler repairs



<http://www.ship-technical.com/projects/drydocks-world-dubai-shipyard/>

Introduction

The Project concept also visualizes the development of related ancillary services and linkage industries on approximately 1,000 acres including but not limited to the following:

- a power generating plant (coal fired),
- the revitalisation of the railroad and road networks.
- Storage facilities
- Potable water supply
- General infrastructure (road construction, telecommunication facilities, etc.)
- Industrial waste treatment
- Solid waste treatment and disposal
- Freezone activities
- air freight facilities (e.g. Vernam Field Aerodrome)
- Bulk storage facilities (coal, limestone, LNG)

A project of this magnitude will offer significant potential for job creation as it is recognised that ship repairing is a labour intensive business. The supply of suitable accommodation facilities will also be required for both workers of the dry dock and guest crews of the ships being repaired.

Why Jamaica ?

Jamaica's geographic location in relation to the Panama Canal sea lanes, the eastern seaboard of Mexico, the United States and Canada make Jamaica the ideal location for a major maritime service facility.

In addition, Jamaica with a large pool of cheap labour will have a definite competitive advantage.

Jamaica also has some good natural harbours, Jackson Bay is an ideal location for the establishment of such a facility. This is enhanced by the presence of the world recognised Maritime Institute and the recently established Ship Registry.



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Core Objectives & Focus of Project

Core Objectives & Focus of Project



The development of a strategically located, major **maritime services** facility on Jamaica's south coast to meet the long standing and increasing service needs of international shipping of all categories within the busy shipping lanes entering and exiting the Panama Canal is the focus of the project.

These maritime service needs range from routine service and maintenance of ships, minor to major repairs, emergency situations (S.O.S, refurbishing, resupplying vital supplies, garbage - solid waste disposal, navigational and meteorological support, tug and other services).

Central to aforementioned facilities is the construction of a major "state of the art" **Dry Dock Facility** capable of meeting the service needs of cruise ships, cargo ships, pleasure boats of all international marine categories.

The following persons/entities have expressed support in principle for the Project:

- The Minister of Industry & Investment
- The Minister of Commerce & Technology
- Commendation for the venture – Urban Development Corporation
- Offering no objection in principle – The Port Authority

Core Objectives & Focus of Project

The **Dry Dock** and **Maritime Service Facilities** must meet modern international standards in both physical layout and service capabilities.

The Singapore, Dubai and Maltese facilities are excellent reference facilities.

The **core project** has been divided into six phases as is graphically represented on the following pages. IDSAF is presently at phase 1 and this document has been developed to assist the company in securing finance for the **Pre-feasibility Study**.

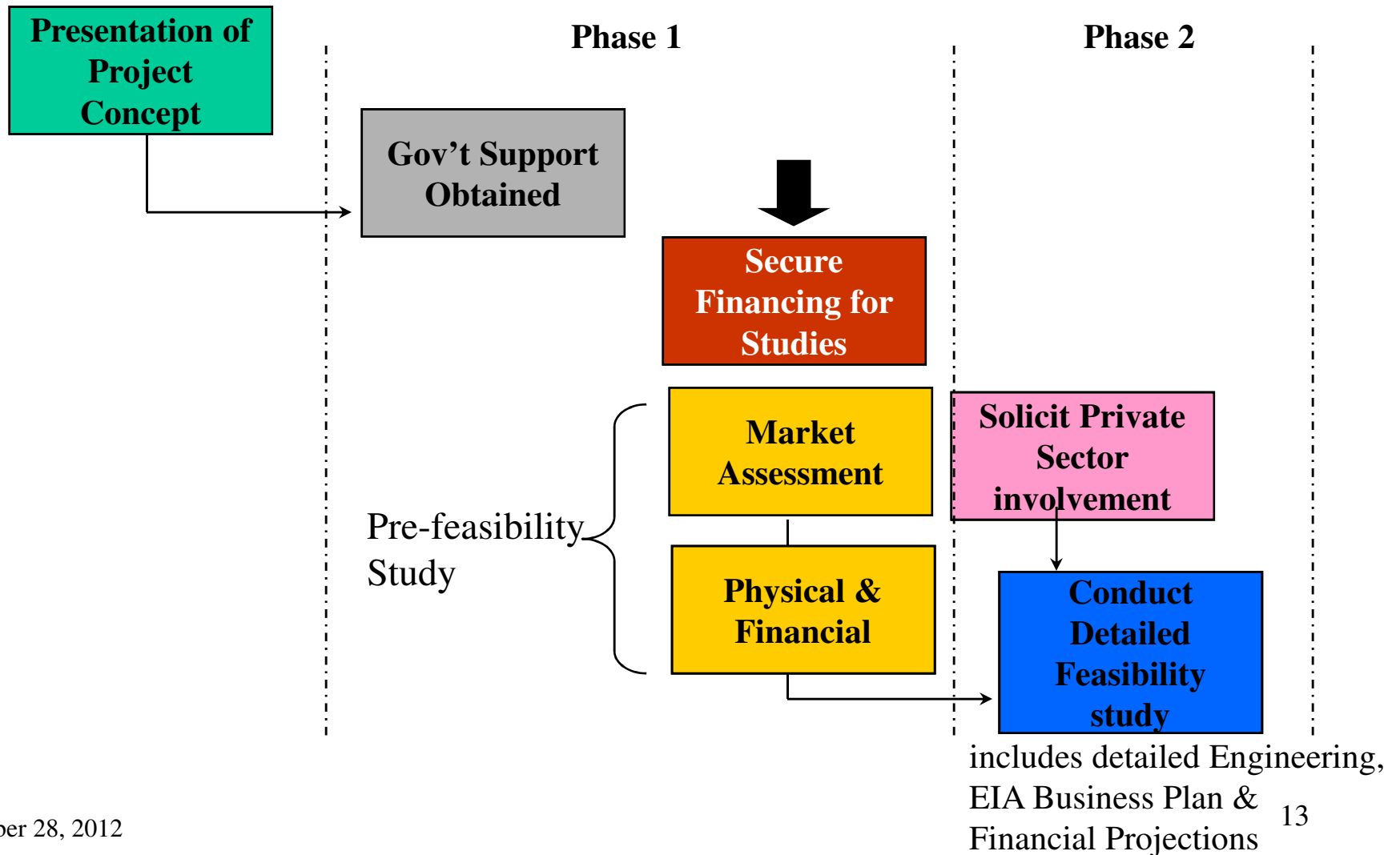
The Pre-feasibility Study major segments will include:

- Market Assessment
- Civil, Structural, Mechanical and Electrical engineering
- Environmental Assessment and Impact Assessment
- Strategic and Financial Project Evaluation



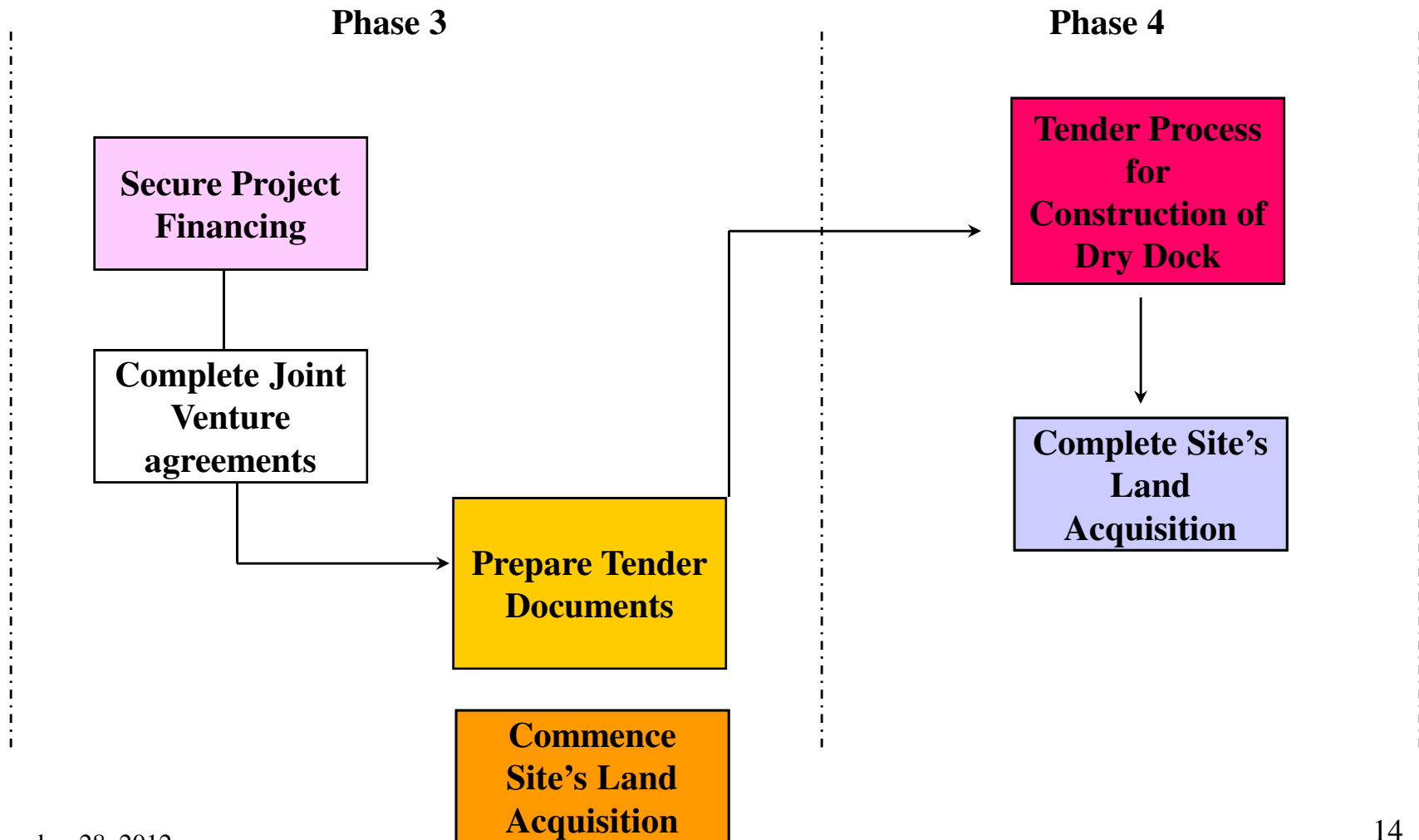
Core Objectives & Focus of Project

Proposed Project Plan Phases 1 - 2



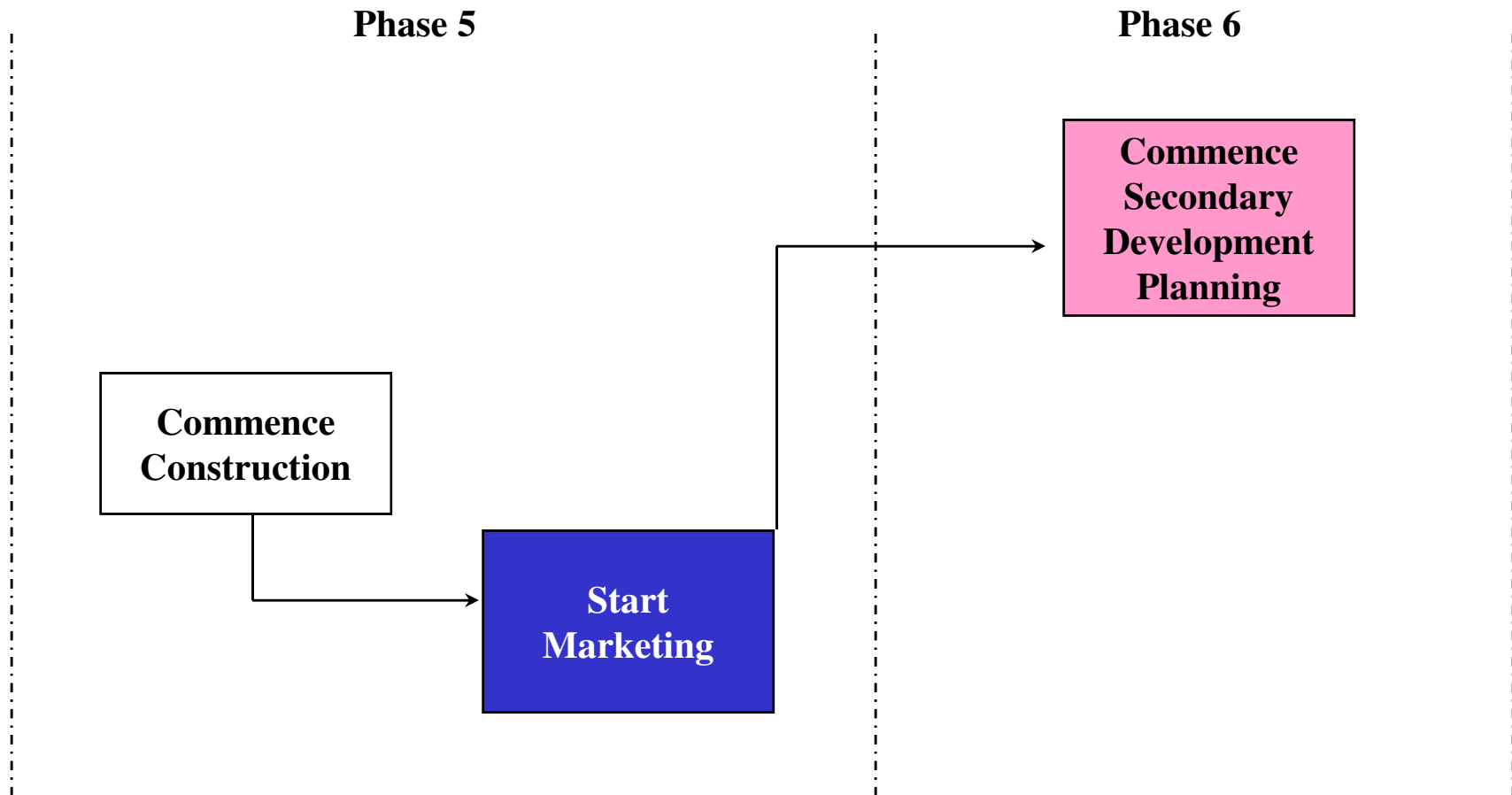
Core Objectives & Focus of Project

Proposed Project Plan Phases 3 - 4



Core Objectives & Focus of Project

Proposed Project Plan Phases 5 - 6



Core Objectives & Focus of Project

The estimated funding required for the Pre-feasibility study is six hundred thousand US dollars (US\$600,000). The Pre-feasibility report will include a detailed feasibility proposal. Providing the results of the pre-feasibility study are favourable the project will move to Phase 2, which will entail a detailed comprehensive feasibility study.

The projected cost to conduct the **detailed feasibility study** is in the range of US\$1.8 million to US\$2.4 million.

The project inclusive of feasibility studies, construction and commissioning is anticipated to be in the range of US\$3 billion - US\$3.6 billion.



<http://2.bp.blogspot.com/-T83eorpsVhY/T5hXjU6iTDi/AAAAAAAAACbM/S8168p>

Critical Success Factors



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Critical Success Factors

The following are factors critical to the project's success:

- Consensus and high-level approval of the Government and Opposition parties, etc.
- Tax relief on Primary project for a minimum of the initial 25 years of operation
- Consensus between the government and unions for a **5 year no strike** guarantee
- Access to “cheap” sources of Project Financing (International Lending Agencies, Venture Capital, etc.)
- Ability to attract Joint Venture partners
- Integration with Port of Kingston expansion project
- Quick action (Haiti and Dominican Republic are also examining the possibility of establishing similar facilities)

Consultant Requirements

Consultants will be required to provide services in the following areas:

- Market Assessment/Analysis
- Marine Civil, Civil, Structural, Mechanical and Electrical engineering, Plant & Equipment Special, Naval Architect, Marine Physical Environment Specialist, Water and Wastewater and Drainage Specialist.
- Environmental Assessment and Impact Assessment
- Strategic and Financial Project Evaluation

Consulting services can be provided by a single firm or group of firms providing a firm is identified as the Lead Firm. Because of the nature and complexity of this project, it is not expected that all the relevant expertise is resident in Jamaica. The project will require the services of foreign firms with the requisite experience. However, where possible these firms should form alliances with local firms.

What's in it for Investors?

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Phase 1 & 2

Investors have an opportunity to invest in IDSAF by way of private placement transactions, initially.

The company will issue shares to those investors. The capital raised from these shares will be used to conduct the first stage studies of the project viability (estimated cost US\$600,000).

The pre-feasibility study will then give an indication of the likely revenues and earnings potential of the facility. On the basis of this additional information, shares will then be issued to fund the second stage studies (estimated cost US\$2,400,000).

On the basis of the information obtained from that detailed feasibility study, the company will have several options available, including:

- 1) Listing on the Jamaica Stock Exchange;
- 2) Syndicated Loan Arrangements; and
- 3) Joint Venture Agreements

Phase 3

The JSE Listing will allow the company to raise capital for operational expenses, and putting in place basic facilities and personnel which will be expanded upon by opportunities arising out of options 2 and 3 highlighted, above.

Syndicated Loan Financing might be arranged by leading international banks, as well as participation by local banks in funding one of the most significant infrastructure projects in the Caribbean and Latin American region.

It should be noted that a significant number of major infrastructure projects are typically arranged by Syndicates, for example the Channel Tunnel which connects the United Kingdom and France.

Joint Ventures and other partnership arrangements may also be explored. These JVs might take the form of cash investments being made into the expansion project, in exchange for some operational and/or management functions being performed by the JV partner with a negotiated percentage paid from revenues, as negotiated between the parties. We believe that a project of this size and scope will have no difficulty in attracting JV partners, especially from some cash rich nations in the Middle East and Asia who are looking for an opportunity in the Americas region.

Revenue Potential?

Two recent reports published noted that:

(i) Oman Dry Dock Company (ODC), is forecasting annual revenues of \$200,000,000 by 2020. It is predicted that by that time, ODC will develop into an integrated ship repair facility with the engineering ability to carry out repairs to a wide range of offshore structures and specialist vessels, including offshore rigs, derrick barges, dredgers, pipe-laying barges, and more.

(ii) South Africa is missing out on more than US\$1.3B over the next 6 years at the Port of Sandanha, based on its lack of initiative in investing in dry dock facilities, based on a report published by the Norwegian Marine Technology Research Institute (Marintek).



Time Table



Time Table

It is anticipated that Phase 1 of the project will take approximately six months.

Table 1 below shows a estimate of the time required for Engineering, Environmental and Financial evaluation activities.

Activity	M 1	M 2	M 3	M 4	M 5	M 6	
Civil Engineering							
Equip & M&E							
Naval Architecture							
Site Selection							
Strategic EIA							
Commercial Evaluation							
Financial Evaluation							