INTERNATIONAL PRACTICE OF PUBLIC-PRIVATE PARTNERSHIP

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OUTLINE OF THE PRESENTATION

- OVERVIEW OF GLOBAL DEVELOPMENT OF PPP
- EXPERIENCES OF SELECTED HIGH-PROFILE CASES
- GLOBAL RESEARCH TREND OF PPP
- CONCLUSIONS
Since the early 1990’s, many governments globally are increasingly adopting the PPP concept.
Countries including the U.K., Australia and Canada are at the top level of PPP practice.

China, South Africa, India and Brazil are rapidly making progress.
PPP investments in developing regions from 1990 to 2018

World Bank (2018)
EXPERIENCE OF SELECTED CASE PROJECTS

❖ Cross Harbour Tunnel (Hong Kong)

<table>
<thead>
<tr>
<th>Country</th>
<th>Hong Kong</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount</td>
<td>HK$ 320 million</td>
</tr>
<tr>
<td>Year of initiation</td>
<td>1969</td>
</tr>
<tr>
<td>PPP model</td>
<td>BOT</td>
</tr>
<tr>
<td>Status</td>
<td>Period expired (Now with HK gov’t)</td>
</tr>
<tr>
<td>Concession period</td>
<td>30 years</td>
</tr>
<tr>
<td>Source of Funds</td>
<td>Equity (20% gov’t share)</td>
</tr>
<tr>
<td>Opened</td>
<td>1972</td>
</tr>
</tbody>
</table>

❖ Government commitment and support for the project
❖ No competing projects existed or created
❖ Project was of high demand
❖ Innovation and technology was employed during operations
Sydney Cross City Tunnel (Australia)

- **Country**: Australia
- **Amount**: AUD 680 million
- **Year of initiation**: 2002
- **PPP model**: DBO
- **Status**: Operation with different consortium
- **Concession period**: 30 years
- **Opened**: 2005

- High toll charges
- Inaccurate traffic forecast
- Lack of government support
Euro Tunnel/ Channel Tunnel (U.K.)

- **Country**: Australia
- **Amount**: 5.5 Billion Euros
- **Year of initiation**: 1986
- **PPP model**: DBOT
- **Status**: Operation with ET company
- **Concession period**: 65 years
- **Opened**: 1994

- Competitive tendering process (Had 4 bidders)
- Has high demand (21 million passengers in 2014)
- Government commitment and support
- Operational issues (breakdown of services)
GLOBAL RESEARCH TREND OF PPP
CONCLUSIONS

- PPP practice vary among developing and developed countries/economies

- Countries need to learn from international experiences

- PPP projects/investments will increase significantly in the next decade both in developing and developed countries

- More research need to focus on enhancing the international best practices for PPP

- Potential future PPP areas include:
  - Management of Unsolicited proposals
  - Sustainability assessment of PPP projects
  - Innovative financing for PPPs
  - Use of BIM in PPP projects
Thank You