Port Bids

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Sri Lanka extends deadline again for port project bids June 03, 2009 (LBO) - The Sri Lankan government has extended for the second time the deadline for proposals from investors to build and operate a new deep-water container terminal in Colombo port. Sri Lanka Ports Authority (SLPA) officials said the deadline for bids is now July 8.
Previously, the government had extended the deadline to June16 from May 19 after prospective bidders asked for more time. The government had also softened some of the conditions for bids to make it more attractive for investors given the difficulties in borrowing and the slowdown in cargo flows. Potential investors had argued that they needed more time for negotiations with lenders to raise funds for the project given the credit crunch caused by the global economic slump.
SLPA officials said the latest extension of the deadline was to allow investors more time to evaluate changes in the concession agreement that the government will sign with the winning bidder for the project. Officials representing prospective investors said the extension of the deadline will also give investors more time to consider the implications of the end of the 25-year-old ethnic war. Government forces crushed the last of the Tamil Tigers, including their top leaders, last month at the end of a near three-year military campaign. The new port next to the present harbour is required to maintain Colombo's status as the south Asian region's transhipment hub. The existing port is not deep enough and lacks the equipment to handle the new generation of ships now deployed on trade routes. Fifteen parties have collected bid documents for the container terminal project, including Maersk, the world's biggest shipping lines, and HPH, a big global port operator. Courtesy: lankabusinessonline.com