

# Public Sector Infrastructure and Public Private Partnership (PPP)

The 10th Malaysia Plan (10MP) sets the platform to transform the economy towards a high-income nation via full employment, a private sector-led economy, strong support for an innovation-led growth and the restructuring of subsidies. For this reason, 52 projects worth RM62.7billion have been identified and a RM20billion Facilitation Fund has been established for the 2011 to 2015 planning period where development covers the area of transportation, waste management, healthcare and hospitals, master planning, education and other public infrastructure and services.

The Federal Government further embarked on an Economic Transformation Programme (ETP), build upon the policy directions, strategies and programmes of the 10th Malaysia Plan. By changing the government's role from an active player to a supporter and facilitator of private sector-led growth, it is envisaged that Private sector investment will account for 92% of the RM1.4 trillion investment required and public funding will account for only 8%.

Indeed, the 6% annual growth envisioned under the 10MP hinges on the success of its implementation and execution. Four strategic missions has been formulated to guide the process, approach, evaluation and selection of a Public Private Partnership (PPP) model, they are:

- to strengthen and foster strategic public private partnership with transparency and integrity to stimulate the economy for the well being of the rakyat;

- to enhance service delivery through speedy execution and implementation;
- to uphold value for money principle; and
- to achieve the set vision through a recognised centre of excellence for PPP initiatives at national and international level.

## Development Concept of a PPP Model

At RSM, we understand the increasing need for closer public-private relationship in developing the economy. The PPP model will continue to be one of the key instruments in implementing Government projects. We can value add into the process because we are innovative and specialise in the areas of:

- Business strategy – realigning PPP objectives to the 10MP, project scope and different modes of the PPP mechanism, Value for Money (VfM)
- Business model structuring – governance structure, risk management, payment mechanism and tax efficient structure, competitive pricing
- Project management and evaluation – assessing the strategic impact and economic spill over
- Project financials – financial modelling and analysis, revenue and risk sharing, fund raising and budget planning
- Collaborative engagement with key agencies
- Implementation and performance delivery – KPI tracking, improved efficiency, training and capacity enhancement



- Partners in providing public infrastructure and community facilities
- Sharing of Investment, Risk, Reward & Responsibility

### Objective:

- Efficient design, construction, operation & maintenance of infrastructure
- Service enhancement

## RSM RKT Group

Celebrating 33 Years

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## Public Sector Infrastructure and Public Private Partnership (PPP)

### From Concept Development to Implementation

Drawing on a range of expertise from across the firm, we can guide and advise on all stages of a PPP process from project conceptualisation to development, funding and implementation.

**We continuously ensure that the planning is carried out in an orderly approach to ensure that the vision and guiding principles are aligned in accordance with the present and future needs.**

Some examples of our track record for the Public Sector and Public Private Partnership (PPP) advisory include:

#### Development of Kuantan Port City Master Plan

- Development concept of the Master Plan, socio-economics, property advisory, financial model, marketing and promotional programmes to be undertaken and incentives
- Identified role of the government, port authority, port and industrial park managers and operators, and investors
- Short-listed the potential investors, port and park operators to undertake the development activities in the port and port city

#### Strategic Development for the Establishment of the Special Economic Zone (SEZ)

- Strategized on the components, land boundaries and layout plan of the SEZ – including manufacturing and industrial components and public amenities in supporting the overall development
- Prepared the Incentive package and strategic infrastructure to be promoted
- Assisted in the Business and Marketing Plan and launching of the SEZ

#### Development of a Logistics Hub, Port, Infrastructure, Halal Industrial Park and Healthcare Tourism Component

- Liaised and engaged with key investors and industrial park operators to determine the business model for participation and funding for investment
- Advised the Federal and State Government agencies and authorities on development budgets and significant benefits for the local populace
- Prepared the Financial Highlights and Projections – including Capital Expenditure/ Operating Expenditure requirements, Return to investors (IRR) & Gestation Period (Years) for each component including the port & industrial parks (operators and investors)

### Business Study, Marketing and Implementation Plan for Entrepreneurs

- To strengthen the opportunities for the Small and Medium Enterprises (SME) and the Bumiputera Commercial and Industrial Community (BCIC) along the handicraft value chain via the creation of sustainable business models that promote self – sufficiency
- Enhancing public and private sector collaboration – linking to the objectives of the New Economic Model (NEM), Economic Transformation Programme (ETP) and 10<sup>th</sup> Malaysia Plan (10MP)
- Development strategies covers socio-economic enhancement, capacity building for human resources, government policies, marketing, logistics, technology, information technology, quality control, trade flows and incentives

#### ETP Entry Point Projects (EPP)

- Tourism and Healthcare - Investor sourcing, preparation of an information memorandum, financial and business modelling, and socio economic impact analysis for development of a purpose-built 300 bed medical centre combining retail and property development components
- Wholesale and Retail Development – advised a local retail chain on expansion strategies which includes business feasibility, creating an on-line presence, and transforming the value chain and service level for efficiency
- Palm Oil Industrial Cluster- streamlined the firm's business structure by focusing on improving margins, research and development, quality standards and market positioning to ensure growth and competitive business sustainability. Assisted in business matching exercises with regards to potential synergistic joint-ventures, as well as led submissions for industry awards on behalf of the client.
- Agriculture – due diligence, compliance, legal, tax and financial viability to assist in the restructuring of a national agriculture consortium
- Education City & Property Development - Managed the business plan preparation, strategy formulation and financial modelling for 1,000 to 2,000 acre education city including private finance initiatives and funding strategies for the 15 year project to reach a population of 30,000 growing to 90,000 students.