

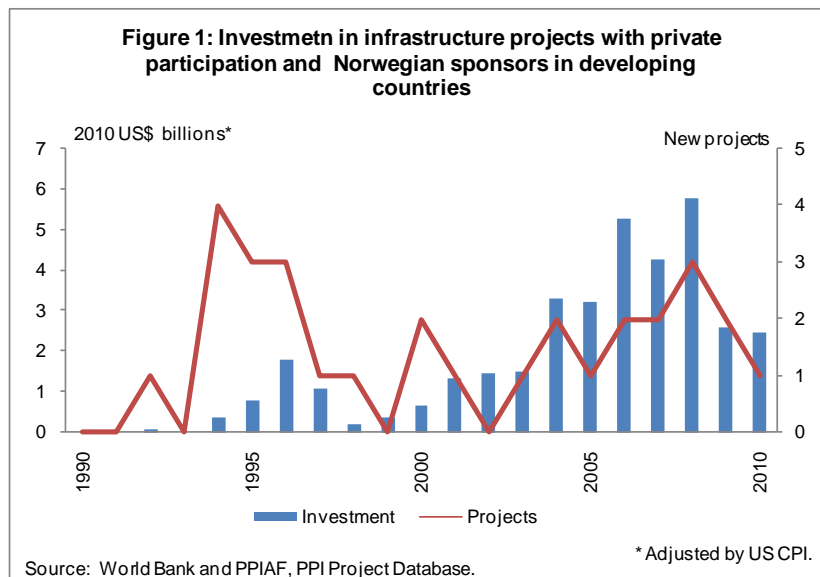
PRIVATE PARTICIPATION IN INFRASTRUCTURE DATABASE

PPI update data note 65

December 2011

Snapshot of Norwegian Sponsors' Involvement in Infrastructure Projects with Private Participation in Developing Countries (1990-2010)

Between 1990 and 2010, Norwegian companies were sponsors in 31 infrastructure projects with private participation (PPI) in developing countries.¹ These projects attracted total investment commitments (hereafter "investment") of US\$36.6 billion.² Investment in PPI projects with Norwegian sponsors was concentrated in 2006-08, a period which accounted for 42% of total investment with Norwegian sponsors (figure 1). Half of the investment was concentrated in upper middle-income countries,³ driven by activity in Russian Federation which accounted for almost two thirds of the investment directed to upper middle income countries. Norwegian companies also participated in seven projects in five IDA countries: Bangladesh, Ghana, Lao PDR, Nepal, and Uganda.⁴ Investment in IDA countries accounted for 21% of PPI projects with Norwegian sponsors.



Investment in PPI with Norwegian sponsors primarily concentrated on Europe and Central Asia, which accounted for 7 projects and 45% of total investment (Figure 2). East Asia and the Pacific followed with 7 projects and 30% of total investment, and South Asia with 3 projects and 21% of total investment.

This note was written by Khalil Zlaoui, intern, Finance, Economics, and Urban Development Department, Sustainable Development Network, World Bank.

¹ Projects included in the analysis are those in which Swedish companies/sponsors had at least 15% equity stake as of 2010. If a Swedish sponsor sold its equity participation in an infrastructure project before 2010, such project has not been included. In addition, canceled projects have not been included in the analysis.

² Investment data are in 2010 US dollar using the US CPI to adjust to 2010 values. Data at <http://ppi.worldbank.org/> are reported in millions of current U.S. dollars unless otherwise indicated.

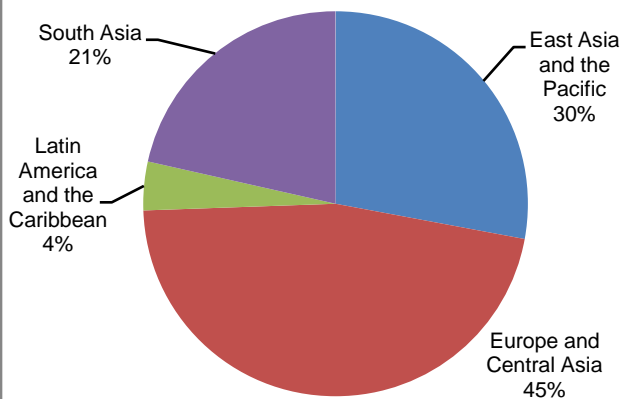
³ This analysis uses the World Bank's country classification published in July 2010 which groups developing countries in low income countries (2009 GNI per capita of US\$995 or less), lower middle income are (US\$996–3,945), and upper middle income (US\$3,946–12,1955).

⁴ IDA countries those that can borrow from International Development Association (IDA) on concessional terms given their relative poverty (2009 GNI per capita below US\$1,165) or lack creditworthiness to borrow on market terms.

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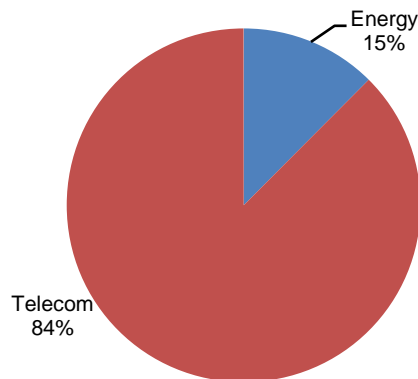
Telecommunications attracted most of the private activity with Norwegian sponsors, accounting for 84% of total investment (figure 3). Most of investment in telecommunications projects was directed to greenfield mobile operators. Almost all of the remaining PPI investment with Norwegian sponsors went to greenfield power plants. There were also three port projects with Norwegian sponsors, but they accounted for less than 0.5% of PPI investment with Norwegian sponsors.

Figure 2: Distribution of investment in PPI projects with Norwegian sponsors in developing countries by region, 1990-2010



Source: World Bank and PPIAF, PPI Database

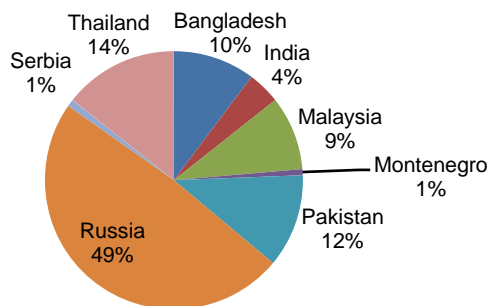
Figure 3: Distribution of investment in PPI projects with Norwegian sponsors in developing countries by sector, 1990-2010



Source: World Bank and PPIAF, PPI Database

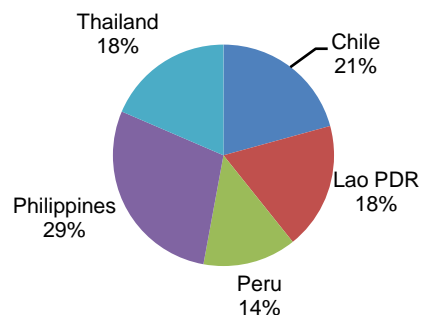
The two major Norwegian sponsors of PPI projects in developing countries were telecom operator Telenor and power company SN Power. Telenor concentrated its investment in selective Eastern European and Asian countries (figure 4). The largest telecommunications project in which Telenor participated was Vimpel Communications, a mobile operator in Russia whose total investment amounted to US\$11 billion in 1994-2010. SN Power focused in selective countries in East Asia and South America (Figure 5). The largest energy project in which SN Power participated Theun Hinboun Hydro Power Plant I, a US\$500 million power plant in Laos that exports electricity to Thailand.

Figure 4: Distribution of investments in telecommunications projects with Telenor as sponsor by country, 1990-2010



Source: World Bank and PPIAF, PPI Database

Figure 5: Distribution of investment in energy projects with SN Power as sponsor by country, 1990-2010



Source: World Bank and PPIAF, PPI Database