

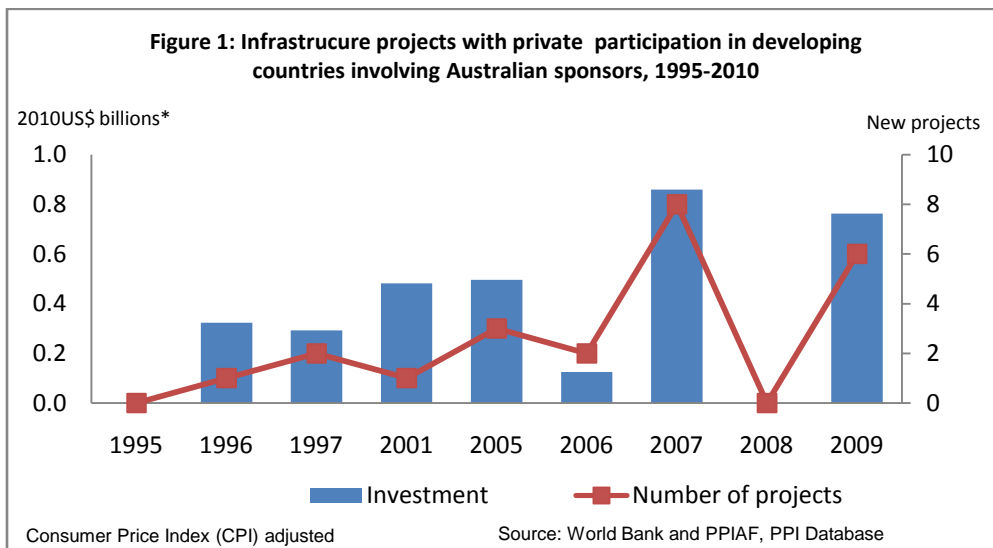
# PRIVATE PARTICIPATION IN INFRASTRUCTURE DATABASE

PPI update data note 62

December 2011

## Snapshot of Australian Sponsors' Involvement in Infrastructure Projects with Private Participation in Developing Countries (1995-2010)

Between 1995 and 2010, Australian companies sponsored in **23 infrastructure projects with private participation** (PPI) in developing countries<sup>1</sup>. These projects attracted total investment commitments (hereafter *investment*) of US\$3.3 billion<sup>2</sup>. Investment in PPI projects with Australian sponsors was concentrated in 2007- and 2009, which accounted for 49% of total investment (figure 1). Most of the activity was concentrated in lower middle-income countries<sup>3</sup> (15 projects and 54% of total investment), and one project were conducted in an IDA country<sup>4</sup> (Cambodia).



Most of the private activity undertaken by Australian sponsors was directed to the energy sector which accounted for 15 of the 23 projects and 68% of total investment (figure 2). Energy projects were primarily greenfield power plants implemented under BOO and BOT arrangements. Australian sponsors also focused on the transportation sector with five projects and 29% of total investment. In particular, Leighton Holdings participated in two large toll road projects in the Philippines worth US\$528 million. The remaining investment was directed to three water and wastewater treatment plants in China with US\$75 million in total project costs.

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<sup>1</sup> Projects included in the analysis are those in which Australian companies/sponsors had at least 15% equity stake as of 2010. If an Australian sponsor sold its equity participation before 2010, the project has not been included.

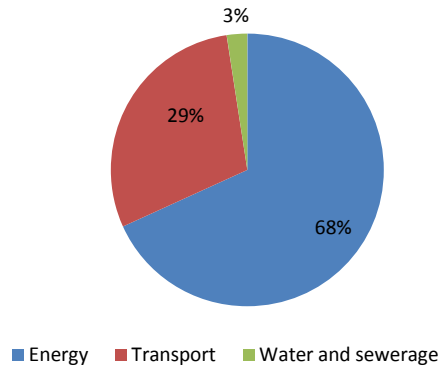
<sup>2</sup> Investment data are in 2010 US\$ using the US CPI to adjust to 2010 values. Data at <http://ppi.worldbank.org/> are reported in millions of current US\$ unless otherwise indicated.

<sup>3</sup> 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\$3,946–12,195).

<sup>4</sup> 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.

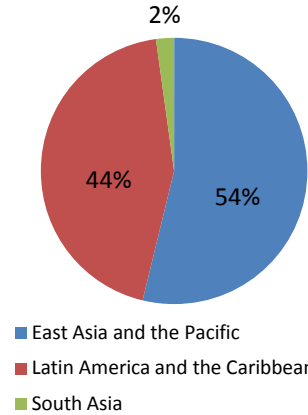
# PRIVATE PARTICIPATION IN INFRASTRUCTURE DATABASE

**Figure 2: Distribution of investment in PPI projects with Australian sponsors in developing countries by sector, 1995-2010**



Source: World Bank and PPIAF, PPI Database

**Figure 3: Distribution of investment in PPI projects with Australian sponsors in developing countries by region, 1995-2010**

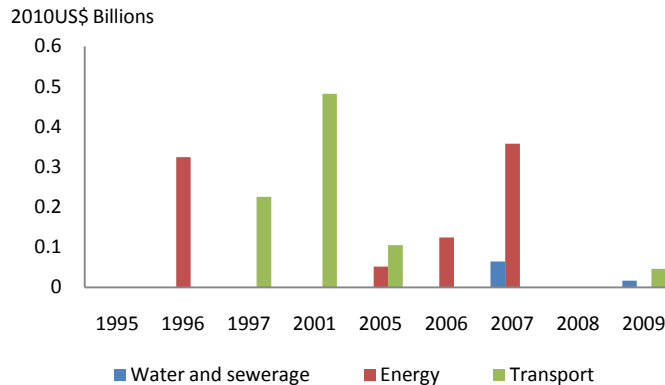


Source: World Bank and PPIAF, PPI Database

Australian sponsors were involved in three regions of the developing world (figure 3). Private activity concentrated in East Asia and the Pacific (EAP), which accounted for 54% of total investment and 18 projects. Activity in EAP was concentrated in energy and transport projects (figure 4) Latin America and the Caribbean (LAC) followed with 44% of total investment and 6 projects. Most of this activity concentrated in energy projects. South Asia accounted for the remaining activity with a greenfield electricity generation project in India.

Leighton Holdings, Pacific Hydro Pty Limited (PHL), Macquarie Infrastructure Group (MIG), Energy World Corporation Limited, and Hydro Tasmania were the most active sponsors over the entire period with more than 90% of total investment.

**Figure 4: Distribution of Investment in PPI projects in East Asia and the Pacific with Australian sponsors by region, 1995-2010**



Source: World Bank and PPIAF, PPI Database