

PRIVATE PARTICIPATION IN INFRASTRUCTURE DATABASE

PPI data update note 2

July 2006

Investment flows to transport projects with private participation grew strongly in 2005

Investment flows to transport projects with private participation grew significantly, while the number of projects remained stable, according to just-released data from the Private Participation in Infrastructure Database.

In 2005, 38 projects worth US\$16.2 billion reached financial closure in 20 low- and middle-income countries.¹ Annual investment flows more than doubled the levels of the previous four years, and were just 10% below peak levels reached in 1997-98. The number of projects remained in annual average of the last five years. Of the US\$16.2 billion, US\$10 billion was committed to sector expansion. The remaining US\$6.2 billion went to governments as concession/lease fees.

The growth in investment flows was primarily driven by airports, which accounted for US\$7.2 billion - the highest level ever. Seaports followed with US\$4.3 billion also reaching a peak level. For roads, investment flows grew by 13% to US\$4.1 billion and railways accounted for US\$0.5 billion.

New private activity was concentrated. Four countries (China, Hungary, India, and Turkey) accounted for 65% of investment flows; while China, India, Mexico, and Turkey had 53% of projects.

In East Asia, new private activity was seen only in China and Malaysia. In China, five seaport projects and one road were implemented, primarily through greenfield contracts. In Malaysia, two greenfield roads reached financial closure through local capital markets.

In Europe and Central Asia, investment flows reached their highest level ever (US\$7 billion). Activity took place in four countries (Albania, Hungary, Poland, and Turkey) and focused primarily on airports. Three airports were concessioned: Tirana airport in Albania, Budapest airport in Hungary, and Ataturk airport in Turkey. The last two projects were for over US\$2 billion, becoming the largest airport transactions since the Argentine airport network concession in 1998. In addition, a greenfield contract for a new terminal in the Turkish Ankara airport was granted. Outside airports, there were three projects: Mersin port concession in Turkey, a greenfield section of A1 road in Poland, and a new container terminal also in Poland.

In Latin America, six countries (Brazil, Chile, Costa Rica, Ecuador, Mexico, and Peru) implemented transport projects. Mexico accounted for the most activity with four road projects. In Chile, Costa Rica, and Peru, three road concessions were implemented. In Brazil, two greenfield ports were developed. Finally in Ecuador, the new Quito airport project secured financing.

In the Middle East and North Africa, private activity was seen only in Egypt with a port terminal concession and Oman with a new port terminal.

In South Asia, private activity took place in India and Bangladesh. In India, seven contracts were granted including two greenfield airports, two concession roads, one greenfield railway, one greenfield port, and a leased container terminal. In Bangladesh, a management contract for Shah Amanat airport was signed.

In Sub-Saharan Africa, there were three projects: a port concession in Madagascar, and two railway concessions. One was for the joint system in Kenya and Uganda, and the other for the system in Gabon.

A forthcoming note will analyze private activity in airports in more depth. For more information, see the list of transport projects by region.

¹ Data on private activity in transport include primarily medium and large projects. Small-scale private service providers are not generally included due to the lack of public information.

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List of transport projects in 2005

Note: "." denotes Missing Data, "n.a." stands for Not Applicable

East Asia and Pacific						
Country	Project Name	Project Status	Subsector	Type of PPI	Subtype of PPI	Total investment (US\$ millions)
China	Deqing Wuxin Line Water Canal Operation Co. Ltd.	Construction	Seaports	Concession	Rehabilitate, operate, and transfer	47
China	Phase II of Shanghai's Yangshan Mega-port Project	Construction	Seaports	Greenfield project	Build, own, and transfer	482
China	Shanghai Waigaoqiao Phase V Project	Construction	Seaports	Greenfield project	Build, own, and transfer	482
China	Shenzhen Dachan Bay Container Terminals	Construction	Seaports	Greenfield project	Build, own, and transfer	858
China	Tianjin Five Continents International Container Terminal Co. Ltd.	Operational	Seaports	Greenfield project	Build, own, and transfer	287
China	Western Delta Route Phase II	Construction	Toll Roads	Greenfield project	Build, own, and transfer	592
Malaysia	Kuala Lumpur North-East Expressway	Construction	Toll Roads	Greenfield project	Build, own, and transfer	219
Malaysia	Senai-Desaru Expressway Bhd.	Construction	Toll Roads	Greenfield project	Build, own, and transfer	368

Europe and Central Asia						
Country	Project Name	Project Status	Subsector	Type of PPI	Subtype of PPI	Total investment (US\$ millions)
Albania	Tirana International Airport concession	Operational	Airports	Concession	Build, rehabilitate, operate, and transfer	308
Hungary	Budapest International Airport	Operational	Airports	Concession	Rehabilitate, operate, and transfer	2,320
Poland	A1 Gdansk-Torun Motorway phase 1	Construction	Toll Roads	Greenfield project	Build, own, and operate	815
Poland	Deep-sea container terminal at Port of Gdansk	Construction	Seaports	Greenfield project	Build, own, and operate	200
Turkey	Ankara-Esenboga Airport Terminal	Construction	Airports	Greenfield project	Build, own, and transfer	305
Turkey	Ataturk Airport concession contract	Operational	Airports	Concession	Rehabilitate, operate, and transfer	2,543
Turkey	Port of Mersin concession	Operational	Seaports	Concession	Rehabilitate, operate, and transfer	825

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Latin America and the Caribbean

Country	Project Name	Project Status	Subsector	Type of PPI	Subtype of PPI	Total investment (US\$ millions)
Brazil	Navegantes Port	Construction	Seaports	Greenfield project	Merchant	186
Brazil	Tecon Santa Catarina	Construction	Seaports	Greenfield project	Merchant	100
Chile	International Highway 60-CH	Construction	Toll Roads	Concession	Build, rehabilitate, operate, and transfer	435
Costa Rica	San Jose – San Ramon toll road	Construction	Toll Roads	Concession	Build, rehabilitate, operate, and transfer	304
Ecuador	New Quito Airport	Construction	Airports	Greenfield project	Build, own, and transfer	585
Mexico	Amozoc-Perote y Libramiento de Perote	Construction	Toll Roads	Greenfield project	Build, own, and transfer	160
Mexico	Libramiento Norte	Construction	Toll Roads	Greenfield project	Build, own, and transfer	360
Mexico	Morelia-Salamanca Tollroad	Construction	Toll Roads	Concession	Build, rehabilitate, operate, and transfer	84
Mexico	Tepic-Villa Union Highway	Construction	Toll Roads	Greenfield project	Build, own, and transfer	346
Peru	Red Vial Number 6	Operational	Toll Roads	Concession	Build, rehabilitate, operate, and transfer	230

Middle East and North Africa

Country	Project Name	Project Status	Subsector	Type of PPI	Subtype of PPI	Total investment (US\$ millions)
Egypt	Alexandria International Container Terminals	Construction	Seaports	Concession	Build, rehabilitate, operate, and transfer	86
Oman	Oman International Container Terminal	Construction	Seaports	Greenfield project	Build, own, and transfer	0

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South Asia

Country	Project Name	Project Status	Subsector	Type of PPI	Subtype of PPI	Total investment (US\$ millions)
Bangladesh	Shah Amanat International Airport	Operational	Airports	Management and lease contract	Management contract	0
India	Bangalore International Airport Limited	Construction	Airports	Greenfield project	Build, own, and transfer	324
India	Gangavaram Port Limited	Construction	Seaports	Greenfield project	Build, own, and transfer	386
India	GMR Hyderabad International Airport Limited	Construction	Airports	Greenfield project	Build, own, and transfer	399
India	Jaipur Mahua Tollway Private Limited	Construction	Toll Roads	Concession	Build, rehabilitate, operate, and transfer	109
India	Kutch Railway Company Limited	Construction	Railroads	Greenfield project	Build, own, and operate	113
India	Panipat Elevated Express Highway	Construction	Toll Roads	Concession	Build, rehabilitate, operate, and transfer	117
India	Rajiv Gandhi Container Terminal	Operational	Seaports	Management and lease contract	Lease contract	0

Sub-Saharan Africa

Country	Project Name	Project Status	Subsector	Type of PPI	Subtype of PPI	Total investment (US\$ millions)
Gabon	Trans-Gabonese Railroad concession II	Operational	Railroads	Concession	Rehabilitate, operate, and transfer	92
Kenya	Kenya-Uganda Railways	Operational	Railroads	Concession	Rehabilitate, operate, and transfer	322
Madagascar	Port of Toamasina	Operational	Seaports	Concession	Rehabilitate, operate, and transfer	300
Uganda	Kenya-Uganda Railways	Operational	Railroads	Concession	Rehabilitate, operate, and transfer	322