



PRIVATE PARTICIPATION IN INFRASTRUCTURE DATABASE

PPI data update note 43

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Private activity in infrastructure in East Asia and Pacific declined in 2009

In 2009, 65 infrastructure projects with private participation reached financial or contractual closing in 7 low- and middle-income countries, involving investment commitments of US\$11.5 billion (table 1)¹. Infrastructure projects implemented in the 1990–2008 period attracted new investment of US\$3.8 billion, bringing total investment commitments to infrastructure in the region to US\$15.3 billion in 2009.

The activity in 2009 represents a 7% decline by investment and 19% drop by number of projects compared with 2008. Investments in new projects increased by 28% compared with 2008. By contrast, investment in projects implemented in previous years fell by 49%.

Investment in the region was concentrated on China and the Philippines, countries that accounted for 76% and 91% of new projects. By type of private participation, activity was concentrated on greenfield projects (BOT, BOO, merchant, rental), which attracted 32% of regional investment and 43% of new projects. Divestitures followed with 22% of investment and 30% of new projects. Concessions accounted for the remaining activity.

Energy had 22 projects in two countries (China and the Philippines) and investment of US\$7.8 billion in 2009. This represents 7% drop from the level in 2008. Energy accounted for 51% of regional investment in 2009.

- Philippines implemented 10 energy projects and 58% of regional investment in energy. China followed with 12 projects and 40% of regional investment in energy. Malaysia accounted for the remaining 2% of the investment by expanding capacity in a previously implemented project.
- In the Philippines, electricity generation accounted for 9 projects and US\$4.6 billion in investment. These projects involved 2.7 GW in divested capacity and 250 MW in new capacity. The other energy project in the Philippines was the US\$2.9 billion, 25-year concession of the national transmission company.
- In China, electricity generation accounted for 5 projects and US\$4.6 billion in investment. Those projects involved 4.8 GW in partially divested capacity (an initial public offering of China Longyuan Power Group Corporation) and 200 MW in new capacity. The other seven energy projects were natural gas distribution companies whose service areas cover in total more than 1.5 million people.

Telecom had four new projects and attracted investment of US\$3.9 billion. This represents a 29% drop from the level in 2008. The sector accounted for 25% of regional investment in 2009.

- Four countries (Cambodia, Lao PDR, Federal States of Micronesia's Nauru, and Vietnam) implemented new projects which involved total investment of US\$ 420 million. Three of these projects were new mobile operators while the fourth one in Lao PDR was a new multiservice provider.
- Investment went mainly to mobile operators (53%) and multi-service providers (45%).

Transport had seven projects in four countries and investment of US\$3 billion. This investment is almost doubled the level reported in 2008. Transport accounted for 20% of regional investment in 2009.

- China accounted for three projects and 86% of the sector investment in the region. The projects were BOT schemes: one was for a new road, another for a subway line, and the third one for an intercity railway.
- The Philippines implemented two projects: one BOT for a road project and a concession for a small airport.
- The two remaining projects were BOT contracts for port terminals in Indonesia and Vietnam.

Water and sewerage had 32 new projects and investment of US\$539 million. This represents a 45% decrease from the level in 2008. The sector accounted for 4% of regional investment in 2009.

- China saw 31 new projects and investment of US\$512 million. This activity represents a 33% drop by number of projects and 47% by investment compared with 2008, and the second consecutive year of significant slowdown of water private activity in China.
- The remaining project was the 25-year Boracay Island water concession, a water utility in the Philippines.
- Private activity went mainly to sewerage treatment projects which accounted for 28 of the 32 water projects and 45% of the sector investment. Three water utilities accounted for the 46% of sector investment and one potable water treatment plant for the remaining 9%.

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¹ Data on infrastructure projects with private participation include primarily medium-size and large projects in low and middle income countries as reported by the media and other public sources. Small-scale projects are generally not included because of lack of public information. More information is available at <http://ppi.worldbank.org/>.



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Table 1. Projects with private participation reaching financial or contractual closing in East Asia and Pacific in 2009

Energy				
Country	Project name	PPI Subtype	Sub-sector	Total Investment*
China	Changzhou City Wujin District Natural Gas Project	BOT	Natural gas distribution	46.85
China	China Longyuan Power Group Corporation Ltd	Partial divestiture	Electricity generation	2270
China	Dalian Zhuanghe City Natural Gas Project	BOT	Natural gas distribution	20.47
China	Fengdu County Biomass Power Plant	BOT	Electricity generation	73.21
China	Gaizhou City LPG Project	BOT	Natural gas distribution	32.9
China	Liaoning Linghai City Pipeline Gas Project	BOT	Natural gas distribution	4.39
China	Liaoyang City Natural Gas Project	ROT	Natural gas distribution	10.59
China	Linjiang Incineration Plant Phase II	BOT	Electricity generation	45.78
China	Linqu Towngas Co., Ltd.	ROT	Natural gas distribution	21.96
China	Nanchang City Quanling Household Waste Incineration Power Plant	BOT	Electricity generation	70.28
China	Tianshui City Four Biomass Power Plant Projects	BOT	Electricity generation	468.52
China	Xinmi Towngas Co., Ltd.	BOT	Natural gas distribution	30
Philippines	Amlan Hydroelectric Power Plant	Full divestiture	Electricity generation	0.23
Philippines	Calaca coal-fired power plant	Full divestiture	Electricity generation	481
Philippines	Limay Combined Cycle plant	Full divestiture	Electricity generation	13.5
Philippines	Naga Land-Based Gas Turbine Power Plant	Full divestiture	Electricity generation	1
Philippines	Palinpinon and Tongonan Geothermal Power Plants	Full divestiture	Electricity generation	220
Philippines	Panay and Bohol power plants	Full divestiture	Electricity generation	5.86
Philippines	Power Barge #117 and #118	Full divestiture	Electricity generation	30
Philippines	Tiwi-Makban power plants	Full divestiture	Electricity generation	447
Philippines	Toledo Coal Power Plant II	BOO	Electricity generation	450
Philippines	Transco Philippines National Grid	BROT	Electricity transmission	2888

Telecommunications				
Country	Project name	PPI Subtype	Sub-sector	Total Investment*
Cambodia	Sotelco Beeline	Merchant	Mobile access	70
Lao PDR	Star Telecom Laos	Merchant	Fixed and mobile access	83
Micronesia, Fed. Sts.	Nauru Digicel	Merchant	Mobile access	Not Available
Vietnam	GTEL-Mobile Joint Stock Company	Merchant	Mobile access	267



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Transport				
Country	Project name	PPI Subtype	Sub-sector	Total Investment*
China	Guangxi Guigang-Wuzhou Highway Project	BOT	Highway	1317.7
China	Jiafeng-Nanchenpu Railway	BOT	Fixed assets, freight and passenger	336.8
China	Shenzhen Metro Line 4 Phases I & II	BOT	Passenger	858.37
Indonesia	Samudera Palaran Terminal	BOT	Terminal	60
Philippines	Caticlan Airport	BROT	Runway and terminal	52
Philippines	North Luzon Expressway Phase 2	BOT	Highway	44
Vietnam	Cai Mep International Terminal (CMIT)	BOT	Terminal	200

Water and sewerage				
Country	Project name	PPI Subtype	Sub-sector	Total Investment*
China	Anda City Wastewater Treatment Plant	BOT	Sewerage treatment plant	28.99
China	Bama County Wastewater Treatment Plant	BOT	Sewerage treatment plant	4.43
China	Baoji Shilipu Wastewater Treatment Plant	ROT	Sewerage treatment plant	19.85
China	Changde City Jiangnan Wastewater Treatment Plant	BOT	Sewerage treatment plant	4.65
China	Changzhou City Wujin District Wastewater Treatment	Lease contract	Sewerage treatment plant	Not Available
China	Chenzhou City No. 3 Wastewater Treatment Plant	BOT	Sewerage treatment plant	10.25
China	Chongqing Municipality Yuelai Water Supply Plant	BOT	Water utility without sewerage	214.59
China	Duyun City Wastewater Treatment Plant	ROT	Sewerage treatment plant	10.73
China	Gong County Wastewater Treatment Plant	BOT	Sewerage treatment plant	7.18
China	Guangdong Zengcheng City Water Supply Company	Partial divestiture	Water utility without sewerage	5.72
China	Guangxi Bobai County Wastewater Treatment Plant Project	BOT	Sewerage treatment plant	19.16
China	Guanling County and Ziyun County Wastewater Treatment Plants	BOT	Sewerage treatment plant	6.8
China	Hainan Wastewater Treatment Plant Portfolio Lease Agreement	Lease contract	Sewerage treatment plant	Not Available
China	Huangmei County Wastewater Treatment Plant	BOT	Sewerage treatment plant	7.08
China	Jiangmen City Jianghai Wastewater Treatment Plant	BOT	Sewerage treatment plant	9.59
China	Jiangmen City Sinan Town Wastewater Treatment Plant	BOT	Sewerage treatment plant	2.93
China	Jinshi City Wastewater Treatment Plant	BOT	Sewerage treatment plant	5.12
China	Juye County Wastewater Treatment Plant	ROT	Sewerage treatment plant	5.72
China	Lechang City Pingshi Wastewater Treatment Plant Phase I	BOT	Sewerage treatment plant	7.15
China	Lianyuan City Wastewater Treatment Plant	BOT	Sewerage treatment plant	5.56
China	Licheng Wastewater Treatment Plant	BOT	Sewerage treatment plant	5.86
China	Lufeng County Wastewater Treatment Plant	BOT	Sewerage treatment plant	14.26



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China	Miluo City Wastewater Treatment Plant	BOT	Sewerage treatment plant	6.15
China	Ningxiang County Wastewater Treatment Plant	BOT	Sewerage treatment plant	10.67
China	Putian Wastewater Treatment Plant Phase II	BOT	Sewerage treatment plant	10.01
China	Weifang City Wastewater Treatment Plant Reclaimed Water Reuse Project	BOT	Sewerage treatment plant	3.03
China	Xianning City Water Supply Project	ROT	Potable water treatment plant	51.24
China	Xiaochang County Wastewater Treatment Plant Project	BOT	Sewerage treatment plant	12.01
China	Yibin County Wastewater Treatment BOT Project	BOT	Sewerage treatment plant	6.44
China	Yuexi County Wastewater Treatment Plant (Phase I)	BOT	Sewerage treatment plant	7.74
China	Zunyi City Yancun Wastewater Treatment Plant	BOT	Sewerage treatment plant	9.52
Philippines	Boracay Island Water Company	BROT	Water utility with sewerage	26.6

Note: BOT= Build, Operate, and Transfer; BOO = Build, Own, and Operate; ROT = Rehabilitate, Operate, and Transfer; Concession (BROT) = Build, Rehabilitate, Operate, and Transfer.

*in current US\$ millions

Source: World Bank and PPIAF, PPI Database.