

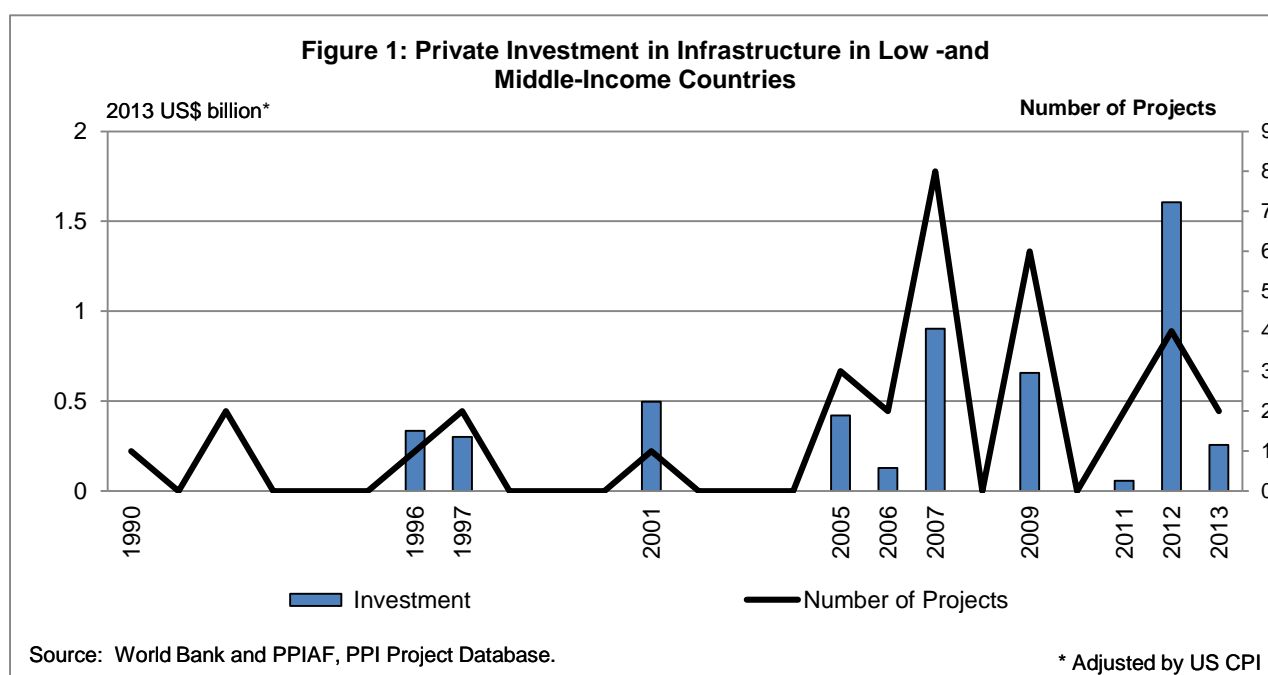
Snapshot: Australian-sponsored Private Participation in Infrastructure (PPI)¹

March 2015

PPI Update Note

Introduction

Australian-based companies sponsored 34 new infrastructure projects with investment commitments of US\$5.7 billion from 1990 to 2013. These projects were implemented in 15 low-and middle-income countries in energy, transport and water and sewerage sectors. Of the US\$5.7 billion in transactions, nearly US\$4.6 billion was committed after 2005. Deal activity also picked up during that time period as Australian sponsors closed 27 of 34 new infrastructure projects. Overall, 22 projects were sponsored in upper-middle income countries, eight were sponsored in lower-middle income countries and four were in low-income countries.² The most active sponsors include Hydro Tasmania with nine projects, followed by Leighton Holdings, Pacific Hydro Pty Limited (PHL), Macquarie Infrastructure Group (MIG) and Energy World Corporation Limited. Between 1990 and 2013, these five entities sponsored over 90% of total investment commitments, or US\$5.1 billion of the US\$5.7 billion total.



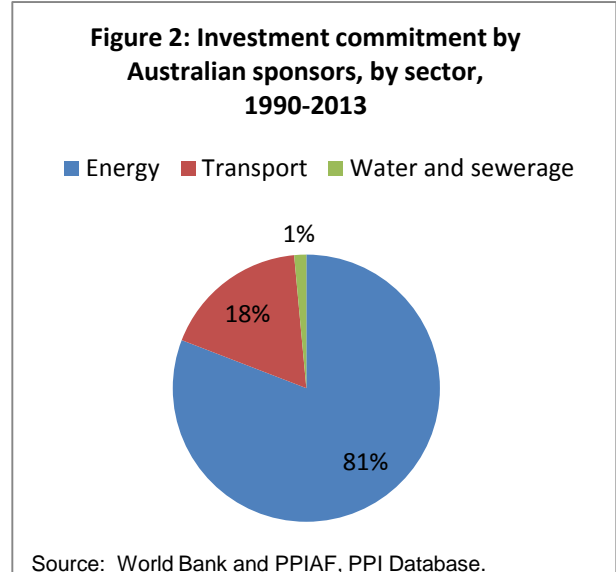
This note is a product of the Public Private Partnership Group of the World Bank, and the Private Participation in Infrastructure Database (PPI Database), written by Yanhuan Wang and edited by Henry Kasper and Alexander N. Jett.

¹ Private Participation in Infrastructure (PPI) is defined by the World Bank's Private Participation in Infrastructure Database. Its methodology is available at http://ppi.worldbank.org/resources/ppi_methodology.aspx.

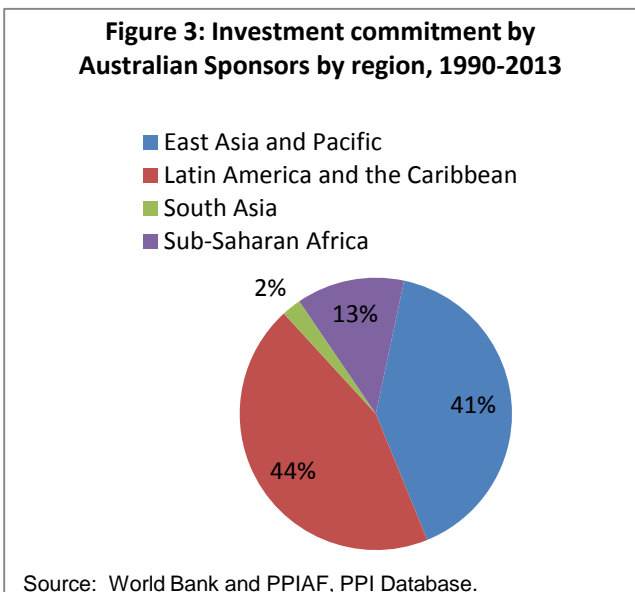
² This analysis uses the World Bank's country classification (July 2013), which groups developing countries in the following income categories: low-income countries (2013 GNI per capita of \$1,035 or less), lower-middle income countries (2013 GNI per capita of \$1,036 - \$4,085) and upper-middle income countries (2013 GNI per capita of \$4,086 - \$12,615).

Sector Overview

Of the 34 infrastructure projects, 22 were in the **energy** sector, representing 81% of total investment (Figure 2). Energy projects were primarily greenfield power plants implemented under build-own-operate and operate-transfer arrangements. **Transport** attracted eight investments and accounted for 18% of total investment. Specifically, Leighton Holdings participated in two significant toll road projects in the Philippines for a combined US\$528 million. Although Australian sponsors had limited activity in **water & sewerage** (1% of total investment), China reached closure on three water and wastewater treatment plants with total capital expenditures of US\$75 million.



Regional Overview



Australian-based sponsors heavily concentrated investment in three regions (Figure 3). **Latin America and the Caribbean** attracted the greatest investment (44%) by receiving seven sponsored projects. Of the 7 deals, four were in the energy sector in Chile. **East Asia and Pacific** comprised 41% of total investment and was the recipient of 20 projects. Of the 20 deals, 11 were in China, making it the largest destination of any country among Australian sponsors. **Sub-Saharan Africa** attracted 13% of total investment by attracting five projects. Leading the way was South Africa with three, Kenya with one and Mozambique with one. Of these five projects, three were received between 2010 and 2013. Australian sponsors had limited

exposure to infrastructure projects in **South Asia**, which attracted only 2% of total investment. Projects that closed include a pair of greenfield electricity generation plants—one in Bangladesh and one in India.