

Emerging Economy Infrastructure Investments with Private Participation Hit \$107.5 Billion in 2014 in Energy, Transport and Water

139 Emerging Economies Measured, Brazil Driving the Increase with US\$44.2 Billion of the Total

WASHINGTON, June 9, 2015—Total infrastructure investments in 139 emerging economies – for projects with private participation in the energy, transport and water sectors – rose to US\$107.5 billion in 2014, driven largely by increasing activity in Brazil, according to an update released today to the World Bank Group’s “Private Participation in Infrastructure” database.

The data, covering the period from 1990 to 2014, reviews more than 6,000 projects across 139 low- and middle-income economies, providing a rich source of data on private infrastructure investment in emerging markets.

“Our update reveals that the top five countries with the highest investment commitments in 2014 are Brazil, Turkey, Peru, Colombia and India,” said Clive Harris, Practice Manager, Public-Private Partnerships, World Bank Group. “These five countries together attracted US\$78 billion, representing 73 percent of the investment commitments in the developing world in 2014.”

The increase in the global investment commitments total is mainly due to increasing activity in the Latin America and the Caribbean (LAC) region, which captured US\$69.1 billion — much of which is attributable to investment commitments in Brazil, Colombia and Peru, which together accounted for 55 percent of the global total. Brazil’s large stake is a continuation of a recent trend: Brazil captured 24 percent of global investment in 2013 and 42 percent in 2012. In 2014, Peru saw the completion of 11 deals totaling US\$8.1 billion. Eight of the 11 deals were in energy, while the largest project – the Lima Metro Line 2, at US\$5.3 billion – was in the transport sector. The metro line will stretch 35 kilometers and eventually connect Lima with Callao, including the international airport.

The update finds that the total for 2014 is 91 percent of the five-year average for the period from 2009 to 2013. It is the fourth highest level of investment commitments ever recorded, exceeded only by levels seen from 2010 through 2012.

In addition to noting the many increases in 2014, the data also revealed investment commitments declines in China and India. Investment commitments in China in 2014 were US\$2.5 billion, its lowest level since 2010. Investment commitments in India also waned in 2014, dropping to US\$6.2 billion. Sub-Saharan Africa saw an especially steep fall from \$9.3 billion in 2013 to \$2.6 billion in 2014 because of a drop in activity in the energy sector. However, 2014’s figure was closer to levels seen before 2012, and the emergence of activities in countries such as Ghana, Kenya, and Senegal is particularly encouraging.

Regionally, LAC led the other regions, followed by Europe and Central Asia (ECA); East Asia and Pacific (EAP); South Asia (SAR); and the Middle East and North Africa (MNA). Sub-Saharan Africa (AFR) experienced the lowest amount of investment. The Middle East and North Africa (MNA) region, which had a much smaller total of commitments of \$3.3 billion, also saw increases compared to the previous year.

The energy sector had the largest number of new projects, but the sector with the greatest total of investment commitments was the transport sector, receiving US\$55.3 billion, or 51 percent of total global investment commitments. Consistent with the trend in previous years, roads attracted the most investment

commitments with US\$28.5 billion in 33 projects, about the same number as in 2013. Four out of the top five road projects were in Brazil, with the fifth-largest project in Turkey. Airports captured the second-highest investment commitments total with US\$13.2 billion devoted to five projects.

The World Bank Group's "Private Participation in Infrastructure (PPI)" database is the leading global source of data on PPI trends in the developing world, covering projects in the energy, transport, and water and sewerage sectors.

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