



## Private Participation in Infrastructure in South Asia in the Last Decade

Between 2000 and 2009, the 8 countries in South Asia implemented 361 infrastructure projects with private participation (PPI). Those projects involved investment commitments (hereafter, investment) of \$89.5 billion<sup>1</sup>. That investment, together with additional investment in previously existing projects, brought the total in the region to \$174.4 billion<sup>2</sup>. With this, South Asia accounted for 15% of the activity in developing countries by number of projects and 17% of the activity by investment.

Investment in the region grew from a range of \$4–7 billion in early 2000s to \$15 billion in 2005 and to a range of \$29–\$33 billion in 2006–08. Private activity in infrastructure in the region was concentrated in India (83% of total investment) and Pakistan (12%).

**Telecom** attracted 44% of regional investment (\$76.3 billion) and implemented 29 projects in 8 countries.

- India accounted for 68% of regional investment in telecom.
- New telecom projects accounted for 28% of the investment in the sector, and additional investment in projects implemented in the 1990s for the remaining 72%.
- All 29 new projects were greenfield projects including 15 mobile operators, 7 fixed access operators, 4 long distance companies and 3 multi-service providers.

**Energy** accounted for 38% of regional investment (\$66.9 billion) and 150 projects in 7 countries.

- India implemented 104 energy projects and accounted for 91% of regional investment in transport
- Electricity generation accounted for most of the activity: 128 projects and \$62 billion investment. Those projects involved 92.6 GW.
- There were also nine electricity distribution projects with investment worth \$2.1 billion, and eight electricity transmission projects with investments of \$2 billion.
- The remaining five projects were for natural gas transmission and distribution with investment of \$700 million.
- Greenfield projects were the most used type of PPI: 136 projects and \$60.9 billion investment. There were also 12 divestitures, one concession and one management contract.

**Transport** accounted for 18% of regional investment (\$30.8 billion) and 170 projects in three countries.

- India implemented 161 transport projects and accounted for 96% of regional investment in transport. Bangladesh and Pakistan accounted for the remaining activity.
- Roads dominated transport activity with 131 projects and \$18.5 billion investment. All but one project were implemented in India. Of these projects, 103 were concessions, 27 greenfield projects, and one was management contract
- Seaports had 27 projects and \$6.1 billion investment. Most projects involved greenfield facilities (20 projects), and the remaining were concessions (4) or management contracts (3).
- There were also 7 airports with investments of \$4.8 billion and 5 railroads with US \$1.4 billion.

**Water and sanitation** had 12 projects involving investments of \$400 million.

- All water projects were in India with 8 of them for water utilities and 4 for treatment plants.
- Management contracts were the most common type of PPI (5 projects) followed by greenfield projects (4) and concessions (3).

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<sup>1</sup>Data are reported in 2009 US\$ dollars adjusted by the US Consumer Price Index. 2009 data are preliminary and include only investment in new projects.

<sup>2</sup>The data on additional investment cover the period of 2000-2008, and includes projects that reached financial or contractual closure in 1990-1999.