



PRIVATE PARTICIPATION IN INFRASTRUCTURE DATABASE

Regional overview

August 2011

Private participation in infrastructure in South Asia in the last decade

Between 2000 and 2010, the 8 countries in South Asia implemented 501 infrastructure projects with private participation (PPI).¹ Those projects involved investment commitments (hereafter, investment) of US\$189 billion.² That investment, together with additional investment in previously existing projects, brought the total in the region to US\$267 billion. With this, South Asia accounted for 18% of the activity in developing countries by number of projects and 21% of the activity by investment.

Investment in the region grew from a range of US\$4–8 billion in early 2000s to US\$14–16 billion in 2004–05, to a range of US\$30–US\$43 billion in 2006–09, and to a peak of US\$74 billion in 2010. Private activity in infrastructure in the region was concentrated in **India** (87% of total investment and 83% of projects). **Pakistan** followed with 9% of total investment and 6% of projects.

IDA countries in South Asia implemented 53 projects which involved investment of US\$12.4 billion. Investment in IDA countries varied between US\$1 billion to US\$2 billion in 2005–10. Telecommunications accounted for 83% of such investment and electricity for 13%.³

Energy accounted for 42% of regional investment (US\$111 billion) and 218 projects in seven countries.

- India implemented 164 energy projects and accounted for 94% of regional investment in energy.
- Greenfield projects were the most used type of PPI: 202 projects and US\$100.3 billion in investment. There were also 14 divestitures, one concession and one management contract.
- Electricity generation accounted for most of the activity: 192 projects and US\$102.5 billion in investment. Excluding partial divestitures, these projects involved 91.6 GW of new capacity.
- There were also nine electricity distribution projects with investment worth US\$3.7 billion, and eleven electricity transmission projects with investments of US\$4.4 billion
- The remaining five projects were for natural gas transmission and distribution with investment of US\$730 million.

Telecom attracted 41% of regional investment (US\$108 billion) with 31 projects in the eight countries in the region.

- India accounted for 74% of regional investment in telecommunications.
- New telecom projects accounted for 29% of the investment in the sector, and additional investment in projects implemented in the 1990s for the remaining 71%.
- All 31 new projects were greenfield projects including 15 mobile operators, 7 fixed access operators, 4 long distance companies and five multi-service providers.

Transport accounted for 18% of regional investment (US\$47 billion) and 239 projects in four countries.

- India implemented 229 transport projects and accounted for 97% of regional investment in transport. Bangladesh (four projects), Maldives (one), and Pakistan (five) accounted for the remaining activity.
- Roads dominated transport activity with 192 projects and US\$32.3 billion in investment. All projects were implemented in India, except for one in Bangladesh. Of the road projects, 160 were concessions, 31 greenfield projects, and one was management contract

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¹ The PPI Project Database currently uses the FY10 World Bank country classification released in July 2010. 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/>.

² Investment data are in 2010 US dollar using the US CPI to adjust to 2010 values.

³ IDA countries those that can borrow from International Development Association (IDA) on concessional terms given their relative poverty (GNI per capita below US\$1,135 in 2010) or lack creditworthiness to borrow on market terms. These data do not include blend countries in the region (India and Pakistan).



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- Seaports had 32 projects and US\$7.7 billion in investment. Most projects involved greenfield facilities (25 projects), and the remaining were concessions (four) or management contracts (three).
- There were also nine airports with investments of US\$5.5 billion; India implemented six projects while Bangladesh, Maldives and Pakistan implemented one project each.
- There were six railroads with US\$1.5 billion; all of them implemented in India. Three projects were for metro lines in major metropolitan areas and the other three were for freight cargo.

Water and sanitation had 13 projects involving investments of US\$400 million in two countries.

- Management contracts were the most common type of PPI (six projects) followed by greenfield projects (four) and concessions (three).
- All water projects were in India, except for one: a management contract for Kathmandu water utility. India brought private participation in eight for water utilities and four for treatment plants.