



Private Participation in Infrastructure in East Asia and Pacific in the Last Decade

Between 2000 and 2009, 16 countries out of the 23 in East Asia and Pacific implemented 871 infrastructure projects with private participation (PPI). Those projects involved investment commitments (hereafter, investment) of \$135.5 billion¹. That investment together with additional investment in existing projects brought the total in the region to \$181 billion². With this, East Asia and Pacific accounted for 36% of the activity in developing countries by number of projects and 17% by investment. Annual investment in the region was in the range of \$21-\$23 billion in 2006 and 2007, but fell to \$14.5 billion in 2008.

Private activity in infrastructure in East Asia and Pacific was concentrated on four countries: **China**, (40% of regional investment), **Malaysia** (15%), the **Philippines** (14%), and **Indonesia** (13%).

Energy has been the most successful sector, attracting 35% of regional investment (or \$63 billion) and implementing 371 projects in 11 countries.

- Electricity generation accounted for 174 projects and \$50 billion investment. Those projects had a total capacity of 61.2 GW.
- Natural gas distribution projects were the second most active energy business with 184 projects and investment of \$4.4 billion. All of these projects were in China.
- Greenfield projects were the most used type of PPI: 265 projects and \$41 billion investment. Divestiture followed with 55 projects and \$17.6 billion in investment.

Telecom was the second most active sector, accounting for 30% of regional investment (or \$54 billion) and 23 projects in 14 countries.

- New telecom projects accounted for 30% of the investment in the sector, and additional investment in projects implemented in the 1990s for the remaining 70%.
- New projects were either greenfield operators (19 projects) or divested companies (4 projects).
- Most projects were stand alone mobile operators followed by multi-service providers.

Transport accounted for 25% of regional investment (or \$46 billion) which was directed to 146 projects in 8 countries.

- The activity in transport was dominated by roads with 61 projects and investment of \$19.5 billion, and seaports with 56 projects and investment of \$15.2 billion.
- There were also 14 railroads with investment of \$8.8 billion and 15 airports with investment of \$3.8 billion.
- Greenfield projects were the most prevalent type of PPI with 93 projects and \$31 billion in investment. Concession followed with 31 projects and \$6 billion in investment

Water and sanitation had 10% of regional investment (or \$17.5 billion) and 331 projects in 6 countries.

- China accounted for 92% of the water projects and almost 50% of the investment.
- Most of water projects were sewerage treatment plants (209 projects) followed by potable water treatment plants (68), and water utilities (42).
- Greenfield projects were the most used type of PPI with 202 projects. Concessions followed with 106 projects.

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

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