

PRIVATE PARTICIPATION IN INFRASTRUCTURE DATABASE

PPI data update note 59

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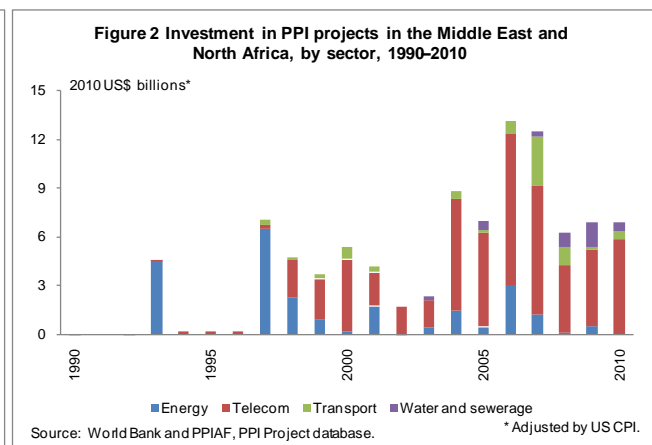
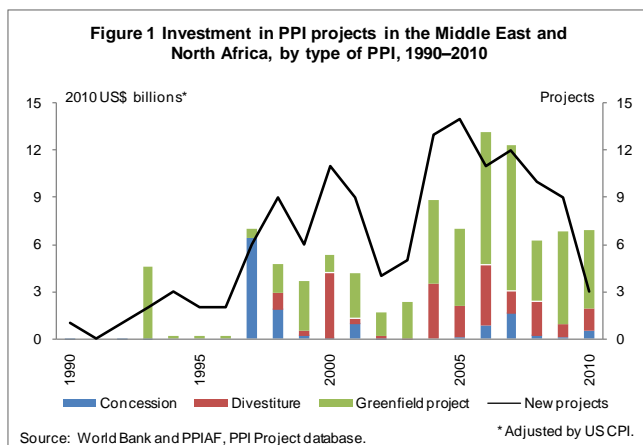
Private activity in infrastructure in the Middle East and North Africa remained at low levels in 2010

In 2010, three infrastructure projects with private participation reached financial or contractual closure in three low- and middle-income countries, involving investment commitments of US\$1.1 billion (table 1).¹ Infrastructure projects implemented in the 1990–2009 period attracted new investment of US\$5.8 billion, bringing total investment commitments (hereafter, *investment*) to infrastructure in the region to US\$6.9 billion in 2010.²

This level of investment is similar to the one reported in the region in 2009 (US\$6.8 billion). However, private activity by number of projects is one third of the one reported in 2009 during the previous year (nine new projects in 2009).

Private investment was concentrated on greenfield projects (BOT and BOO) which accounted for 72% regional investment (figure 1). Previously divested infrastructure projects attracted 21% of regional investment.

Private activity was concentrated on a few countries. Egypt, Tunisia, Morocco and Iraq accounted for 83% of regional investment in 2010.



Telecom had no new projects but previously implemented projects attracted investment of US\$5.8 billion. This represents a 23% increase from the level in 2009. Telecommunications accounted for 85% of the regional investment (figure 2).

- Egypt and Morocco accounted respectively for 36% and 19% of regional investment in telecom.
- Investment went to mobile operators (61%) and multi-service providers (36%).

Water and sewerage had two projects and investment of US\$570 million in 2010. This represents a 60% decrease from the level in 2009. The sector accounted for 8% of the regional investment.

- In Egypt, the US\$475 million New Cairo wastewater treatment plant project reached financial closure under a 20-year BOT agreement. The Egyptian Ministry of Housing awarded the project via competitive bidding in June 2009.

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¹ The PPI Project Database currently uses the World Bank's definition of low- and middle-income countries released in July 2010. High income countries in the region such as Qatar, Oman, and Saudi Arabia Emirates are not included in the analysis. Investment data are in 2010 US dollar, using the US CPI to adjust to 2010 values.

² 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/>.

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- Tunisia signed a 20-year BOT agreement for a desalination treatment plant project near Djerba representing US\$95 million in investment.
- With these two projects, the region accounted for 24% of total annual investment in water and sewerage projects with private participation in developing countries in 2010.

Transport had one seaport projects and investment of US\$500 million in 2010 (compared with three projects and US\$159 million in investment in 2009).

- In Iraq, the Umm Qasr Container Terminal project for Berths 8, 10 and 11 reached contractual closure under a concession contract.

No new **energy** project was reported in the region.

Table 1. Projects with private participation reaching financial or contractual closure in the Middle East and North Africa in 2010

Transport					
Country	Project name	PPI Type and Subtype	Segment	Total Investment*	Sponsors
Iraq	Umm Qasr Container Terminal Berth 8, 10 and 11	Concession (BROT)	Seaport Terminal	500	GulfTainer (100% / United Arab Emirates)

Water and sanitation					
Country	Project name	PPI Type and Subtype	Segment	Total Investment*	Sponsors
Egypt, Arab Rep.	New Cairo Wastewater Treatment Plant	Greenfield project (BOT)	Sewerage treatment plant	475	Orascom (50% / Egypt, Arab Rep.), Fomento de Construcciones y Contratas SA (FCC) (50% / Spain)
Tunisia	Djerba desalination plant	Greenfield project (BOT)	Potable water treatment plant	95	Abengoa (51% / Spain), Princesse Holding (49% / Tunisia)

Note: BOT= Build, Operate, and Transfer; BROT = Build, Rehabilitate, Operate, and Transfer

*in current US\$ millions

Source: World Bank and PPIAF, PPI Database.