



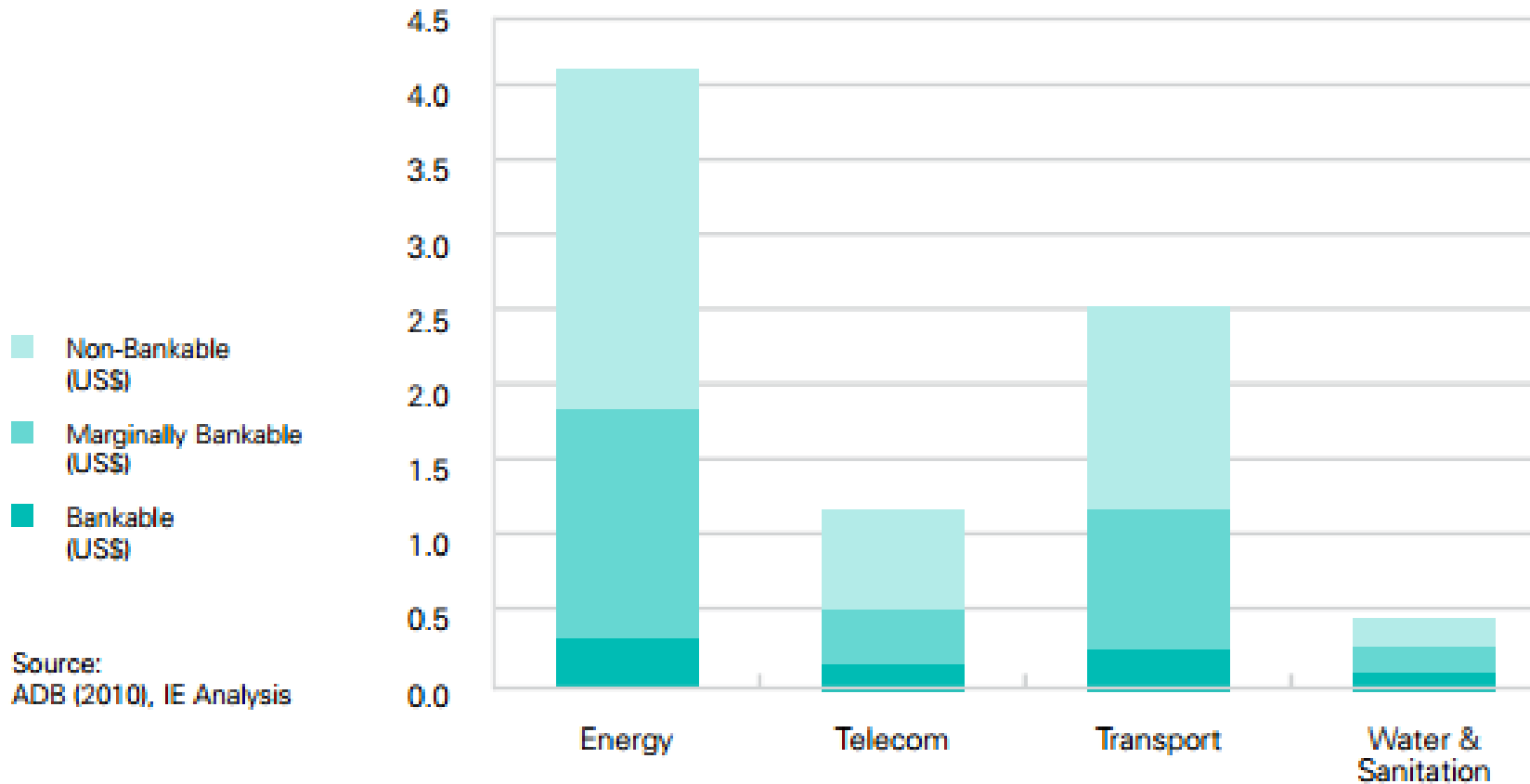
2nd Power South-East Asia Conference

Opening Remarks: South-East Asia Electric Power Outlook, Challenges and Opportunities

Allard Nooy
CEO, InfraCo Asia

Myanmar, 15 Sep 2015

Power is the highest priority sector in Asia but there is a lack of bankable projects



- Only 5-10% of demand in Asia is currently bankable (US\$ 40 to 80 Billion per year)
- 30-45% of demand in Asia is marginally bankable (US\$ 240 to 360 Billion per year)

More organizations are needed that focus on creating bankable projects

Stages of Infrastructure Project Development



InfraCo Asia plays a key role in attracting more private sector investment but very few peers exist

- Investment at this stage only \$2 to \$3 Million (2 to 10% of the total cost depending on project size)
- However, riskiest stage of investment
- Lack of sources of early stage financing in industry

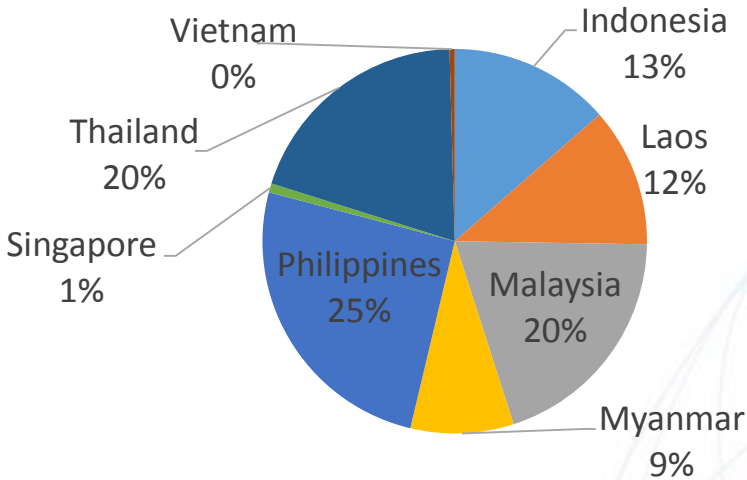
- IFC Infra Ventures
- Global Infrastructure Facility
 - Recent World Bank initiative
 - Supported by Australian government, European institutions and Swiss firms

Most institutional investors focus on Stage 3 and Stage 4 projects as a way to diversify their portfolios

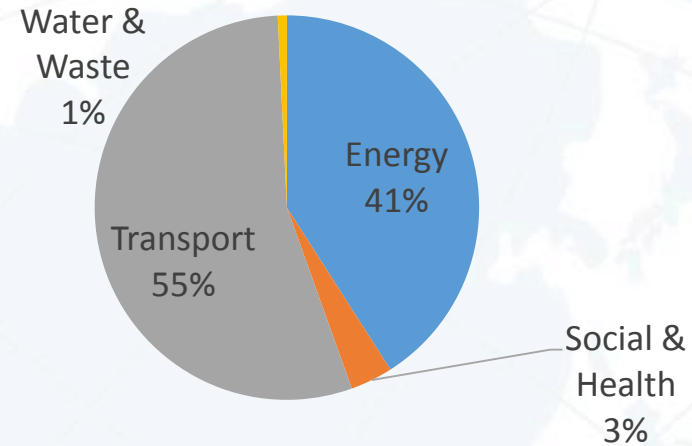
- Commercial Banks
- Multi-laterals
- Private Equity
- Pension Funds
- Sovereign Wealth Funds
- Infrastructure focused government sponsored funds such as AIF, AIIB

Recent PPP transactions show investments are not proportional to the requirement

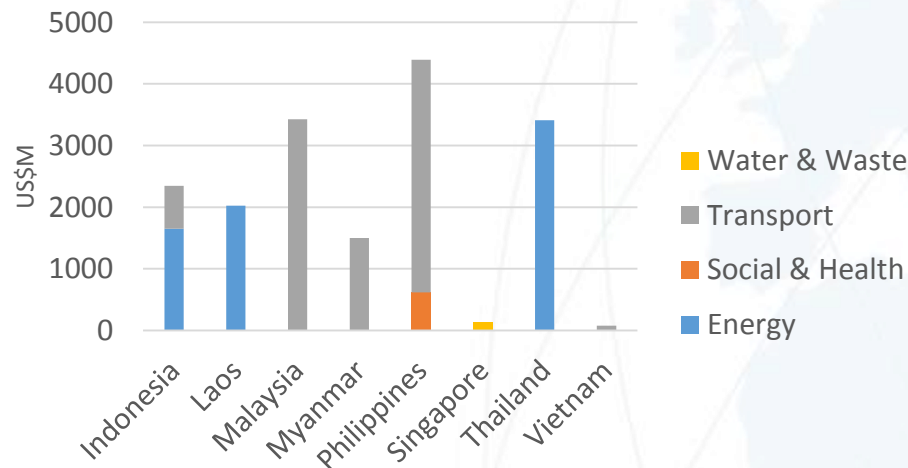
Distribution of PPP Projects by country (on value)



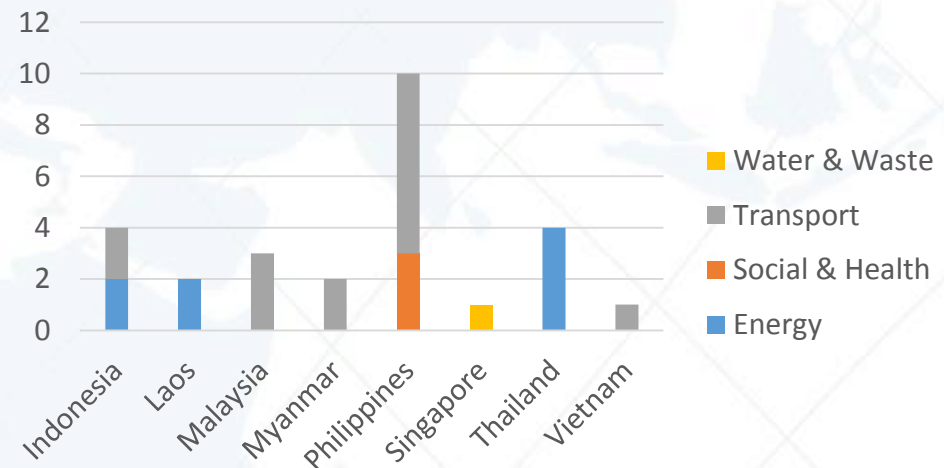
Distribution of PPP Projects by sector (on value)



Value of PPP projects by country/sector



Number of PPP projects by country/sector



Very few countries have power deals

Country	Project Name	Value	Sector	Status
Philippines	Manila ITS south terminal PPP Project	\$87M	Transport	Project Awarded
	Cavite and Laguna Expressway PPP	\$1228M		Project Signed
	Integrated Transport system for Cavite SW Terminal	\$74M		Project Signed
	Mactan Cebu International airport	\$515M		Financial Close
	Manila LRT Line 1 extension PPP	\$1470M		Project Signed
	Manila's Automatic Fare Collection System (AFCS)	\$40M		Project signed
	NAIA Expressway PPP project	\$360M		Project Signed
	Philippines Orthopedic Center	\$135M	Social & Health	Financial Close
	Calamba Regional Government PPP Center	\$57M		Project in Operation
	PPP for School infrastructure Project	\$425M		Project Awarded
Indonesia	Perbakaran-Tebing Tinggi Toll road PPP project	\$303M	Transport	Financial Close
	First container terminal at Kalibaru port, north Jakarta	\$393M		Project signed
	Sarulla Geothermal Project	\$1541M	Energy	Financial Closure
	Rajamandala Hydro Power Plant	\$110M		Financial Closure
Thailand	Gulf TS1 Co Ltd (Natural Gas)	\$2200M	Energy	Financial Close
	Khanom 4 CCGT (Natural Gas)	\$822M		Financial Close
	EA Solar Lampang Solar PV Power Plant	\$199		Financial Close
	Bowin 1 Gas Fired Plant	\$189M		Financial Close
Malaysia	Jabor-Kg Gemuruh highway concession	\$1000M	Transport	Project Awarded
	Senai-Desaru Expressway (SDE) Johor	\$423M		Project in Operation
	Penang underground tunnel link concession	\$2000M		Project Signed
Myanmar	Mandalay International Airport	\$100M	Transport	Project Signed
	Hanthawaddy International Airport	\$1400M		Project Awarded
Laos	Xe-Pian Xe-Namnoy hydropower plant	\$1043M	Energy	Financial Close
	Nam Ngiep 1 Hydropower Project	\$980M		Financial Close
Vietnam	Phu Quoc Island Seaport BOT	\$75M	Transport	Project Awarded
Singapore	Changi Newater II PPP	\$132M	Water & Waste	Project Awarded

There is room for more power projects in the PPP pipeline in South-East Asia

Country	Implemented projects	Pipeline	Airport	Social	Water & Waste	Power	Surface Transport
Myanmar	Power, Airport	Limited	✓				
Cambodia	Power, Airport	Limited					
Lao PDR	Hydropower	13 projects		✓		✓	✓
Vietnam	Power	Being developed				✓	✓
Indonesia	Power, Water	27 projects ¹			✓	✓	✓
Philippines	Airport, Highway, Schools	37 projects	✓	✓			✓
Malaysia	Highway	52 projects ²		✓		✓	✓
Thailand	Highway	Being developed					✓
Singapore	Water, Social	Limited			✓		

1. As per 2013 PPP Book
2. As per 10th Malaysia Plan

The PPP frameworks heavily influence private sector investment...

Country	Policy Framework	Legal Framework	PPP Govt Agency	Guidelines	Govt Financial Support	Land Acquisition
Myanmar	Few infra policies in dev plan	New Foreign Investment Law	No specific PPP agency	No published PPP guidelines	No developed regime	Limited govt support
Cambodia	Limited PPP specific policies	Use Law on Concession	CDC is focal point for concession law	Procurement manual	No developed regime	Limited Govt support
Lao PDR	Limited PPP specific policies	No specific laws (FDI laws used)	No specific PPP agency	MPI Investment guidebook	No developed regime beyond tax incentives	Limited govt support
Vietnam	Policies for PPP projects & FS fund	Based on 2010 PPP regulations	2012 PPP Team & Steering Comm	No published PPP guidelines	Govt guarantees on BOT power projects	Limited govt support
Indonesia	Economic Master Plan & PPP book	Several specific PPP laws/regns	Bappenas and other bodies	PPP Investor's guide & PPP Book	Guarantee (through IIGF) and VGF	Land Funds or related laws
Philippines	Philippines Development Plan	BOT framework; impl rules/reg	PPP Center	PPP Manual & Sector Guidelines	Project development & monitoring facility	Strategic Fund for ROW acquisition
Malaysia	Privatization policy, 2009 PPP guideline	No specific PPP laws	3PU (UKAS)	PPP Guideline (2009)	Facilitation Fund for private initiatives	Federal/State can acquire private land
Thailand	General infra policies to develop PPP regime	Act for Private Investment in state undertaking	PPP Committee	No published PPP Guidelines	No developed regime	Govt responsible for land acquisition
Singapore	Some policies set out in PPP handbook.	No specific PPP laws	MOF has overall responsibility	PPP Handbook published by MOF	Refinancing guarantee on Sports Hub PPP (2010)	Compulsory acquisition is possible

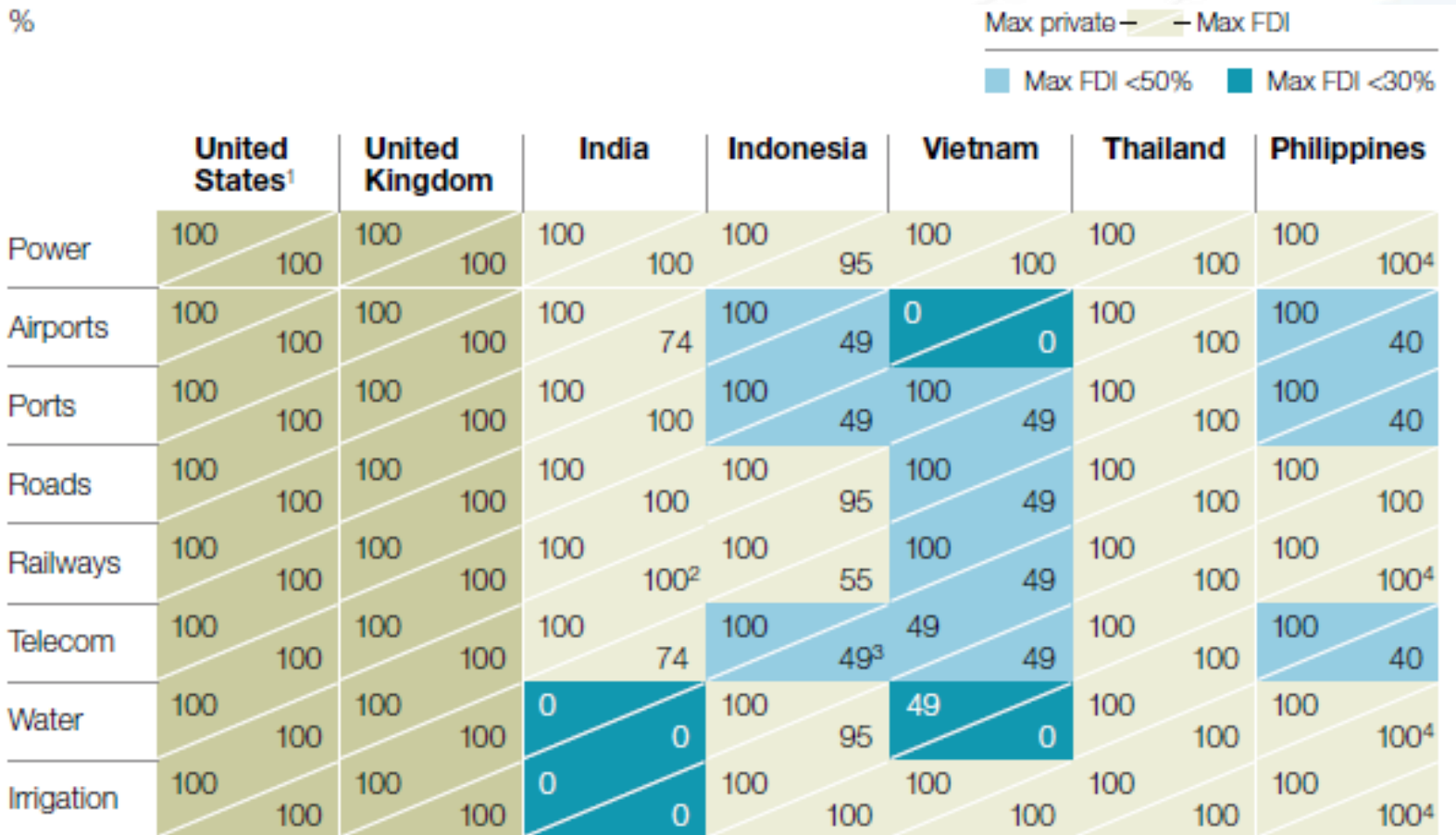
PPP specific framework

Limited PPP framework

No PPP framework

...as well as restrictions on private and foreign investment

%



¹No limitations. However, critical infrastructure projects are subject to congressional review.

²100% for building railway infrastructure; rail operations are run solely by government.

³49% applies to fixed-line infrastructure; limit for mobile infrastructure is 65%.

⁴100% for greenfield projects; 40% for brownfield projects.

Thank you

For further information please visit:

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