

# *Infrastructure development in Asia Pacific: Infrastructure for Inclusive Growth*

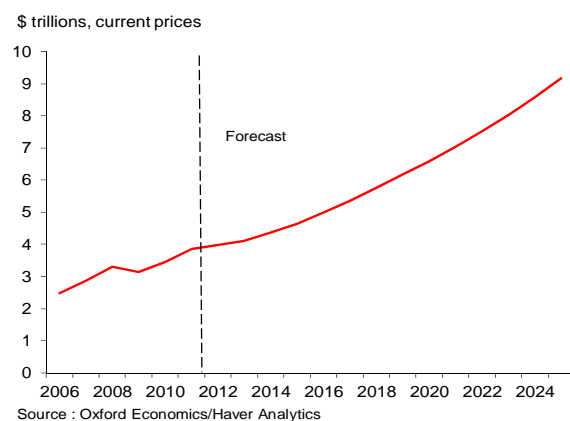
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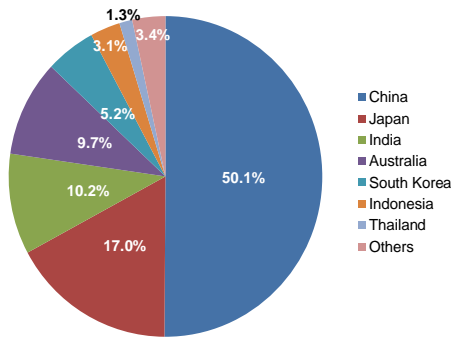
## ***Infrastructure: spending is expected to accelerate significantly over the next decade***

- Spending for capital projects and infrastructure has begun rebounding
- Worldwide - a \$9 trillion per year by 2025
- a total spending of \$78 trillion between now and 2025



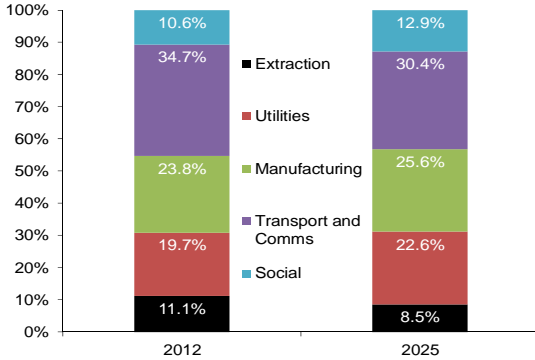
## Asia – the main driver for spending growth

Percent of regional infrastructure spend



Source : Oxford Economics/Haver Analytics

Percent of total infrastructure investment

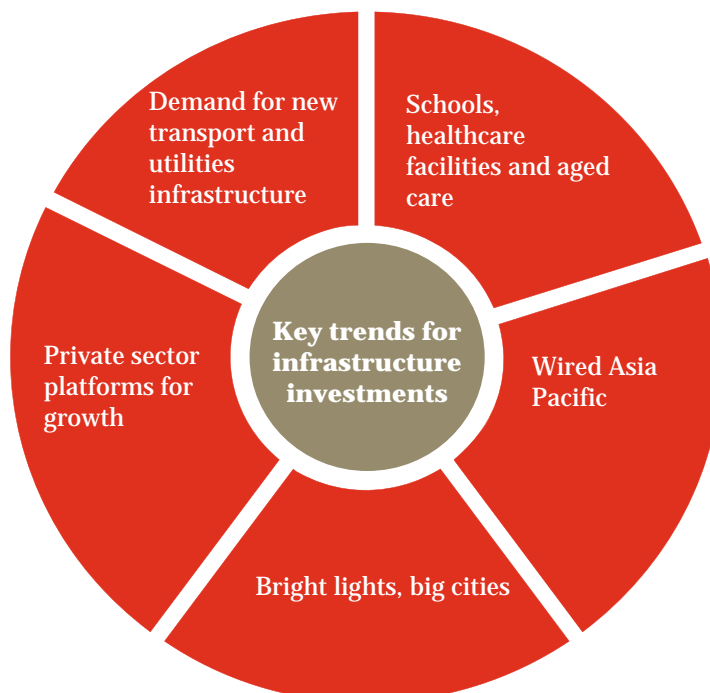


Source : Oxford Economics/Haver Analytics

- Overall, the Asia-Pacific infrastructure market will grow by 7% to 8% a year over the next decade, approaching US\$5.3 trillion by 2025.
- Government is a key driver of all infrastructure spending.
- How infrastructure is planned and financed is important.
- Time to adopt a regional perspective.

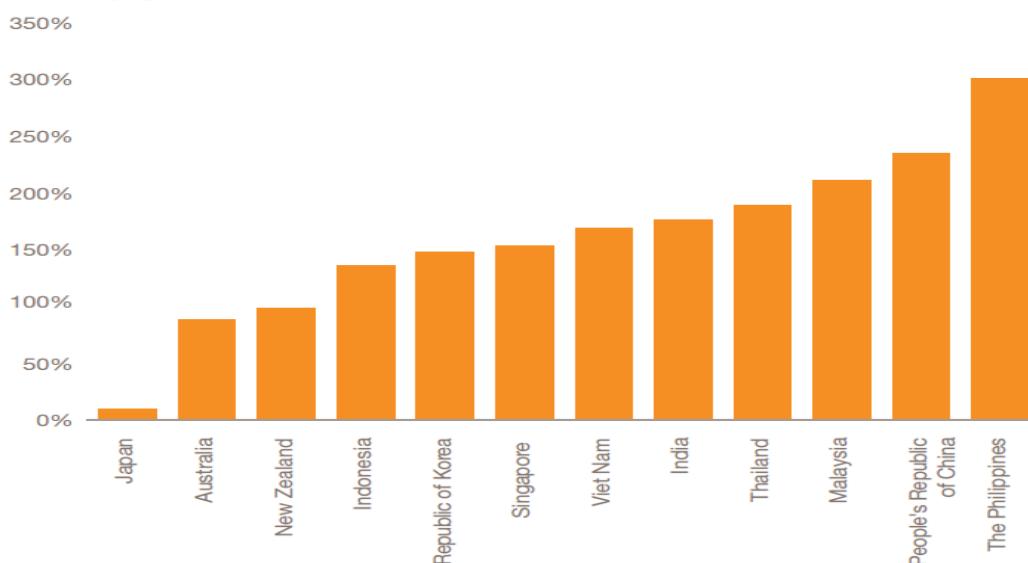
July 2013  
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## Five trends you should know about Asia-Pacific infrastructure development



## Demand for new transport & utilities infrastructure

Percentage growth in annual \$ road investment, 2025 versus 2010

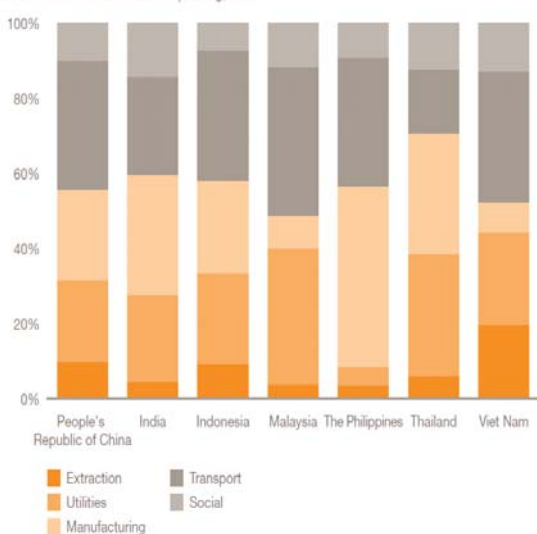


Source: PwC and Oxford Economics. *PwC's Capital project and infrastructure spending: Outlook to 2025, research findings, PwC, 2014*

## Schools, healthcare facilities and aged care

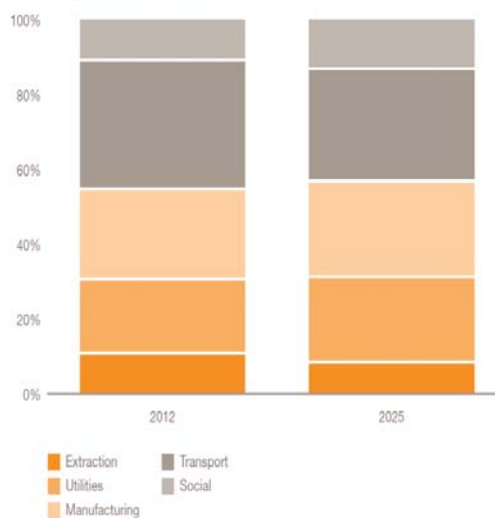
In emerging Asia, social investment contributes a much lower share of total infrastructure spending.

Percent of total infrastructure spending, 2013



Source: PwC and Oxford Economics. *PwC's Capital project and infrastructure spending: Outlook to 2025, research findings, PwC, 2014*

Percent of total infrastructure investment



Source: PwC and Oxford Economics. *PwC's Capital project and infrastructure spending: Outlook to 2025, research findings, PwC, 2014*

# Wired Asia Pacific



The world's biggest e-commerce market is shifting to Asia and to China in particular.



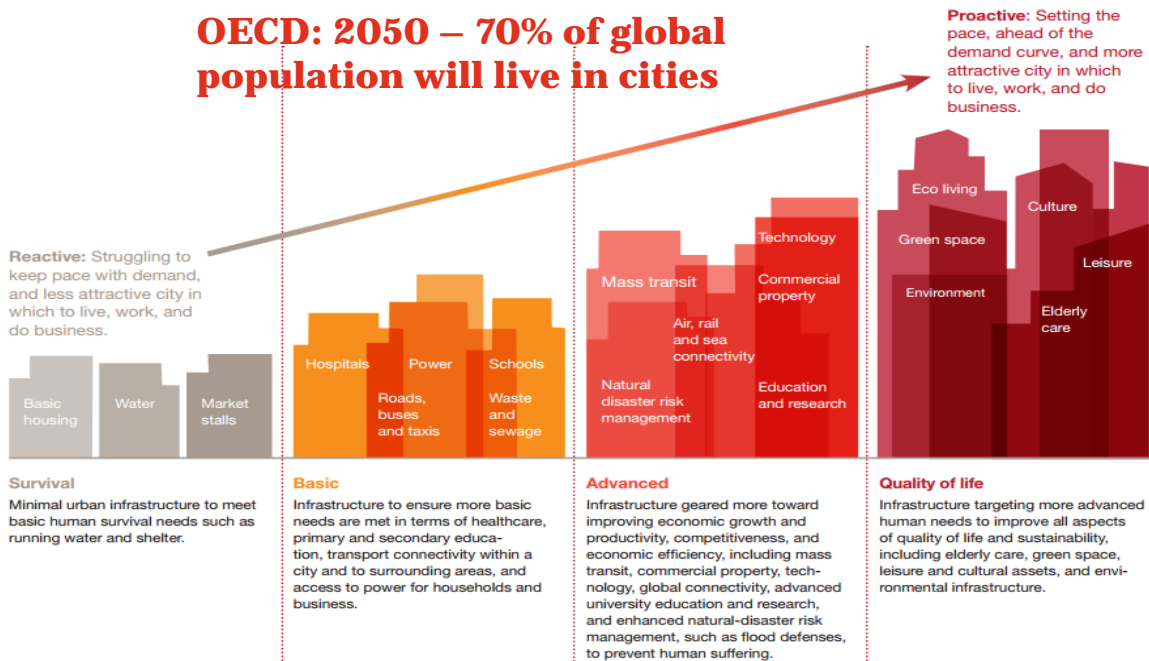
Much more room to grow the reach of mobile and broadband connectivity.

# Bright lights, big cities

## Four-stage urban infrastructure evolution

Where are the Cities of Opportunity positioned today in the evolution of urban infrastructure and what will future infrastructure demands be?

**OECD: 2050 – 70% of global population will live in cities**



# Private sector platforms for growth

57%

of respondents are building or expanding facilities in APEC economies in the next 3-5 years

## What are they building? In their own words...



### Industrial

Assembly, manufacturing, chemical and paper plants



### Operations/capacity

Air cargo, ports capacity, distribution centres, warehouses, office space, service centres



### Consumer

Bank network, retail outlets, movie production, hotels, outpatient clinics, casinos, retirement village



### Digital economy

Data centres, communications infrastructure, automation and efficiency technologies



### Basic material/power

Bauxite mine, coal processing plant, gas production and flowlines, wind farms

## Optimal Conditions for Infrastructure Spending

### Economic Factors

- National Vision – commitment, pipeline
- Macroeconomic stability and attractiveness
- Stable legal and regulatory frameworks
- Sustainable infra finance options
- Capacity to procure and develop
- Risk and return balance

### • Social Factors

- Ethics and transparency
- Collaboration – public, private, civil society
- Willingness to pay – society
- Track record

### • Environmental Factors

- Environmental regulation and permits
- Approach to addressing environmental risk
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***Thank you!***

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