

**KEYNOTE SPEECH BY MS INDRANEE RAJAH,  
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SINGAPORE MARRIOTT TANG PLAZA HOTEL**

Mr Stuart Allen, Managing Director, IJGlobal  
Mr Jason Coles, General Manager, Asia, Euromoney Seminars  
Distinguished Guests,  
Ladies and Gentlemen,

Good morning.

1. It is my pleasure to join you at the Asia Pacific Energy and Infrastructure Finance Forum 2016.

**Demand for infrastructure development in Asia Pacific**

2. We recognize that the demand for infrastructure is tremendous. Global capital project and infrastructure spending is expected to rise from US\$4 trillion in 2012 to US\$9 trillion in 2025. Asia Pacific alone will account for 60% of this spending.
3. However, countries in Asia Pacific are facing a critical period in their development currently with the uncertain economic outlook. It is critical that infrastructure development continues, in order to support economic and social development, to drive the next wave of growth.
4. China's "One Belt, One Road" initiative which is widely discussed is also expected to bring about new developments in the region's infrastructure space. This large-scale initiative will open up connectivity and infrastructure opportunities for the region like never before.

**Developing Bankable Projects in Asia Pacific**

5. Although the growth projections and regional developments all point to a strong demand for infrastructure investments, this demand does not automatically lead to projects taking off. In Asia, only a fraction of projects are bankable. More projects can be made economically viable if they are well structured by experienced financial, legal and technical advisors. Hence, the front end project structuring is an important phase. Many governments and development agencies are beginning to recognize this and supporting some project structuring efforts through funding or guarantees.

**Singapore as the Region's Infrastructure Hub**

6. Singapore has a role to play in bringing more bankable projects from the region to investors. Broadly speaking, there are three key factors which

contribute to bankable projects: First, access to financing. Second, expertise and third, a robust regulatory framework.

### **World Class Financial Ecosystem**

7. As a major financial centre for the Asia Pacific region, Singapore is home to well-established institutions providing both equity and debt financing. There are renowned infrastructure fund managers here, including IFC Asset Management Company and Equis Funds Group; World-class offices for project financing such as Clifford Capital, DBS Bank, Standard Chartered, Sumitomo Mitsui Banking Corporation, as well as the first business trust framework in the world.
8. Some notable deals financed by Singapore-based companies include UOB's financing of three power plants, totaling around 500MW, in Myanmar in 2014 and 2015, two of which were projects led by Singapore-based energy firms. Clifford Capital also invested US\$79.5 million in the inaugural US\$450 million bond offering by Mersin International Port (MIP) in Turkey.
9. The Singapore government will also be undertaking key initiatives to facilitate more private sector involvement in infrastructure investment. These include working with banks to provide better project documentation to address the risks involved with infrastructure investment, providing relevant data and benchmarks for investors, and creation of infrastructure debt facilities to turn infrastructure investment into a proper asset class.

### **Showcasing Singapore's Capabilities**

- ***Infrastructure Companies***

10. Through Singapore's own developmental experience, we have accumulated capabilities in various infrastructure sectors from energy, water and waste management to transport and connectivity. Our companies have also developed expertise and track records across the infrastructure value chain including masterplanning, engineering design, procurement, construction (EPC) and operations.
11. These companies have also been active in exploring overseas markets and with great success. Recently, Singapore companies, Charisma Energy and Sunseap were awarded a contract to build a 140MW Solar Farm in India. This project represents a significant milestone where Singapore companies are offering renewable energy solutions in Rajasthan and fostering urban solutions for India. Hyflux, one of Singapore's home grown water companies, has also won multiple desalination plant projects in the Middle East over the past two years.

- ***Partnerships with Multilateral Development Banks***

12. Given our development experience, Singapore has also partnered with multilateral development banks such as the Asian Development Bank (ADB) and World Bank to encourage infrastructure development in the region and beyond. For example, the World Bank expanded their Singapore operations in 2009 by housing its three different arms, IBRD (International Bank of Reconstruction and Development), IFC (International Finance Corporation) and MIGA (Multilateral Investment Guarantee Agency, pronounced as Mee-Ga) to better respond to the growing demand for policy advice and infrastructure investment in the region and the world. The World Bank Singapore office was further expanded last year to establish a major Infrastructure and Urban Development Hub to focus efforts on developing sustainable infrastructure and urban solutions. The Hub will collaborate with Singapore's public sector, companies and research institutions to develop innovative solutions for countries in the region and beyond. Singapore also works closely with new multilateral financial institutions such as the Asian Infrastructure Investment Bank to address these infrastructure needs in Asia Pacific.

- **Supporting Professional Services**

13. The infrastructure sector in Singapore is supported by a strong professional services ecosystem. Singapore's cosmopolitan talent pool, diversified business landscape and trusted legal framework make it an excellent base for professional services firms. For example, out of the top 100 law firms in the world by revenue, nearly half have a presence here, with many having their Singapore office as a hub to serve the region. Singaporean law practices also enjoy a strong regional reach coupled with a deep understanding of the ASEAN market. Our top Singapore law practices are the largest in Southeast Asia.

14. Similarly, our audit and tax advisory firms are part of international networks like RSM, BDO as well as Grant Thornton, and have adopted international standards including ACCA and CPA UK, while consultants such as KPMG and PwC have well established infrastructure advisories based here to advise governments, sponsors and financiers.

15. With a host of MNCs in Singapore and local, regional and international companies as clients, Singapore professional services firms have the right connections and track record in managing complex cross borders deals.

- **Robust Regulatory Frameworks**

16. Singapore has demonstrated our ability to formulate appropriate policy frameworks to enable the implementation of complex infrastructure projects. We have successfully brought projects such as the Singapore Sports Hub, district cooling system, NEWater and Waste-To-Energy projects to completion

under the private public partnership model. Through such projects, our companies have built up good track records and expertise.

- **Dispute Resolution**

17. A reality of commercial endeavours including those in the infrastructure space is that disputes are bound to arise. A recent report on construction disputes saw the global average sums of dispute and length of dispute increase to US\$51 million and more than 13 months respectively in 2014. This follows a trend over a five year period, from 2010 to 2014, where construction project disputes have been increasing year on year in both value and duration.

18. Singapore has made significant strides in developing itself as a preferred venue for dispute resolution. It builds on Singapore's strengths, which include a respected and efficient judicial system and legal framework, and an open economy supported by proximity and connectivity to other key regional economies. We offer a trusted venue that international parties can rely on for neutrality and efficiency.

19. Singapore offers a full suite of dispute resolution services – litigation, arbitration and mediation through both flagship institutions such as the Singapore International Arbitration Centre, the Singapore International Commercial Court and the Singapore International Mediation Centre; and other renowned dispute resolution institutions such as the International Chamber of Commerce, or ICC, and the American Arbitration Association and its International Centre for Dispute Resolution, which have established a presence in Singapore.

20. Disputants are able to choose the appropriate dispute resolution process to suit their commercial needs which may vary from project to project. A recent PWC study invited companies from various sectors to rank their most preferred forms of dispute resolution. The survey found, for example, that 56% and 68% of energy and construction companies surveyed preferred arbitration as a method of dispute resolution. A significant 22% of energy companies however, preferred court litigation while 22% of construction companies preferred mediation.

- **Building Talent**

21. While Singapore has come a long way in developing its infrastructure sector and supporting services, the effort to nurture talent for the sector continues. There are specific programmes to groom the next generation talent for the infrastructure sector. IE Singapore has been running the Infrastructure Development Internship (IDI) for three years. This programme brings renowned industry players such as Clifford Capital, Ernst & Young, Meinhardt and Surbana Jurong to offer students internships at their firms. The internship

and the associated infrastructure masterclass encourage students to consider a career in the sector.

22. Infrastructure-related training programmes offered here are also being tapped on by our neighbouring countries. Regional governments such as India, Indonesia, Myanmar and Vietnam have participated in the Asia Leaders Programme in Infrastructure Excellence (ALPINE) and the Leaders in Urban Governance Programme. It enables them to build capacity on infrastructure project structuring and management.

23. Singapore is committed to work closely with the industry, project sponsors and regional governments to bring about infrastructure development for Asia. I am pleased that conferences such as this Asia Pacific Energy and Infrastructure Finance Forum serve as effective thought leadership platforms, bringing everyone together to generate new ideas and solutions.

24. I wish you a good conference. Thank you!

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