SINGAPORE: ASIA’S INFRASTRUCTURE HUB
On the supply side, there is ample private capital available globally to potentially meet this demand, with the value of the global bond market estimated to exceed US$100 trillion.\(^2\)

However, there remains a vast mismatch between demand and supply. With more than sufficient capacity in the capital markets, the key to Asia’s infrastructure development lies in successfully mobilising financing for projects in the region.

Singapore has a comprehensive infrastructure ecosystem which includes developers, financiers, professional services and other supporting services. With our understanding of regional markets and our own development experience, Singapore is well-placed to serve Asia’s infrastructure needs and unlock the region’s infrastructure potential to support Asia’s economic and social growth.

Here are six ways Singapore can partner you and your business to meet Asia’s growing infrastructure needs.

PROJECT DEVELOPMENT

WORLD-RENOWNED DEVELOPERS
With strong expertise in areas such as project structuring, management, financing and investment, Singapore-based developers can work closely with governments and other stakeholders to bring a project from conceptualisation to completion.

DIVERSE CAPABILITIES THAT SPAN A WIDE RANGE OF SECTORS
Singapore is home to companies which:
• Own and operate >13 million m³/day of water assets
• Handle 200,000 containers a day across 30 ports worldwide
• Provide consultation and management services for over 50 airports in 20 countries

CASE STUDY
Changi Water Reclamation Plant (WRP) is Singapore’s largest and most advanced WRP. It is owned and operated by PUB, Singapore’s National Water Agency. Commissioned in 2008, Changi WRP is currently undergoing expansion to increase its treatment capacity from 202 million gallons per day (MGD) to 246 MGD using membrane bioreactors. The design and supervision services for the expansion works were provided by Jacobs Engineering (formerly CH2M Hill) and the main constructors were Sembcorp Design & Construction and HSL Constructor.

In addition, Changi WRP is also commissioning a 44 MGD Wet Weather Facility (WWF) to manage high flows during extreme wet weather. The WWF was designed by Jacobs Engineering and the constructors are Quek & Quek Civil Engineering, Koh Brothers Building & Civil Engineering, and Memiontec. The WWF is set to be powered by state-of-the-art technology supplied by Veolia Water Technologies.

CASE STUDY
Singapore renewable energy developer Sunseap Group is working with InfraCo Asia to develop a 168MWp solar farm in Ninh Thuan, Vietnam. The US$150m project broke ground in June 2018 and is expected to go into commercial operation by June 2019. This project represents the largest solar energy collaboration between Singapore and Vietnam to date, and will generate enough electricity to power up to 200,000 households in Vietnam.
FINANCING AND RISK MANAGEMENT (INSURANCE)

ASIA’S FINANCIAL SERVICES HUB
Singapore serves as the Asia-Pacific base for many global banks with project finance lending and advisory specialisations – about 60% of project finance transactions in Southeast Asia are lead-managed by Singapore-based banks. As the largest foreign exchange centre in Asia, Singapore can offer a wide range of foreign exchange and interest rate hedging solutions to meet various project needs.

STRONG ASSET MANAGEMENT INDUSTRY AND CAPITAL MARKET
As the gateway to Asia, Singapore offers a vibrant ecosystem for sourcing capital, making deals, and hiring talent. We are home to a growing pool of infrastructure fund managers and institutional investors with a keen interest in Asia-Pacific infrastructure investment opportunities.

FIRMS SPECIALISING IN RISK INSURANCE
Singapore has many specialised insurance companies offering political, credit and even energy risk insurance to help project stakeholders manage their risk.

CASE STUDY
The Sembcorp Myingyan 225MW power plant is one of Myanmar’s largest independent power plants, and is the first awarded through an international competitive tender. The loan financing of US$253 million was provided by three major multilateral development banks – the International Finance Corporation (IFC), Asian Development Bank (ADB), and Asian Infrastructure Investment Bank (AIIB) – as well as DBS, DZ Bank, Clifford Capital, and OCBC, three of which are headquartered in Singapore. This is the first long-term project financing deal in Myanmar. The deal won PFI’s Asia Pacific Power Deal of the Year in 2017.

Underlying the ecosystem that makes Singapore the infrastructure hub of Asia is that unique ability of its constituents, including financial institutions like DBS, to contextualise international financing best practices for the diverse ‘lay of the land’ that is Asia.”

Lim Wei Seng
Managing Director, Head of Project Finance, Institutional Banking Group, DBS
COMPREHENSIVE SERVICES SPANNING THE INFRASTRUCTURE VALUE CHAIN
We are home to renowned law and accounting firms with strong infrastructure practices. These firms provide legal and transaction advisory services required to put an infrastructure project together, including financial, tax, transactional and legal services.

REGIONAL EXPERTISE AND EXPERIENCE
Singapore-based law and accounting firms have the relevant expertise and experience to advise regional governments, sponsors and financiers on the structuring of complex infrastructure deals in Asia, particularly Southeast Asia.

NEUTRAL VENUE FOR DISPUTE RESOLUTION
Singapore offers parties a full suite of dispute resolution services including arbitration at the Singapore International Arbitration Centre (SIAC), mediation at the Singapore International Mediation Centre (SIMC) and litigation at the Singapore International Commercial Court (SICC). Our dispute resolution services include tailored protocols and forward-looking services which help to manage project risk, and facilitate the timely completion of infrastructure projects. Singapore is ranked as the most preferred seat of arbitration in Asia, and SIAC as the most preferred arbitral institution in Asia, with both ranked third in the world. Singapore also provides top-in-class hearing facilities at Maxwell Chambers, the world’s first integrated dispute resolution complex and smart hearing centre.

INTERNATIONAL CENTRE FOR DEBT RESTRUCTURING
Singapore has facilitated regional restructurings even when the assets are overseas. Our debt restructuring regime was amended in 2017 to incorporate the best features of the world’s leading regimes. This offers distressed companies the tools to effectively restructure their debts.

CASE STUDY
The US$412 million Sirajganj 426MW dual fuel power plant project, Sirajganj 4, was Bangladesh’s first public-private partnership (PPP) in the power sector with a foreign investor. It was collectively sponsored by Sembcorp Utilities, a wholly owned subsidiary of SGX-listed Sembcorp Industries Ltd, and North-West Power Generation Company. Lenders included IFC, CDC Group, Clifford Capital and Japan International Cooperation Agency (JICA). In addition, the Multilateral Investment Guarantee Agency (MIGA) provided political risk cover for partial equity/loan for the project.

Singapore-based firms which provided advisory services for this project include Allen & Gledhill (legal), Baker McKenzie Wong & Leow (legal), Shearman & Sterling (legal), KPMG (model auditor and tax/accounting adviser), ERM Singapore (Environmental and Social Impact Assessment Report) and IHS Markit (power market study). The project was awarded PPP Deal of the Year at The Asset Triple A Infrastructure Awards 2018, and APAC Power Deal of the Year at The Global Awards 2018.

4 According to the BIS Triennial Central Bank Survey (2016), Singapore was ranked the 3rd largest foreign exchange centre globally, after London and New York.
TECHNICAL AND ENGINEERING SERVICES

STRONG EXPERTISE AND LONG TRACK RECORD
Both local and multinational companies have played significant roles in Singapore’s development over the past 50 years. From masterplanning to engineering, procurement and construction (EPC), our firms are equipped with expertise across the entire value chain. Many engineering consultancies, infrastructure developers and EPC firms have also set up regional project management, project development and financing teams in Singapore to provide a complete suite of services for regional infrastructure projects.

WELL-HONED INFRASTRUCTURE RESEARCH CAPABILITIES
We are home to a thriving knowledge and research community which examines infrastructure risks and opportunities, as well as new applications of digital technology to EPC and infrastructure development. These developments will help mitigate structural bottlenecks in infrastructure projects and support regional capacity building.

"Singapore’s own excellent infrastructure – which combines a robust, cosmopolitan talent pool, world-class connectivity and state-of-the-art technologies, coupled with an established rule of law – ensures this city-state’s critical and dominant role in the future growth of Asia’s infrastructure sector."

Scott Dunn, Vice President Southeast Asia, AECOM

LARGE INFRASTRUCTURE TALENT POOL
Our well-qualified local workforce plays an integral role in meeting the region’s growing infrastructure demand. Singapore is committed to developing infrastructure capabilities in regional project management, project development and project financing. We partner companies to set up regional Centres of Excellence (CoEs) which help to anchor and build local subject matter expertise in these areas. We are also driving various initiatives across career levels – such as the Infrastructure Development Internship (IDI), Global Ready Infrastructure Talent (GRIT) programme, World Bank Industry Attachment Programme and Singapore Management University’s Asia Leaders Programme in Infrastructure Excellence (ALPIE) – to ensure a steady pipeline of infrastructure professionals.

We are also helping to build our regional leaders’ knowledge of infrastructure through programmes such as the Leaders in Urban Governance Programme and Mayors’ Programme, which see Asian mayors gather to exchange best practices and ideas on infrastructure.

CASE STUDY
To allow institutional investors to objectively evaluate infrastructure investment opportunities, we supported the establishment of the EDHEC Infrastructure Institute Singapore (EDHECinfra). EDHECinfra creates usable performance benchmarks for privately-held infrastructure debt and equity investments. These benchmarks provide investors with more comprehensive data on returns and risks, as well as facilitate performance comparisons of privately-held infrastructure debt and equity against other asset classes.
Singapore works closely with the multilateral development banks to drive infrastructure development in the region. Examples of our collaboration include:

**WORLD BANK GROUP (WBG)**
Singapore is home to the WBG’s first Infrastructure and Urban Development Hub, which houses over 200 WBG staff from the International Bank for Reconstruction and Development (IBRD), IFC, and MIGA. We also play host to prominent WBG events such as the World Bank-Singapore Infrastructure Finance Summit.

**ASIAN DEVELOPMENT BANK (ADB)**
Enterprise Singapore has a Trade Facilitation Scheme with the ADB to provide higher credit guarantees for Singapore companies exporting to emerging markets. The Sustainable Energy Association of Singapore (SEAS) has also partnered the ADB to establish the Sustainable Energy Centre of Excellence. This will equip regional policy-makers with sector knowledge and enable the sharing of best practices related to clean energy policy, technology and project financing.

The Global Infrastructure Facility (GIF) is a US$100 million open platform that facilitates the preparation and structuring of complex infrastructure PPPs to enable mobilisation of private sector and institutional investor capital. Singapore and the World Bank are two of six funding partners. As of August 2018, the GIF has 11 active projects across Asia. These projects will mobilise up to US$8 billion in private financing upon reaching financial close.

**CASE STUDY**

Singapore hosts numerous internationally renowned infrastructure events. These include the World Cities Summit, Singapore International Water Week, Singapore International Energy Week, Asia Singapore Infrastructure Roundtable and World Bank-Singapore Infrastructure Finance Summit. Such events provide platforms for networking and the gathering of minds of infrastructure leaders from both the public and private sectors.
Infrastructure Asia supports Asia’s economic and social growth through infrastructure development.

By harnessing the networks and collective capabilities of public sector agencies and private sector firms, we partner stakeholders across the region to meet Asia’s infrastructure needs. We do this by:

- Connecting partners in the ecosystem;
- Building capacity in demand markets; and
- Providing top-level project advisory to improve bankability.

For more information, please visit www.infrastructureasia.org