

Six Indian infrastructure projects find place in Infrastructure 100: World Markets Report

New Delhi, 13 November 2014 – KPMG International's [Infrastructure 100: World Markets Report](#) highlights key trends driving infrastructure investment around the world. A global panel of industry experts identifies 100 of the world's most innovative, impactful infrastructure projects showing how governments are coming together with the private sector to overcome funding constraints to finance and build projects that can improve quality of life – both solving immediate needs and planning for future societal demands.

The report looks at infrastructure based on the dynamics of four key markets: mature international markets (like Canada, Australia, U.K.), economic powerhouses (including the U.S. and BRIC countries), smaller established markets (like Chile, Sweden, New Zealand, Korea), and emerging markets. The panel of independent industry experts evaluated over 400 diverse and compelling projects to ultimately select the final 100, based on:

Scale – *How does the scale of the project relate to similar developments in its class?*

Feasibility – *Is the project plan feasible and sustainable?*

Complexity – *How challenging or complex is it to get stakeholder support?*

Innovation – *Is there a particular challenge the project overcomes?*

Impact on society – *Does it improve quality of life or promote economic growth?*

With a total estimated value of over USD1.73 trillion, the 100 projects illustrate a range of infrastructure investment, some with a potentially transformative impact that could change the face of nations.

The six Indian projects, which have been considered for this report are – Gujarat International Finance Tec-City (GIFT), Mundra Ultra Mega Power Plant, Interceptor Sewage System, Yamuna Expressway, Delhi Metro and Narmada Canal Solar project.



Meeting the funding challenge

The Infrastructure 100 report also brings to light affordability concerns and the need for governments to make difficult choices about where to spend with funding in short supply. Balancing the aspirations of a nation with the need for true social benefit is not an easy challenge.

“Each country has its own approach to developing and funding infrastructure, yet all share the universal challenge of creating the right conditions to attract investment so desperately needed,” says **James Stewart, KPMG’s Chairman of Global Infrastructure**. “Private capital continues to play a critical role, but investors need economic and political stability before committing. Consistency and sustainability are key in setting policy, the right regulatory environment and establishing a steady deal flow through project pipelines.”

Speaking from the Indian infrastructure sector perspective, Arvind Mahajan, Head of Government and Infrastructure, KPMG in India says, “India’s infrastructure sector story has been a roller coaster ride. While the past few years have seen a decline in interest around the infrastructure sector, the new government is taking a number of measures to revive investment. We believe this could lead to a re-rating of Indian infrastructure.”

Attracting private investment

The report illustrates the critical role of private investment in meeting the infrastructure challenge, with different investment dynamics in each market category:

Economic powerhouses – have significant infrastructure needs – either to support rapid growth and urbanisation or to rebuild, repair or upgrade aging assets. The panel of industry experts identified a surprisingly high reliance on public sector debt sources.

Emerging markets – represent a frontier for private finance in infrastructure, although a lack of funds, inadequate planning, and unstable political environments have limited the availability of projects that could attract private money.

Mature international markets – A combination of privatisation, regulation and a wide range of investors has heightened competition for infrastructure in these markets. An increasing trend for asset sales or privatisation is identified in the report.



Smaller established markets – tend to favour domestic financing, with international financiers restricted by the lack of major projects, competitive local capital and currency risk. However, KPMG's report notes an increasing need for these markets to consider collaborative, cross-border infrastructure projects that deliver regional economic growth and bring the scale of major projects that international investors are seeking.

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Building for the future

The report strikes a note of caution over the limited supply of specialist talent that can pose a big threat to the momentum of infrastructure development. It also touches on new technology and questions when it will have a meaningful impact on the infrastructure industry in the same way it has transformed other sectors. However, the report also acknowledges the continued ability of the sector to innovate, with trends such as capital recycling and asset management helping to make better use of budgets and generate vital funds for further investment.

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About the Infrastructure 100: World Markets Report

This report is the result of in-depth discussions by a distinguished panel of independent industry experts from around the world. It looks at infrastructure in four key markets: mature International markets; economic powerhouses; smaller established markets; and emerging markets. The independent judging panels assessed hundreds of project submissions based on feasibility, social impact, technical and/or financial complexity, innovation and impact on society to ultimately select the final 100.

*View a complete list of the 100 projects online at: www.kpmg.com/infrastructure100

About KPMG in India

KPMG in India is the Indian member firm of KPMG International and was established in September 1993. It strives to provide rapid, performance-based, industry-focussed and technology-enabled services, which reflect a shared knowledge of global and local industries and its experience of the Indian business environment. KPMG in India provides services to over 2,700 international and national clients in India and has offices in Ahmedabad, Bengaluru, Chandigarh, Chennai, Delhi, Hyderabad, Kochi, Kolkata, Mumbai and Pune.

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