

## SESSION STRUCTURE

### Global Strategic Infrastructure: East Asia Context

Wednesday 21 May 08:00 - 09:30

Dusit Thani Manila Hotel, Yakal Room

Infrastructure is significantly needed in Asia: every year investment of US\$ 730 bn in infrastructure is needed until 2020 to meet the growing demands from the region, as estimated by Asian Development Bank. In Asia, excluding China and India, ASEAN countries have the most need for infrastructure development, and many governments are making efforts to bridge the supply-demand gap. President Aquino of the Philippines, for example, has launched an ambitious plan to improve the country's inadequate infrastructure and to double the infrastructure spending by 2016. However, the financing may be only part of the issue. Many obstacles exist throughout the infrastructure lifecycle, from project selection to delivery to maintenance, and, by not properly addressing those issues, many critical projects do not get realized or get to adequately provide their intended value to the society.

This session will bring together representatives from infrastructure and related industries, as well as the governments and the multilateral development banks, to discuss where the main bottlenecks exist in delivering infrastructure and what would be the practical actions to take for the better delivery. The session will be based on the Forum's Global Strategic Infrastructure Initiative.

1. What are the strategic infrastructure opportunities and challenges in East Asia?
2. What are the key obstacles to accelerating the delivery of required infrastructure, and adapting the strategic infrastructure best practices?
3. What key improvements need to be made? What are the leading countries and sectors in East Asia in terms of strategic infrastructure maturity and what can be learnt from them?

The session will include:

Special Guests

- **Joseph Emilio Abaya \*\***, Secretary of Transportation and Communications of the Philippines
- **Cesar V. Purisima \*\***, Secretary of Finance of the Philippines

Table Hosts

- **Danny Lizares \***, Managing Director, The Abraaj Group, Philippines
- **Enrique K. Razon Jr \***, Chairman of the Board and President, International Container Terminal Services (ICTSI), Philippines
- **Takeshi Yokota \*\***, Executive Officer; Corporate Vice-President; Vice-President, Transmission and Distribution Systems Division, Toshiba Corporation, Japan
- **Jeffrey Chua \*\***, Senior Partner and Managing Director, The Boston Consulting Group

Rapporteurs

- **Takashi Tsutsui \*\***, Member of the Board, Executive Officer and Executive Vice-President, LIXIL Group, Japan
- **Sandra Wu Wen-Hsiu \*\***, Chairperson and Chief Executive Officer, Kokusai Kogyo, Japan; Global Agenda Council on Infrastructure

Moderated by

- **Kevin Lu \*\***, Distinguished Fellow, INSEAD, Singapore; Young Global Leader; Global Agenda Council on China

Welcoming Remarks by

- **Alex Wong \*\***, Senior Director, Head of Centre for Global Industries and Head of Basic & Infrastructure Industries, World Economic Forum
- **Stephen P. Groff \*\***, Vice-President, Operations 2, Asian Development Bank, Manila; Global Agenda Council on South-East Asia

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08.00 - 08.07 Session Opening

- Alex Wong, Senior Director, World Economic Forum, Switzerland opens the session with welcoming remarks, then passed to the moderator Kevin Lu.

08.07 - 08.15 Special remarks

- Kevin Lu introduces Cesar V. Purisima, Secretary of Finance of the Philippines, and Joseph Emilio Abaya, Secretary of Transportation and Communications of the Philippines, each to make a 4 min special remark (8 mins total).

08.15 - 08.20 Context Briefing (on Global Strategic Infrastructure Initiative)

- Kevin Lu asks Alex Wong, Senior Director, World Economic Forum, Switzerland, to provide a context briefing (5 mins).

08.20 - 08.25 Context Briefing (on ADB Perspective on Infrastructure)

- Kevin Lu asks Stephen P. Groff, Vice President, Operations 2, Asian Development Bank, Manila, to provide a context briefing (5 mins).
- At 8.25, Kevin Lu introduces the breakout topics which will take place from 08.25 - 09.10

08.25 - 08.30 Introductions at the table

08.30 - 08.35 Table host presents the discussion topic and walks through the questions

08.35 - 09.08 Table host moderates the discussion, rapporteur collects the three most important outcomes/actions to be presented to all participants at the end of the session

09.08 - 09.10 Table host closes the discussion and calls on rapporteur to report back to all

1) Revitalizing the Project Financing Landscape

Following ADB, necessary infrastructure investments in Asia amount to US\$ 730B p.a. 2010-2020, most of which occurs in East, South, and Southeast Asia. This magnitude exceeds what public budgets can cover, and the realization of all beneficial projects will continuously require private sector participation.

- How can the ASEAN region more effectively leverage best practices from other countries on public private collaboration?

- What reforms should be prioritized to attract infrastructure investment and facilitate productive public-private collaboration?

- Table host: Danny Lizares\*, Managing Director, the Abraaj Group
- Rapporteur: Takashi Tsutsui, Executive Vice-President, LIXIL Group Corporation

2) Overcoming Obstacles in Infrastructure Delivery

Efficient delivery along the infrastructure lifecycle is crucial to ensure the social value of investments. Rigorous prioritization (including for cross-border projects), choosing appropriate delivery modes (public, PPP, private), and properly addressing operations and maintenance are important factors for East Asian projects.

- What are key infrastructure project delivery challenges (incl. causes of failure)?

- What are the key improvements the region needs to focus on to ensure infrastructure delivery provides maximal value to society?

- Table host: Jeffrey Chua, Senior Partner and Managing Director, The Boston Consulting Group

3) Improving Connectivity through Transportation and Utilities Infrastructure

Connectivity in Asia is improving, but the region's trade volume grows continuously (+12% p.a. from 2000 to 2011), mandating further investment into the transport sector. For East and South-East Asia, ADB estimates that 30% of national and >50% of regional infrastructure investment needs 2010-2020 are in the transportation sector-with higher production fragmentation, increased reliance on just-in-time delivery and generally more complex supply chains, the improvement of regional connectivity is of utmost importance.

- What are key challenges and opportunities when improving infrastructure connectivity for the region?

- How can the region leverage best practices from other countries, including public private collaboration?

- Table host: Enrique K. Razon\*, Chairman of the Board and President, International Container

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Terminal Services Inc. (ICTSI)

4) Building Resilience into Infrastructure

Globally, infrastructure is increasingly under pressure by extreme weather conditions. Specifically for Southeast Asia, studies quoted by IPCC in 2007 observed an increase of heat waves, intense rains and floods, and typhoons. To withstand such shocks from natural disasters and climate change, resilience has to become an essential part of infrastructure planning and management.

- What are key challenges and opportunities when building resilience into infrastructure for the region, particularly in light of the increasing number of natural disasters?

- How can the region leverage best practice from other countries with respect to resilience in general, and disaster risk resilience in particular?

- Table host: Takeshi Yokota, President, VP Transmission and Distribution Systems, Toshiba
- Rapporteur: Sandra Wu Wen-Hsiu, Kokusai Kogyo

09.10 - 09.22 Report back

(Each rapporteur shares the findings of the group to the participants)

09.22 - 09.25 Conclusion and synthesis of the breakout findings

- Kevin Lu provides a synthesis of the report back,

9.25-9.28

- Kevin Lu asks Stephen P. Groff, Vice President, Operations, Asian Development Bank, Manila, for a closing remark.

09.28 - 09.30 Closing remarks from WEF perspective

- Kevin Lu asks Alex Wong, Senior Director, World Economic Forum, Switzerland, for a closing remark who also concludes the session.