



Financing Infrastructure

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1. Parallels with past – current urbanisation of the developing world compares with urbanisation of Europe and North America in late 19th and early 20th centuries. So there is a road map.
2. Challenge is to do it better – more sustainable, higher standards, lower carbon footprint, higher densities.
3. Large quantities of savings available in many, not all, developing countries – so question is partly how to mobilise those savings, as Europe did in 19th century. But there are places where savings inadequate.
4. But during the 19th century there was low inflation, even negative inflation, which enabled municipalities to attract savings of the new middle class. That does not apply to developing world now – particularly at the moment.
5. Key for high savings regions will be to assure adequate return for its new middle classes. Reducing inflation essential to that aim. Case for innovative financing solutions, obviously involving private sector funds. (To what extent is the global property industry part of the infrastructure industry?)
6. Key for lower savings regions will to create financing solutions that are attractive to private sector – though public sector will have inevitable and proper role.
7. Key question: to what extent will the market drive more sustainable solutions?