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A new programme will be launched to train private and public sector mid-level executives in managing complex infrastructure projects.

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BY DYLAN LOH



(File photo of high voltage power lines by AFP/Roberto Schmidt)

SINGAPORE: A new programme will be launched to train private and public sector mid-level executives in managing complex infrastructure projects, announced Trade and Industry Minister Lim Hng Kiang at the World Bank-Singapore Infrastructure Finance Summit on Tuesday (June 3).

To be run by the Singapore Management University and Lee Kuan Yew School of Public Policy's, the Asia Leaders Programme in Infrastructure Excellence (ALPINE) aims to groom specialist talent to handle development projects in emerging markets. The course will begin its first run in October.

Mr Lim says the programme is Singapore's way of cultivating talent to complement the growing base of firms with project development expertise.

He added that Singapore supports the vision for infrastructure financing to be regarded as an asset class separate from traditional debt and equity investments.

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At present, Asia's infrastructure requirements have been projected at US\$800 billion annually till 2020. However, the proportion of bankable projects has been estimated to be as low as 10 per cent.

"Efforts must be made to enhance the bankability of Asian infrastructure projects," said Mr Lim. "Or we will lose the opportunity to bring in private sector capital, and the onus will then fall on governments again to provide the funding required."

Experts noted that Singapore's capability-building efforts can help it gain a bigger slice of the pie in infrastructure development within Asia. However, they note that emerging markets pose investment barriers.

"Poor regulatory frameworks, poor risk allocation, bad project preparation, are all very early-stage parts of project development," said Mark Rathbone, APAC Capital Projects & Infrastructure Leader at PricewaterhouseCoopers Singapore. "Now, in order to improve that, a couple of things need to happen.

"Firstly, human capacity and human capital needs to improve. So, people who understand infrastructure need to be available to work on these projects to prepare them more effectively. Secondly, you need to have governments which understand how to develop those projects."

Historically, the infrastructure sector has been creditworthy. Financial services firm Standard & Poor's has found that the average annual default rate for project finance debt since 1998 has remained at 1.5 per cent.

- CNA/ek