

Секция: Инвестиции и инновации

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ON PUBLIC-PRIVATE PARTNERSHIP IMPLEMENTATION IN INFRASTRUCTURE PROJECTS

Nowadays development of the country's infrastructure reflects generally the level of its economic development. The spread of transport infrastructure and energy distribution networks, the availability of telecommunications systems and water are some of the essential needs in developing countries. The state inability to fund the projects in those spheres in order to develop national infrastructure and the need to attract foreign investment have become the determining factors that contributed to development of public-private partnership in many countries. And not only developing countries benefit from public-private partnership mechanisms, but also the most developed countries of Western Europe and North America.

According to the World Bank database on private participation in infrastructure, mechanisms of public-private partnership have been actively implemented 1990s (Fig. 1).

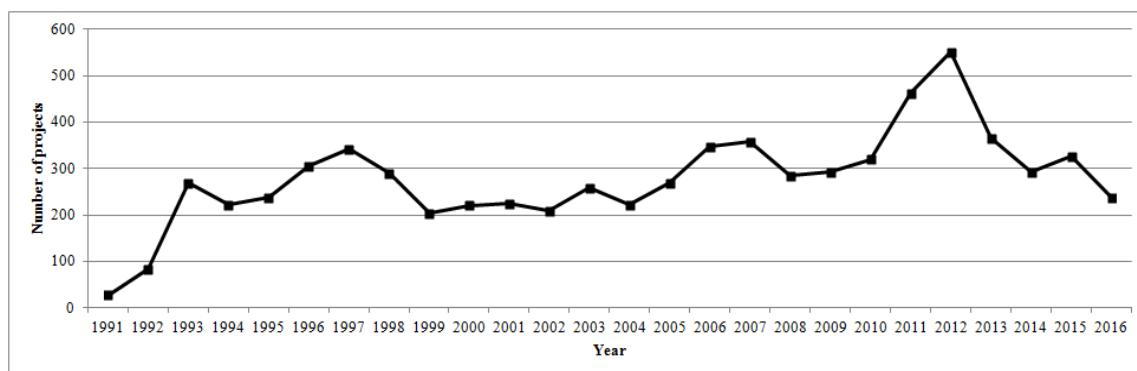


Fig. 1. Dynamics of quantity of public-private partnership infrastructure projects in 1991-2016

Calculated and built based on [1]

It should be noted that for the period 1991-2016, three most notable stages could be identified in acceleration of use public-private partnership in infrastructure projects: the first stage 1994-1997, when the number of projects implemented during one year increased almost in 1,5 times from 223 in 1994 to 342 in 1997; the second stage 2004-2007, when there was an almost similar increase in the number of projects implemented in infrastructure after the relative decrease in 1998-2003; the third stage 2009-2012, which is marked by a significant increase in the number of implemented projects – from 292 in 2009 to 552 in 2012. At the same time, the largest number of public-private partnership projects was recorded in 2012, which amounted to almost 8% of all projects implemented over the past 26 years in these countries. Unfortunately, the following years have not been such successful as 2012.

According to the regional distribution of implemented public-private partnership projects in infrastructure, the biggest part in projects total number was implemented in countries of Latin America and East Asia, cumulative share of which exceeded 60% over the period 1990-2016 (Table 1).

Table 1

Structure of quantity of public-private partnership infrastructure projects over the regions of the world in 1991-2016

No	Region	Projects quantity	Share, %
1	Latin America and the Caribbean	2248	31,12
2	East Asia and Pacific	2098	29,04
3	South Asia	1202	16,64
4	Europe and Central Asia	930	12,87
5	Sub-Saharan Africa	565	7,82
6	Middle East and North Africa	181	2,51
	Total	7224	100,00

Calculated and built based on [1]

The leading countries for implementation of public-private partnerships in infrastructure over the regions are: in Latin America – Argentina, Brazil, and Mexico, in East Asia – China, Indonesia, Malaysia, and Philippines, in South Asia – India, and Pakistan, in Europe and Central Asia – Turkey, and Russian

Federation. At the same time, sectors that attracted more than 70% of investment in infrastructure projects in 1991-2016 were Energy and Telecommunications (Fig. 2).

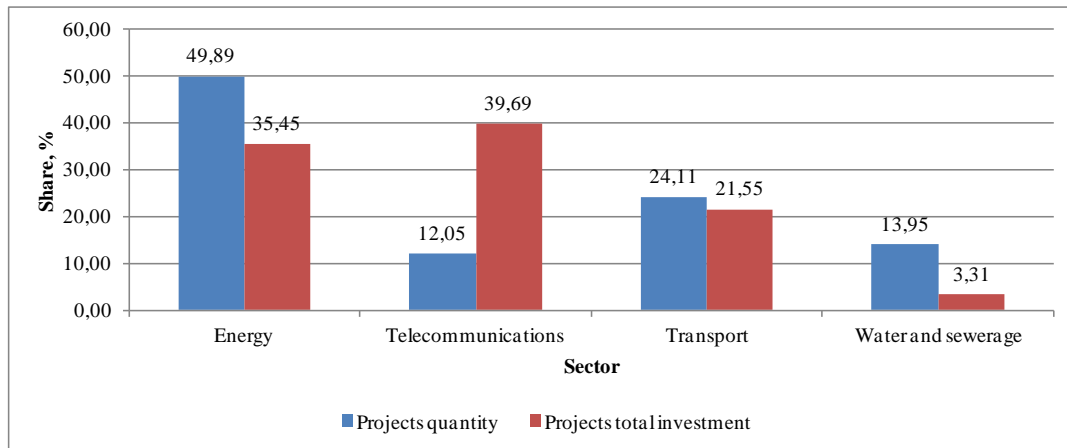


Fig. 2. Structure of public-private partnership infrastructure projects by sectors in 1991-2016

Calculated and built based on [1]

Thus, public-private partnership has been effectively used as an instrument to attract foreign investment to the economy of developing countries for more than 20 years. During the period 1991-2016 public-private partnership projects in infrastructure were implemented with a total investment value of over \$2626 billion [1]. For comparison, that represents almost 30% of the total value of foreign direct investment in countries with low and middle income, which amounted to about \$8600 billion for that period [2]. It should be noted that Ukraine needs to use more actively opportunities of public-private partnership in infrastructure development as well as experience of other countries, especially considering the fact that for the last two years there was not implemented any public-private partnership infrastructure project according to the World Bank classification.

References

1. Region Snapshots: Private Participation in Infrastructure Database [Electronic source]. – Access mode: <http://ppi.worldbank.org/data>.
2. Foreign direct investment, net inflows (BoP, current US\$) [Electronic source]. – Access mode: <http://data.worldbank.org/indicator/>.