

World Cup 2018 – the infra pitch

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29/06/2018

When it comes to an international showdown, I have to admit that infrastructure's a lot closer to my heart than football (forgive me, I'm Scottish). However, in the spirit day as the World Cup 2018 plays out on screens around the globe, it seems only fair to turn the focus on the beautiful game and draw inevitable comparisons with... infrastructure.

Here I sit, hunched over the keyboard, bashing out this week's editorial in the one-day respite from football before it all kicks off again tomorrow with the second round – The Last 16 – as war is waged on pitches across Russia.

The rivals are:

- France v Argentina
- Uruguay v Portugal
- Brazil v Mexico
- Belgium v Japan
- Spain v Russia
- Croatia v Denmark
- Sweden v Switzerland
- Colombia v England

Let's take that from the top, looking first at the football and then from an infrastructure perspective:

France:

- creative, volatile, genius team which always promises a lot but doesn't always deliver. It has an amazing squad and remains a firm favourite for all the right reasons
- much like the football team, France's infra market has been boring for the past 10 years and – despite an exciting new squad (government) – so far it's not delivering on any of its promises. Having said that, all guns are blazing on the renewables front with commitment [this week to solar](#), and the logjam on the offshore wind sector finally having been freed up thanks to agreeing [tariffs at €150/MW](#) on the first two rounds. There's hope for France yet, but sadly not where the infra community really wants to see it. A more decisive manager is required

Argentina:

- early favourite, but struggling now. Argentina made it to this round by the skin of its teeth. The squad is rumoured to be falling out and its star – Lionel Messi – never plays as well for his country as he does for Barcelona
- this nation's infrastructure runs a curious parallel with the football team: aging, looks sexy on paper, frequently fails to deliver when it really matters, and prone to a crisis. New projects have been tendered, but the right legal framework is not yet in place and without adequate defence, you don't have a team. However, Argentina can always rely on a "helping hand" from the international infrastructure community (possibly divine intervention) to find the back of the net

Uruguay:

- a country with amazing footballing heritage – hugely impressive given it has the same population as Scotland (I know, we aren't there... move on) and always does well in the World Cup. It has two great strikers, Luis Suarez being the one to watch
- a small market with small projects and shallow ambitions. For all that, there is a pipeline on the ground, but not one you'd catch a flight for. Very much a local market for local players. Possibly classed a cheeky upstart, possibly even a giant killer...

Portugal:

- current European champion... it's all about Cristiano Ronaldo. And if you're going to rely on one player on a team, you really can't do much better
- similar to Spain, Portugal was heavily impacted by the global financial crisis and its inclusion in the PIGS club (not one you'd want to be associated with). Most of the talent in Portugal has flown the coop for Latin America or is focusing on former colonies in Africa. There is a thin pipeline in the country, but it is not one that has anyone excited. Having said that, they have achieved a great deal on the renewable energy front over the years

Brazil:

- many pundits' favourite, having struggled at the beginning it has picked up momentum as the tournament progressed. As always, Neymar is the big name on the team – and he's awesome
- always a market that excites, but Brazil has been defensive in its approach with home contractors winning national deals and BNDES funding anything that moves on the infra front. This market is transitioning from domestic to international and is going through massive reform to achieve this goal. Having previously blatantly favoured domestic contractors, that reform will have to be sweeping in order to attract international bidders. As for BNDES, having cornered the funding market, it has now run out of puff (and cash), and questions surround the future role for BNDES as it moves away from senior lending. It is flirting with mezz debt, but is still trying to work out what position it plays on the pitch. Bottom line, it needs to score more goals – but fortunately the projects' agenda is robust and realistic

Mexico:

- bit of a surprise package and worth keeping an eye on. It stunned Germany in the first game... before receiving a thumping from unfancied Sweden
- Mexico has never fulfilled its potential on the infra side, in spite of having been talked up for years. Delivery feels a tad haphazard, but it is heading in the right direction. The biggest challenge Mexico will face arrives on Sunday (just before its match with Brazil) and that's the general election. Left-wing candidate Andrés Manuel López Obrador leads the polls, which could put paid to developments on the infra front. He has been questioning developments in oil and gas and there are fears over future private participation. Infrastructure remains a key mandate for Obrador (as it has for all candidates), but it looks set to slow down for the next year-and-a-half thanks to regime change and corruption investigations. Corruption has been a key mandate throughout Obrador's electioneering and this will likely result in the review of projects that have already been awarded

Belgium:

- sublimely talented group of players, but how well do they all fit together? They could be a contender if they hit form
- wheeling out the same old projects in a bid to make them look shiny and new... nobody's fooled. As an attack strategy, it can only be labelled offensive. However, let's set the record straight on the [Flemish Schools PPP](#) that featured in a [Friday Editorial](#) back in March and attracted in a flurry of emails – even a letter (old school). The market view on this project is that it's a stinker of ocean-going proportions. However, my correspondent tells a very different story. To date the programme has (I am reliably informed) delivered 154 schools that are currently in use, 11 under construction (to be delivered before the end of 2018) and 17 – added in 2016 to the programme – in

design. It would appear they are more than 85% of their way through the programme with 182 schools happily churning out Belgians. I take it all back. What a wonderful programme. Pretty much everything else in the database has been kicking around forever

Japan:

- wonderful to see it make it through to this stage and the squad has won a place in everyone's hearts, much the same as South Korea (still laughing). Much like Colombia, it scraped through in a fairly poor group. Japan has a couple of good players, but they lack support
- there's not much Japan needs to do on the infrastructure front. Indeed, it is already a world leader in many areas. Activity on the ground is primarily transferring assets to the private sector. The airport privatisation programme is progressing well and we have just seen [Fukuoka Airport](#) taken over by a Changi-led team. Water privatisation is next on the agenda

Spain:

- many people's favourite. Spain has changed the way football is played and all strength to them. It plays lovely football, but hasn't quite hit form... yet
- having been a jewel in the crown of the European infrastructure market, Spain's fall from grace with the global financial crisis was spectacular. Assuming an uncomfortable position as one of the PIGS nations, the wheels fell off one after another and its reputation suffered massively with the renewable energy tariff debacle. More recently, it returned to favour with a brownfield and greenfield transport agenda, but that [bit the dust](#) with a change in leadership. Spain is not a market that is looked upon fondly by the infra community these days and it looks likely to stay that way for a couple of years before economic reality brings the government back to the table

Russia:

- World Cup 2018 host and the lowest-ranked in the tournament. It won its first two games – to everyone's surprise – and is through to the next stage. Home advantage can never be ruled out, but it's unlikely to take the team to the semis
- it sits uncomfortably next to many of the other contenders. If Russia ever brings any more PPPs to market, construction companies would be well advised to cosy up to a local money-bags and have them buy a huge chunk of your company. Chances are, you'll win the deal. Red cards all round

Croatia:

- a surprise package that beat the mighty Argentina. This team is brim-full of talent and playing lovely football. A possible giant killer in the making
- got nothing. Go there on holiday, it's nice

Denmark:

- one of the underdogs for the tournament, it got to this stage by boring the world with a draw against France. Denmark has one outstanding player – Christian Eriksen – but is that enough to take it further? Unlikely
- the Fehmarn link to Germany keeps on cropping up, but Germans with holiday homes where it touches down will fight this project every step of the way. Not a contender

Sweden:

- often compared to Switzerland which – in football and infra – ain't a great thing. There are no big stars on this team and it still sticks to the old 4-4-2 formation... abandoned by most teams in these liberated days
- not one of the great hopes of the European infra market. Sweden is famed for the New Karolinska Solna Hospital PPP that [refinanced earlier this month](#), but there's not a lot more say beyond that. However, props to Sweden for delivering a global leading health research institute through a PPP structure. To keep it company, there's also the Arlanda Express – the rail connector from the airport to Stockholm. While there are plans afoot for investments into

Swedish infra, how much of that will be of interest to the financing community remains to be seen. In summation, Sweden's a bit of a show-boater that rarely commits

Switzerland:

- boring and workmanlike with one strong player on the team. One of the easier nations to send packing
- we're still waiting for the 2009 pathfinder – [Cantonal Administration Centre](#) at Neumatt – to be followed. Seemingly, Switzerland needs a really long time to study the model before taking action. No way to run a team. A sure-fire loser that can only have reached this stage of the tournament because the other teams never turned up. In its match on Tuesday against Sweden – not exactly a heavyweight in the infrastructure arena – it will leave the pitch limping to a chorus of jeers from the international audience

Colombia:

- scraped through to this stage and there is little chance of the country making it any further – complicated by having a player red carded in the first game and another injured. Colombia does have a couple of good players
- a good procurement model – particularly in the transport space – and a sensible approach to bringing projects to market. When compared with Mexico, it is a step ahead on political transition with Ivan Duque having committed to driving investments in infrastructure. The 4G transport programme is supported by strong toll revenues and stand independent of government. On the energy front, Colombia lacks renewables, falling behind regional leaders. More needs to be done on this front and they are currently looking for an optimal regulatory environment to achieve this. The nation remains heavily reliant on hydro and thermal, but the consumption of gas is outpacing its production and there are plans for an LNG regas facility as well as pipelines to cope with this transition

England:

- only appearing at the bottom the list as the order corresponds to the chart I printed off (honest). Went to Russia with low expectations and has seen off two fairly poor teams, so it will be interesting to see how it does against stronger nations. Quite likely the team will make it to the semi-finals... but don't get your 2018 winner's tattoo yet
- oh just where to begin? It's been a long time since England ruled the waves and even longer since it had a role to play in the infrastructure world. I find myself bereft of anything to write about this market that has not been written. In football parlance, it suffers from poor management, no game plan and – while it has an excellent squad in government (enough to field 10 teams, and that's just the ones who can make it up the stairs without wheezing their guts out) – there's no interest in the corridors of power to roll out any projects. Red card

The ref's decision is final

Taking a balanced view of all of the above, there can be only one infrastructure winner from the above line-up... and that's got to come from LatAm.

The ref's choice today is: Colombia.

As for football, well... it's a game of two halves.

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