

Project procurement and delivery

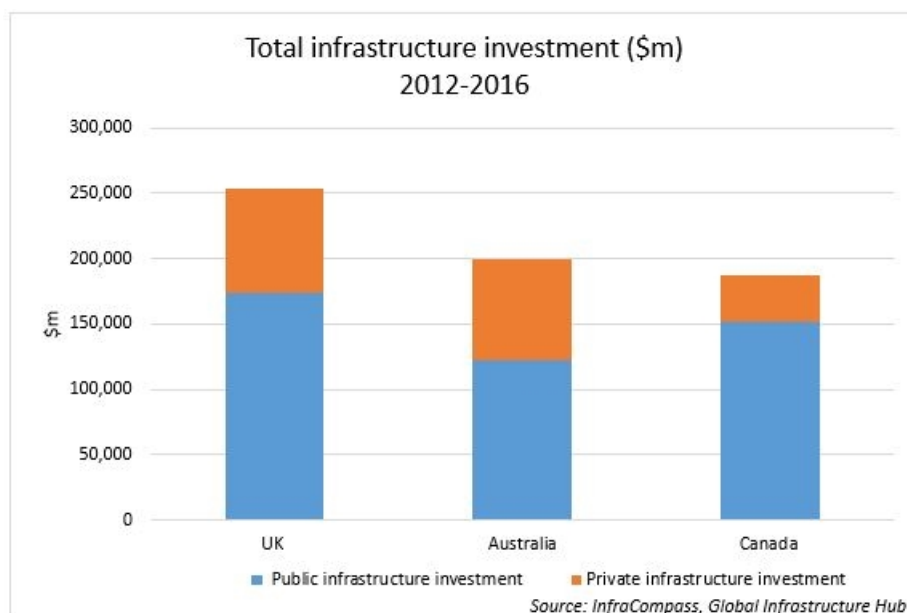
Sarah Tame

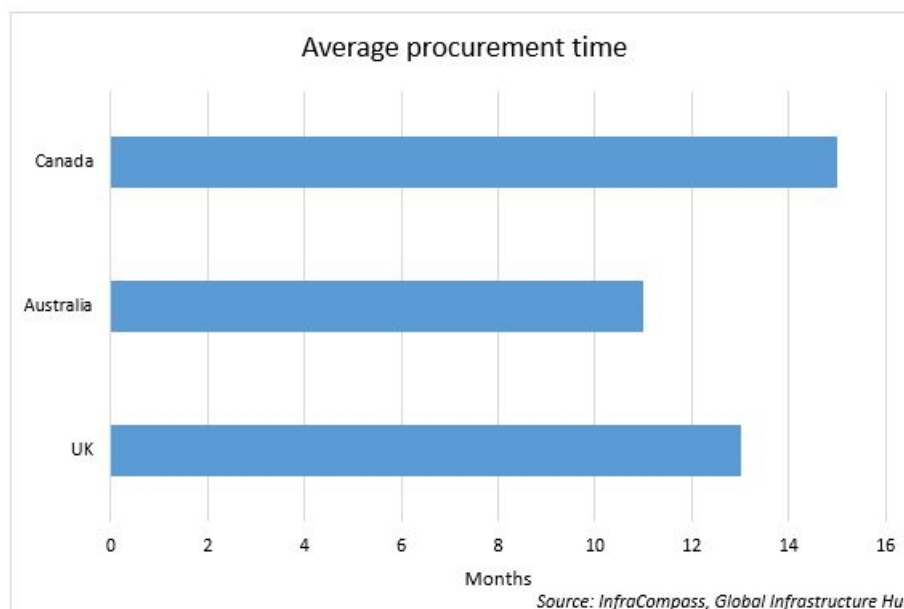
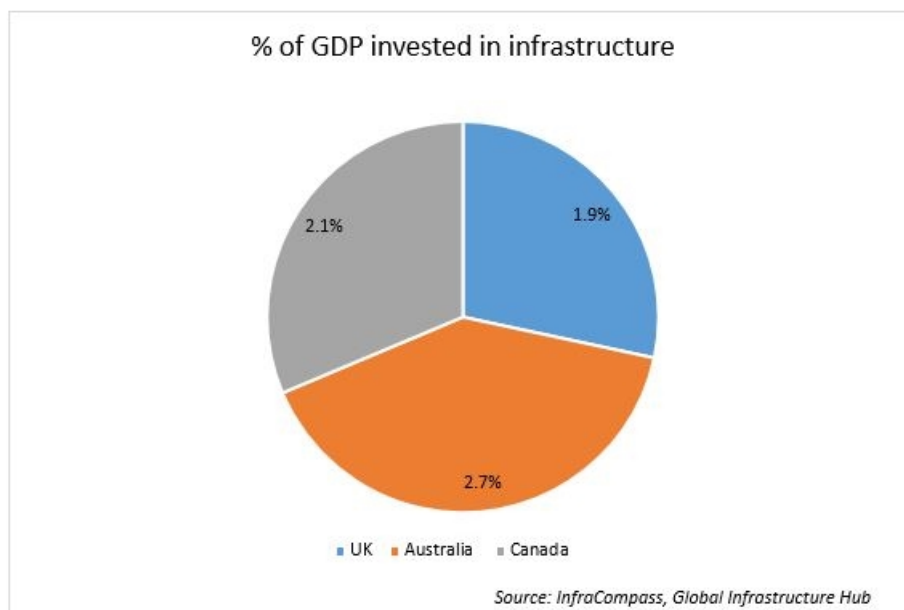
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The UK, Canada and Australia are three of the most established private finance markets for infrastructure in the world. Lauded for easily accessible and transparent procurement and delivery mechanisms they are often a blueprint for emerging PPP markets.

But how do the three markets compare to one another, and the wider world?

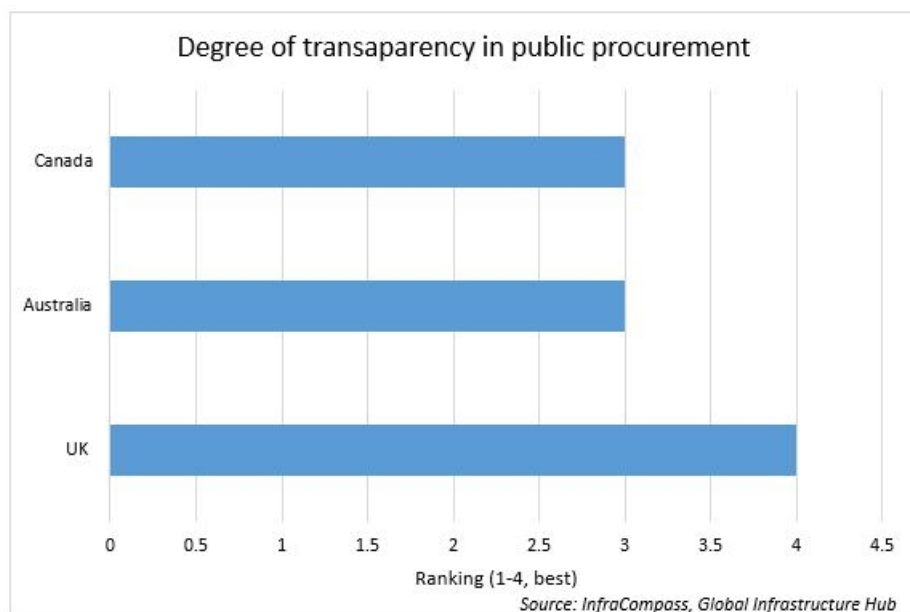
According to data compiled by the Global Infrastructure Hub Australia leads on infrastructure delivery, spending 2.7% of GDP on infrastructure development. The UK has invested the most capital in infrastructure over the past five years, and according to IJGlobal data has the largest number of deals currently in procurement. But of the three countries it spends the least as a percentage of GDP.





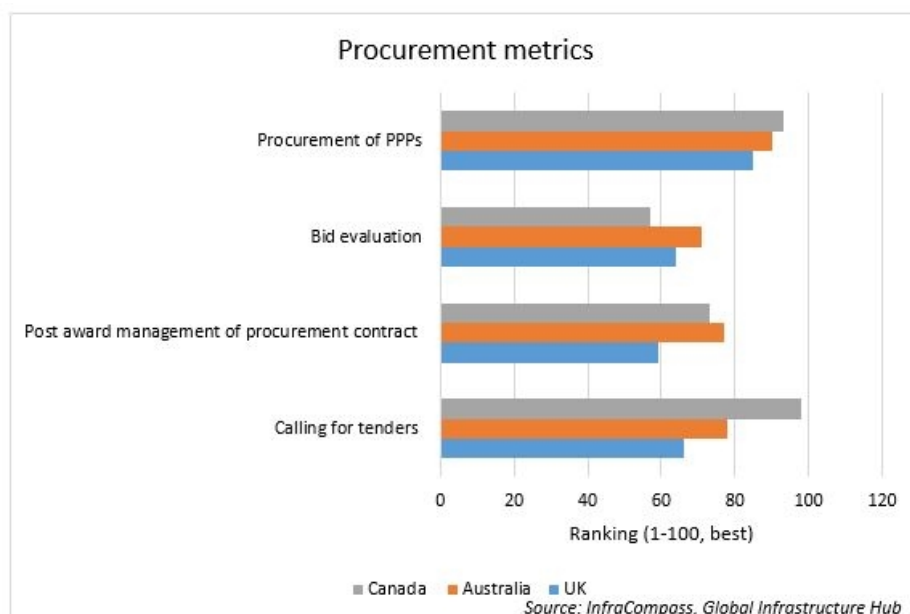
The data, which was published as part of the Global Infrastructure Hub's InfraCompass, charts 49 countries against six performance metrics; governance, regulation, permits, planning, procurement, delivery.

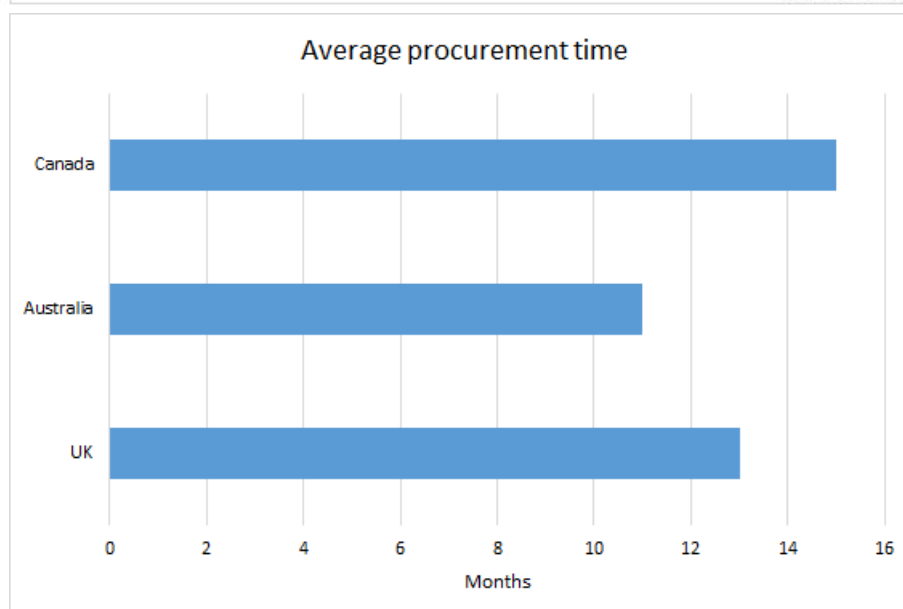
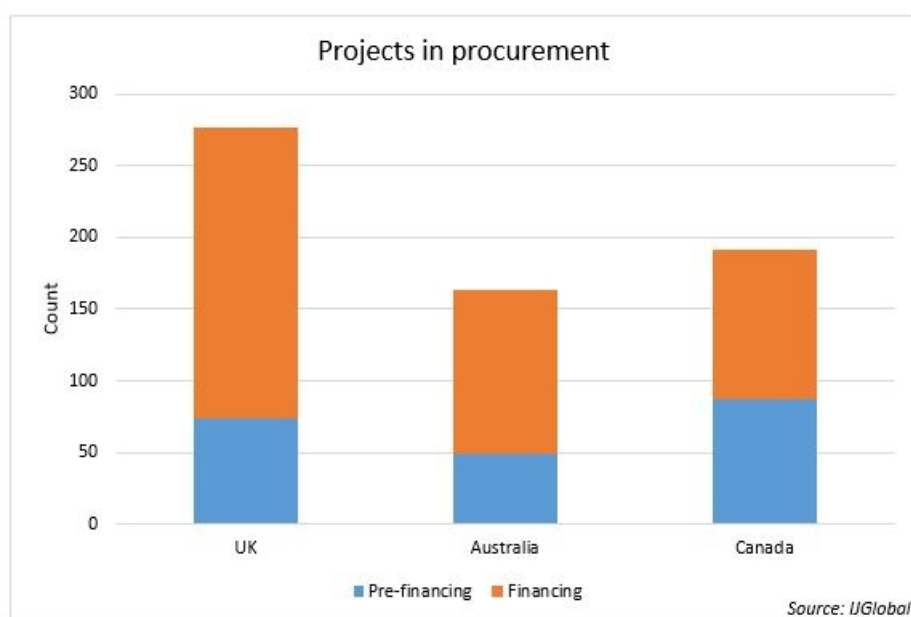
In comparison to the other 46 countries analysed by the GIH Australia, Canada and the UK are at the lower end of capital expenditure on infrastructure as a % of GDP, according to the GIH data. Australia ranks the highest of the three at 16, Canada at 24 and the UK at 30. The countries in the top 10 are largely emerging market economies where the need for infrastructure spend is far greater.



That is not to say that there is no demand in these markets. In Australia there is a need in the water and transport sector to improve infrastructure, and build new. In Canada infrastructure at a federal and state level is relatively robust and the focus is now on municipal transport projects. Meanwhile the demand to upgrade ageing infrastructure in the UK is probably the greatest.

The transparency of procurement and the success of infrastructure delivery in these markets mean that they are still the some of the most attractive investment destinations for infrastructure investors, despite the fierce competition. The degree of transparency in public procurement is one of the most important factors for the private sector when investing in projects, and that goes for transparency during bid valuation and the PPP process. In addition the accessibility of the tendering process is important. The time procurement takes is less important.





Australia and Canada performed better than the UK on average when measured against certain procurement metrics but the UK was considered the best performer of the three in regards to the degree of transparency in public procurement.

The full InfraCompass report can be read [here](#).

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