

IV

Funding Requirements

Asia and the Pacific is projected to need about \$248.8 billion in investment (6.0% of the region's gross domestic product [GDP]) per annum, comprising \$130.7 billion (3.2% of GDP) in new investments and \$118.1 billion (2.9% of GDP) for maintenance during 2005–2010 (Table 3). Each subregion is projected to require infrastructure investment of about 6.5–7.0% of GDP. In absolute numbers, East Asia and the Pacific are expected to account for most of the investment, which is projected at \$178.9 billion or almost three fourths of the region's total requirement.¹⁷ In general, in percent of GDP, the region's infrastructure investment requirements are significantly higher than those of Latin America and the Caribbean (3.0%) and Sub-Saharan Africa (5.6%), which largely explains why governments in this region are assigning a high priority to infrastructure. Meeting this huge funding

requirement will require mobilizing both public and private funds.

The requirements of new investment and maintenance show significant geographical variations. In East Asia and the Pacific, new investment (3.7% of GDP) exceeds maintenance (2.9% of GDP) requirements. In South Asia, it is the reverse (3.1% for new investment and 3.8% for maintenance). Globally, new investment and maintenance requirements are only 0.9% and 1.2% of GDP, respectively.

During 2005–2010, most of the projected infrastructure investment requirements in Asia and the Pacific is for telephone and cellular phones (46.2%), electricity generation (25.6%), and roads (18.0%) (Table 4 and Appendix 5). Railways, water, and sanitation together account for only 10.2% of the total. The sectoral requirements also show

Table 3: Expected Annual Investment Needs, 2005–2010

Region	\$ million			% of GDP		
	New	Maintenance	Total	New	Maintenance	Total
East Asia and Pacific	99,906	78,986	178,892	3.67	2.90	6.57
South Asia	28,069	35,033	63,102	3.06	3.82	6.88
Central Asia ^a	2,726	4,108	6,834	2.76	4.16	6.92
Asia Total ^b	130,701	118,127	248,828	3.17	2.86	6.03
Developing Countries	233,139	231,654	464,793	2.74	2.73	5.47
World	369,095	479,624	848,719	0.90	1.17	2.07

GDP = gross domestic product.

^a Same % of GDP for the region Europe and Central Asia as given in source were applied to Central Asia above. ^b Sum of East Asia and Pacific, South Asia, and Central Asia.

Sources: Fay, Marianne, and Tito Yepes. 2003. *Investing in Infrastructure—What is Needed from 2000 to 2010?* Policy Research Working Paper No. 3102. Washington, DC: World Bank; and World Bank, World Development Indicators Online (<http://devdata.worldbank.org/dataonline/>).

Table 4: Sectoral Breakdown of Total Investments, 2005–2010 (%)

Sector	East Asia and Pacific	South Asia	Central Asia	Asia Total^a	Developing Countries	World
Paved Road Length	11.5	35.4	26.8	18.0	19.5	30.6
Rail Road Length	0.9	2.4	4.9	1.4	2.2	2.0
Electricity Generation	24.2	28.7	33.7	25.6	29.7	29.9
Water	3.0	8.2	1.7	4.3	3.6	2.6
Sanitation	3.8	6.5	3.3	4.5	4.7	3.7
Telephone Mainlines & Mobile	56.5	18.8	29.5	46.2	40.2	31.3
Total	100.0	100.0	100.0	100.0	100.0	100.0

^a Sum of East Asia and Pacific, South Asia, and Central Asia.

Sources: Fay, Marianne, and Tito Yepes. 2003. *Investing in Infrastructure—What is Needed from 2000 to 2010?* Policy Research Working Paper No. 3102. Washington, DC: World Bank; and World Bank, World Development Indicators Online (<http://devdata.worldbank.org/dataonline/>).

notable variation across the region. In East Asia and the Pacific, telephone and cellular phones (56.5%) and electricity generation (24.2%) require more than four fifths of the total subregional

infrastructure investment. In South Asia, electricity generation (28.7%) and roads (35.4%) are the two main areas, accounting for two thirds of the total requirement.