

Is Finance the future for infrastructure?

Date & Time: **Wednesday 10am, Jan 18th 2017**

Location: Promenade 73, Davos Dorf; 'Caspian Week'

20% of the world's population still have no access to electricity, 10% lack access to clean water, 30% have no clean sanitation and 2.8 billion people still cook food with solid fuelsⁱ.

Infrastructure Demand: Global infrastructure spending is expected to double to \$9 trillion over the next 15 years. Overall close to \$80 trillion. Asia with China represents 60% of that demand while the West will shrink to 10%. Today, the world invests around \$2.5 trillion per year in power, water, telecommunication systems and transportation. However \$3.3 trillion are needed just support current growthⁱⁱ. Governments will be able at best to fund half of that; the rest will have to be funded by other meansⁱⁱⁱ.

Pension funds challenge to meet obligations: Developed nations' pension funds, which represent around half of the entire equity markets are increasingly challenged on how to generate a required return of 7% to meet their obligations.

Infrastructure is the nexus between the two!

We witness a structural global mismatch between an increasing demand for infrastructure and supply of adequate funding. Bridging the infrastructure gap is essential to achieving the Sustainable Development Goals^{iv}. Pension funds could represent a solution to fund this mismatch. However, the complexity and private equity aspect describes a hurdle for pension funds to deploy adequate capital. Global infrastructure forums between different international organizations provide platforms for addressing this complex nexus between the demand for higher returns and the supply of infrastructure projects^v.

Our leadership panel debates

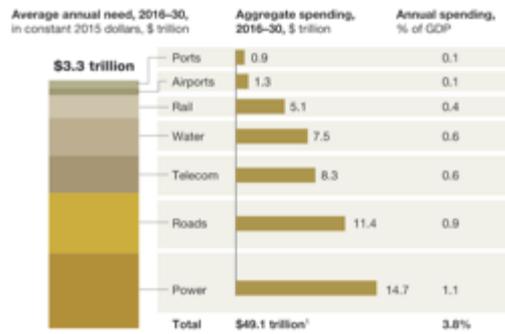
- How can politicians provide a long-term investment environment to secure rate of return security?
- How will this effect pension funds investment profile? (Government regulations?)
- How can the above secure industry focus on research to develop environmental friendly products?
- What needs to be done in order for asset manager to deploy capital to infrastructure?
- Can novel technology and micro grid be leveraged for addressing the needs?

The moderator is: Dr. Kaspar Bänziger

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Figure 1 \$ 3.3 trillion per year infrastructure demand^{vi}

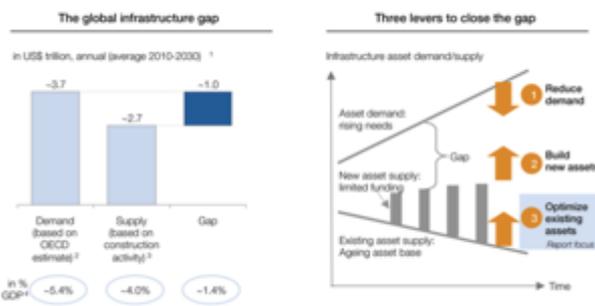
To keep pace with projected growth, the world needs to invest \$3.3 trillion in economic infrastructure annually through 2030.



¹The estimate of total demand is lower than the \$57 trillion projection in previous MGI research. It has been adjusted for the following reasons: this projection covers a 15-year period (2016-30) rather than an 18-year period (2013-30); water numbers have been reduced by 40%, as Global Water Intelligence adjusted its water capital-expenditure definition to exclude equipment spending; base-year prices have been revised from 2010 to 2015; and GDP growth forecasts have been revised downward by IHS.

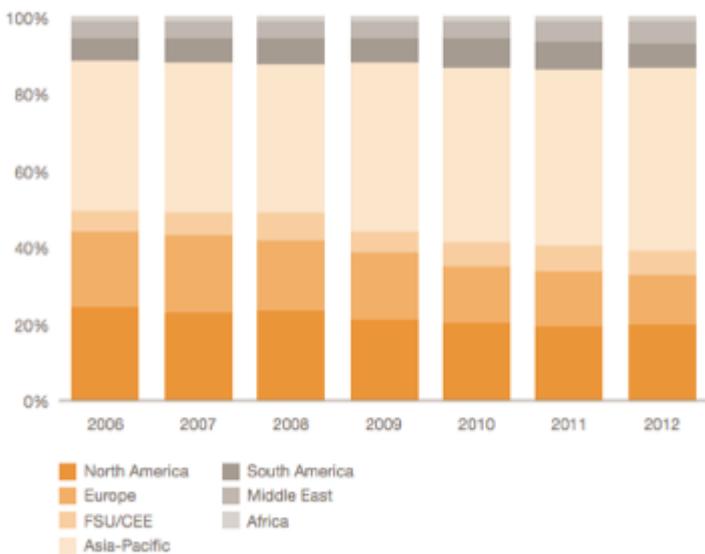
Figure 2: Global infrastructure gap and levers to close the Gap^{vii}

The infrastructure gap can be narrowed via three levers



1. Including economic and social infrastructure 2. Infrastructure to 2030 (Volume 2): Mapping Policy for Electricity, Water and Transport, June 2007. Paris: Organisation for Economic Cooperation and Development (OECD) 3. IHS Global Insight Construction Database, March 2012 4. Using \$10T as global GDR, non-PPP adjusted (2011)

Figure 3: Emerging markets account for half of global infrastructure spending^{viii}



Source: Oxford Economics

We are honored to present the following leading panelists:

<p>Rehan Chaudhri</p> <p>Altrinsic Global Advisors, Founder and Partner. USA</p>		<p>Rehan Chaudhri is a partner Altrinsic Global Advisors which was built to over \$15 billion in capital from \$400 million during his active tenure at the firm. Recently, Mr. Chaudhri established PeakXV Advisors to identify investment opportunities in the energy, renewable, and commodity sectors. Previously, Mr. Chaudhri was a portfolio manager for Lazard Asset Management, where he was responsible for managing its \$30 billion international diversified and select funds. His previous investment experience includes five years on Brandywine Asset Management's (a Legg Mason group company) global and international funds as a Managing Director as well as a telecommunications research equity analyst for Morgan Stanley. He began his career as a management consultant and worked for Booz, Allen & Hamilton focused in technology and capital intensive based industries. A graduate of McGill University in Montreal, he received his M.B.A. from the Wharton School.</p>
<p>Marten Roed, Chairman Maxi Shipping</p>		<p>Marten Roed is the Chairman of Maxi Shipping an international shipping companies focused on commodity logistic in the CIS and Black Sea region. He has build as an entrepreneur and operated many successful business spanning the globe from Africa, Asia, Eurpe and America with a focus on infrastructure, logistics and commodities.</p> <p>Education: Bachelor in Civil Engineering, Heriot Watt University, Edinburgh. Master in Operational Economics, University Fribourg, Switzerland.</p>
<p>Steve Johanns</p> <p>Veriown, CEO Founder</p>		<p>Steve has over 20 years of experience in energy, infrastructure, and innovation and is the Founder and CEO of Veriown Global Holdings, a distributed generation and micro grid service provider with a focus on electrifying the 1.2 billion people without access to electricity and banking systems in India and Sub-Saharan Africa. Steve leads a U.S. and Global team of experts in the development of renewable energy projects as well as advanced micro grid innovations using new blockchain enabled fintech solutions for micro financing and micro energy transactions. Steve was the former Chairman of the Illinois Science and Technology Institute. He also has advised and presented to financial institutions as well as government and utility officials in Africa and India showing the impact and opportunity created by the convergence of cleantech, fintech, and IoT to finance and get clean, renewable, electricity anywhere, anytime, for anyone.</p>

ⁱ <http://www.worldbank.org/en/programs/global-Infrastructure-facility>

ⁱⁱ <http://www.mckinsey.com/industries/capital-projects-and-infrastructure/our-insights/bridging-global-infrastructure-gaps>

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https://www.bcgperspectives.com/content/articles/engineered_product_project_business_public_sector_global_infrastructure_challenge/?chapter=2

^{iv} <https://live.worldbank.org/global-infrastructure-forum-2016>

^v <https://live.worldbank.org/global-infrastructure-forum-2016>

^{vi} <http://www.mckinsey.com/industries/capital-projects-and-infrastructure/our-insights/bridging-global-infrastructure-gaps>

^{vii} <http://reports.weforum.org/strategic-infrastructure-2014/introduction-the-operations-and-maintenance-om-imperative/the-global-infrastructure-gap/#view/fn-3>

^{viii} <https://www.pwc.com/gx/en/capital-projects-infrastructure/publications/cpi-outlook/assets/cpi-outlook-to-2025.pdf>