

AIIB to double private-sector lending by 2030

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The Asian Infrastructure Investment Bank (AIIB) wants to increase its private-sector financing share to 50 per cent from the current 24.6 per cent and is also looking to jack up its overall lending to \$17-18 billion over the next few years, Ajay Bhushan Pandey, AIIB's vice-president, Investment Solution said on Tuesday.

Since its inception, the multilateral bank has lent almost \$ 12 billion to India, of which \$1.8 trillion has gone to the private sector.

AIIB would be working with both the government and the private-sector in India to create a pipeline of projects for the next few years.

"The infrastructure funding gap is huge and no government or state can meet this gap alone," Pandey said on the sidelines

of a Federation of Indian Chambers of Commerce and Industry (FICCI) event. AIIB's focus in the private sector is on areas such as renewables, green energy, green mobility and affordable housing.

Pandey said that India's infrastructure may need an investment of about \$1.5 trillion by 2030 and this cannot come from the government alone. "The private-sector has a very important role to play. Everyone wants to invest in a de-risked environment. AIIB not only can finance private sector but can also help create such an environment. Our role has to be a catalyst for infrastructure development."

The former chief of National Financial Reporting Authority said that increased investment by AIIB can catalyse more private sector investment. He said investments by AIIB can help de-risk the environment because of its extensive process of project and client selection, followed by rigorous monitoring of the quality of the project.

"Our processes are so strong that if we invest in a company or a project then a lot of others will also follow. We become like an anchor investor in many cases," Pandey added.

Beijing-headquartered AIIB has held meetings with various government departments including water resources, health as well private sector representatives to create a pipeline of sovereign projects.

While Pandey did not comment on the current trade uncertainties, he said, "If times are difficult then we need to be there to support whether it is a global pandemic or a national calamity. We also provide trade finance because countries or companies may need guarantees that if they export they will get their money."

AIIB has 110 countries as its members and \$100 billion in capital stock with 20 per cent of paid-in capital. India is the largest shareholder in the lender after China.



AIIB Vice-President Ajay Bhushan Pandey said the lender would ramp up its lending to \$17-18 billion over the next few years