

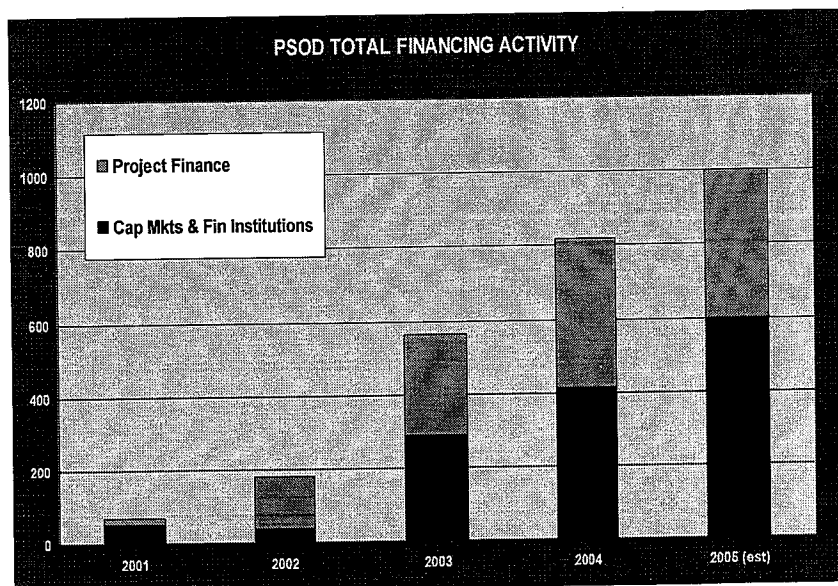
ASIAN DEVELOPMENT BANK

PRIVATE SECTOR OPERATIONS

Regional Business Roundtable
For Central and South Asia

November 3, 2005

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PRIVATE SECTOR DEVELOPMENT

HOW ARE PRIVATE SECTOR OPERATIONS RELATED TO THE BUSINESS COMMUNITY?

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PRIVATE SECTOR DEVELOPMENT

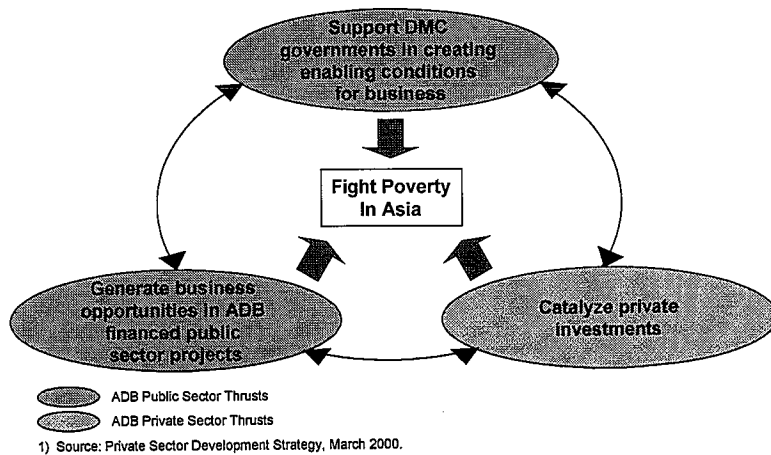
ADB's 2000 PRIVATE SECTOR DEVELOPMENT STRATEGY

- PSOD to do discrete transactions
- Public sector seeks out private sector regulatory reforms
- Public sector looks for private sector opportunities in public sector projects

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PRIVATE SECTOR DEVELOPMENT

ADB Strategic Thrusts ⁽¹⁾



PRIVATE SECTOR DEVELOPMENT

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PRIVATE SECTOR DEVELOPMENT

The PSOD has been Very Successful
At a Time When:

- Private Sector Banks Are Struggling
- Banking System Is Flush With Liquidity

WHY?

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PRIVATE SECTOR DEVELOPMENT

ADB is an attractive partner in transactions

- “If ADB is in, we are in; if ADB is out we are out”
- “The first dollar is the hardest to get; ADB is often the needed catalyst”

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PRIVATE SECTOR DEVELOPMENT

Why does private sector come to ADB?

- Not low cost money – market terms
- Not better credit terms
- Not an easier/short approval process

In short - no preferred terms

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PRIVATE SECTOR DEVELOPMENT

Important Factors

- Asian institution
- “One stop shopping”
- Decision making in region

THESE ARE NOT UNIQUE ADVANTAGES

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PRIVATE SECTOR DEVELOPMENT

WHAT IS PSOD'S REAL “**PRODUCT**”?

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KODAK CORPORATION



PRIVATE SECTOR DEVELOPMENT

WHAT IS PSOD's REAL "PRODUCT"?

- Risk Mitigation
- Private Sector Development
- Knowledge Transfer

ADB is uniquely positioned in these products

PRIVATE SECTOR DEVELOPMENT

ADB's participation affords a measure of support from governmental interference

✓ **Kalanitisa in Sri Lanka**

Value system "certifies" projects on issues of environmental protection, good governance, etc.

✓ **BLCP in Thailand**

ADB'S PUBLIC SECTOR TIES ACROSS ASIA IS THE KEY

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PRIVATE SECTOR DEVELOPMENT

WHAT IS PSOD's REAL "PRODUCT"?

- Private Sector Development
 - Improve the regulatory climate for project at hand
 - Improve regulatory climate for future projects

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PRIVATE SECTOR DEVELOPMENT

PSOD projects benefited by ADB supported regulatory reform

- India - India Mortgage Guarantee Corp.
- PRC - Chengdu Water Supply Project
- Vietnam – FSPL II
- Bangladesh – Lafarge Surma Cement Project

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PRIVATE SECTOR DEVELOPMENT

PSOD projects originated by Public Sector

- Mongolia - Trade and Development Bank
- India – Dahej Liquefied Natural Gas Terminal
- India – Tala Delhi Transmission Project
- Pakistan – SME Guarantee Facility
- Bangladesh – AES Meghnaghat Power Project
- PRC – Chendu Water Supply Project
- India - LNG Petronet

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PRIVATE SECTOR DEVELOPMENT

New Undertakings

- New Initiatives – capacity building
 - Trade Finance Facilitation
 - Housing Program
 - Financial Restructuring
- Local Currency Financing
- Expanded Political Risk Insurance

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PRIVATE SECTOR DEVELOPMENT

CORE OPERATIONS

Infrastructure

- Power
- Water
- Ports
- Roads
- Municipal Finance
- SOEs

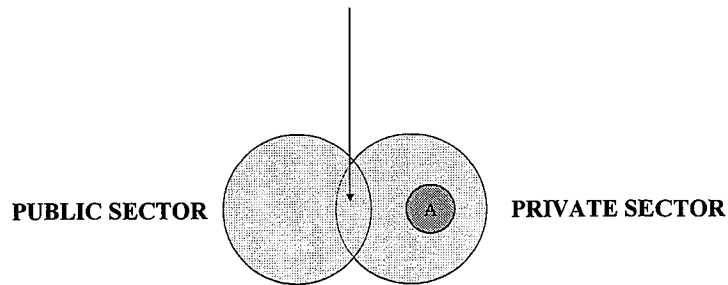
Financial Services

- Trade Finance
- Housing
- SME Finance
- Restructuring
- Worker Remittances

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PRIVATE SECTOR DEVELOPMENT

PSOD'S ROLE PSOD'S CORE MARKET NICHE



PRIVATE SECTOR DEVELOPMENT

WHAT IS PSOD'S REAL "PRODUCT"?

- Risk Mitigation
- Private Sector Development
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**ADB is Uniquely Positioned in
These Products**

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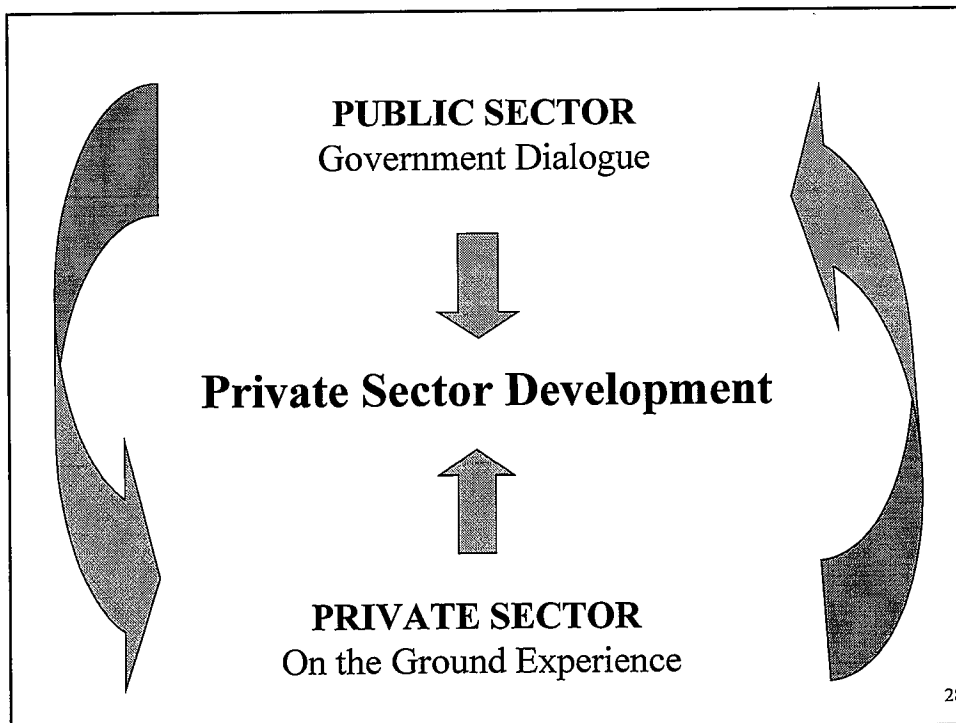
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Public Private Partnership Is The Key

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PRIVATE SECTOR DEVELOPMENT



Public – Private
Partnership is the
Key Advantage
of the ADB

It is the
Fundamental Key
to Our Success

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