



Asian Infrastructure Investment Bank

The Asian Infrastructure Investment Bank (AIIB) will boost economic growth, create jobs and promote trade in our region by financing much needed infrastructure investment.

The AIIB will provide trade and economic opportunities for Australian firms and help our commodity exports, using its authorised capital base of US\$100 billion to help address the Asia-Pacific region's acute infrastructure needs – estimated at US\$8 trillion this decade.

The AIIB will have an early focus on transport, energy and water infrastructure. Later stages will invest in ports, logistics, environmental protection, information and communications technology, and agriculture.

Questions and answers

How will Australia benefit from becoming a member of the AIIB?

- Australia's prosperity and economic growth is tied closely to Asia.
- The key benefit to Australia is improved infrastructure throughout the Asian region, which should provide greater opportunities for Australian trade and businesses.
 - Australian firms will be well-placed to benefit from infrastructure projects in the region. For example, the AIIB may drive increased demand for Australian commodities and services including engineering, construction management, finance, and consultancy.
 - New ports and railways in AIIB member countries, such as India, Indonesia and Korea, means that Australia's exports can reach new markets or expand existing ones.
 - Australian firms can capitalise on commercial opportunities beyond commodities by meeting increased demand arising from stronger economic growth, driven by new infrastructure.
- The AIIB also presents an opportunity to further strengthen Australia's engagement with the region, including our biggest trading partner, China. We will also deepen our relationships with other member countries including New Zealand, Singapore, the United Kingdom and Vietnam.

Examples of projects that the AIIB could provide loans, equity investments or guarantees for, include:



Building port facilities in India providing extra capacity for Australian commodity exporters.



Constructing a railway in Indonesia that will help to transport Australian agricultural products to market.



Australian funds managers designing and co-financing a toll road project in Laos.

Will Australian companies be able to bid for projects?

- Yes. Australian companies will be able to bid for AIIB-financed projects, as the AIIB will have an open procurement model. The AIIB is expected to become operational from late 2015.

Will the AIIB invest in Australia?

- While it is possible that the AIIB could invest in Australia, it is expected to initially focus its efforts in developing countries in the Asian region with significant infrastructure gaps.

What will Australia's contributions to the AIIB be?

- Australia will contribute US\$738.3 million (approximately A\$932 million) paid-in capital to the AIIB over five years and will be the sixth largest shareholder. This investment will not come at the cost of other Government spending and will not directly impact on the Budget bottom line.
- Australia will continue to work with China and other AIIB members to establish a bank that is effective, accountable and transparent, that complements the work of the World Bank and the Asian Development Bank.