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Asia's infrastructure was not built in a day

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AIIB, Asian Infrastructure Investment Bank is much talked about in the media these days. However, what is infrastructure anyway?

Mme. Nanami Shiono defined infrastructure in her work "*RES GESTAE POPULI ROMANI: OMNIAE VIAE QUAE AD ROMAM DUXERUNT*" as large-scale projects considered necessary by the Romans for people to live as human beings, not as monuments to be left for posterity. The most well-known examples are Roman roads and aqueducts. In addition to traditional forms of infrastructure such as water supply and transportation, in modern times electricity has become a vital part of infrastructure as well.

To build up Asia's infrastructure, Japan's ODA loans contributed quite profoundly, as demonstrated in the chart below.

Infrastructure covered by Japan's ODA loan in Asian countries (as of 2010)

airport		railway		electricity		port	
Vietnam	85%	Philippines	51%	Indonesia	62%	Indonesia	40%
Thailand	76%	Indonesia	36%	Malaysia	53%	Cambodia	39%
Malaysia	62%	Thailand	22%	Myanmar	45%	Vietnam	37%

(Source) JICA Annual Report 2014

Those high percentages show that Japan acted as their main bank and cooperated with Asian countries to build their infrastructure and this in turn attracted FDI and propelled economic development in these countries. This could not have been achieved overnight. Japan's ODA loans expanded since the 1960s and for half a century now there has been intense interaction between Asian borrowers and Japan. Some ODA loans' maturity extended over 30 years, and daily and close relations were maintained all the way through, cementing mutual trust. As physical infrastructure is being built, systems to operate and maintain that infrastructure efficiently became necessary and were developed. Furthermore, human capacity development

was enhanced to support both the infrastructure and the systems.

As such, Japan knows both what infrastructure is, and what it takes to be a creditor for infrastructure building through their own developmental experience and through cooperation with dynamically developing Asian economies. This is what makes Japan unique from other advanced donor countries. There are many things Japan can share with AIIB, if they wish to.

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