



Session Title: Infrastructure for the Future
Date & Time: 5 April, 10:45am – 11:35am
Moderator: Jeffrey Hardee, Executive Director, Government & Corporate Affairs Asia Pacific & Singapore Country Manager, Caterpillar
Speakers: Briand Greer, President, Honeywell ASEAN Michael Patterson, Manager of Infrastructure & Strategy, Australia & Asia Pacific, Bechtel Patrick Wong Kam Leung, Country Director, Malaysia, AECOM

Introduction & Purpose:

Generally, infrastructure projects are very complicated, long term and come with risks while its investors look for security and transparency. Governments normally do not have sufficient funds to meet its investment needs for infrastructure development. Private partnerships and institutions such as the World Bank, Asian Development Bank (ADB) and more recently the Asian Infrastructure Investment Bank come in to provide the funding.

China's Belt and Road Initiative (BRI) has been reaching out across Asia, Africa, Europe and Latin America. Recently, the US and Japan did a cooperation agreement on high quality infrastructure in third world countries as an alternative to BRI. The purpose here is to discuss opportunities for American companies to participate in infrastructure developments in the region.

Summary of the session

Moderator: What your company does in the region plus a brief overview of some projects that it's involved in.

Speaker: Briand Greer

Focusing on ASEAN's 600 million population, its young, tech savvy people and the macro global trends happening here, Briand said Honeywell picked Kuala Lumpur as its headquarters besides having several facilities in Penang. Reasons being: We had a good experience here. Our ability to work with the government has been very positive. **Being focused on driving our business in ASEAN. Being truly local meant we have leadership here.**

We have business in aerospace, building automation control systems, oil and gas, fertility products, safety equipment, warehouse automation, etc. With Asia Pacific going to take up a big piece of the growth over the next 10, 20 or 50 years, **our investment here in its people, technology, R & D, engineering will serve us very well.**

Honeywell's portfolio is aligned with the global megatrends on urbanization, growth of the middle class, safety and security, and energy efficiency. All these areas have tremendous potential in ASEAN and fits in very well with the rest of the region.

Speaker: Michael Patterson

Betchel, a large private US company and the largest construction company in the US, has four businesses: oil and gas, which is headquartered in Houston; mining; government business and infrastructure.

The company has not been active in recent years in Asia but counts the Hong Kong International Airport as a major project it was involved in. **With the pick-up of activities in this part of the region, we see the opportunities here, Michael said.**

Speaker: Patrick Wong

Aecom, a global company with 90,000 people worldwide, was formerly an engineering company. It has since moved into design consultancy, building, financing, and operations and management.

In Asia Pacific, it is more focused on the design consultancy of infrastructure, thus giving it a good position to tap into the infrastructure

boom here. Patrick added: Our market share in most of the Mass Rapid Transit or Mass Transit Railway projects in Hong Kong (HK), Singapore and Malaysia is huge while 100% of the container terminals in HK are designed by us.

We are also involved in most of the highways and airport projects in the region. Its other services include quantity surveying with water and urban developments considered as very critical and related activities.

Moderator: What are some of the projects you are involved in. Who do you work for? Sub-contractors or project developers? How do you get engaged?

Speaker: Briand Greer

From the airport perspective, he said the KL International Airport is doing a lot of upgrading based on the good relationship Honeywell has while on the building system side, it works with the owners, consultants, contractors and channel partners.

For the refineries, we deal with all the national oil companies in the region. There are a lot of things happening from the infrastructure perspective like **making the structures smarter than in the past, more energy efficiency and reliable.**

Moderator: What about the technology used in infrastructure in building roads and ports?

Speaker: Patrick Wong

Technology is playing a more applicable **role in infrastructure design.** At the macro level, the digital railway in the UK is a big idea trying to upgrade the system to take more passengers and it's easier to maintain. Another example is the autonomous car that's going to change the transportation. Technology is also going **to change smart city concepts**, with the use of sensors and Internet of Things, will **make cities more sustainable and easier to maintain.**

From the micro side, the **technology used to design our infrastructure needs to be revamped.** In many countries or governments, most of the infrastructure projects now need to be designed by **BIM, a 3-D tool that makes the construction much faster and design less flawless.** The drone, VR and

3D printing technologies will improve the infrastructure's construction time and design.

Moderator: How can we bring American technology to the table of the BRI? Are there opportunities for us to participate in projects and what are your impressions of BRI?

Speaker: Michael Patterson

The BRI is making an impact in the region, particularly in strategically located countries like Malaysia. These large infrastructure projects are largely engineered and constructed by Chinese companies.

Michael said, "I haven't seen many opportunities for construction service providers." With most of the Asian countries having substantial development needs, his concern is a major project like the BRI does not have the capacity deliver all the infrastructure needs.

Moderator: Is your company involved in any BRI projects?

Speaker: Briand Greer

Yes, with Briand saying the shifting of Honeywell headquarters to Shanghai about 15 years ago was the right move as its business has grown from US\$400 million to about US\$3 billion currently and almost half of its products designed, engineered and produced in China, go to the other high growth regions and developing parts of the world.

Since BRI was announced, there has been over US\$150 billion worth of projects. There are tons of work to do out there. **Having that relationship with the Chinese folks who are driving this is an important piece of strategy for US companies.**

Speaker: Patrick Wong

Aecom works on the BRI actively with a number of stable enterprise contractors, helping them to go to those countries they aren't familiar with the engineering or design codes. We provide the support. **Our involvement**

started before they announced the BRI. We followed them to Africa and helped design Colombo's Horse City in Sri Lanka. **The BRI is a great idea. It's a tremendous project that covers a vast area and many people.**

Besides transportation, ports and marine is another key area. **The economic development** following all the infrastructure when the connectivity is created **would be tremendous. We are also supporting the local governments and clients to exploit the maximum benefits from this BRI.**

*Moderator: We have been involved in BRI projects supplying equipment in 20 countries and our strategy is to work with the Chinese state enterprises who are the primary contractors who get the projects, buy the equipment and hire the people. We see plenty of opportunities in BRI. **There is tremendous competition as well.***

I would like to turn to Asean, which has a lot of discussions on projects. Often times, the projects are delayed due to funding etc. Are you involved in that?

Speaker: Briand Greer

Yes, we are. We met with ministers of EEC three weeks ago. In the European Community (EC), if you do all these things, you will get the incentives. That's a comforting approach and will help accelerate investments into the EC.

Moderator: Any comments on the EC or any specific projects that you might be interested in?

Speaker: Michael Patterson

With such large development projects where there are so many **challenges in the implementation planning, we are looking at assisting governments. That's critical in making these good ideas successful** and we bring some wealth of experience in that area.

Moderator: What's the message to deliver to the US administration or Congress later in summer to get American companies more engaged in this region?

Speaker: Briand Greer

When governments and industries work closely together, it can be incredibly powerful. For American companies to be successful, we need to partner together.

Speaker: Michael Patterson

I would like to see a coordinated US play and offering that's comparable to the Japanese, Chinese or Koreans.

Speaker: Patrick Wong

Probably the opening up of the engineering market to foreigners.

Takeaway from the session

- Asia Pacific is where the growth will be in the next 10 to 50 years.
- The future of infrastructure means smarter buildings and facilities.
- Establishing a relationship with China is a stepping stone or key strategy for US companies who are keen to do BRI related businesses.
- Increasing challenges in managing infrastructure projects open up opportunities for US companies
- Opportunities abound in engineering, working with governments as well as Japanese or Chinese contractors or Chinese state enterprises.