

### *Examples of BTO Projects*

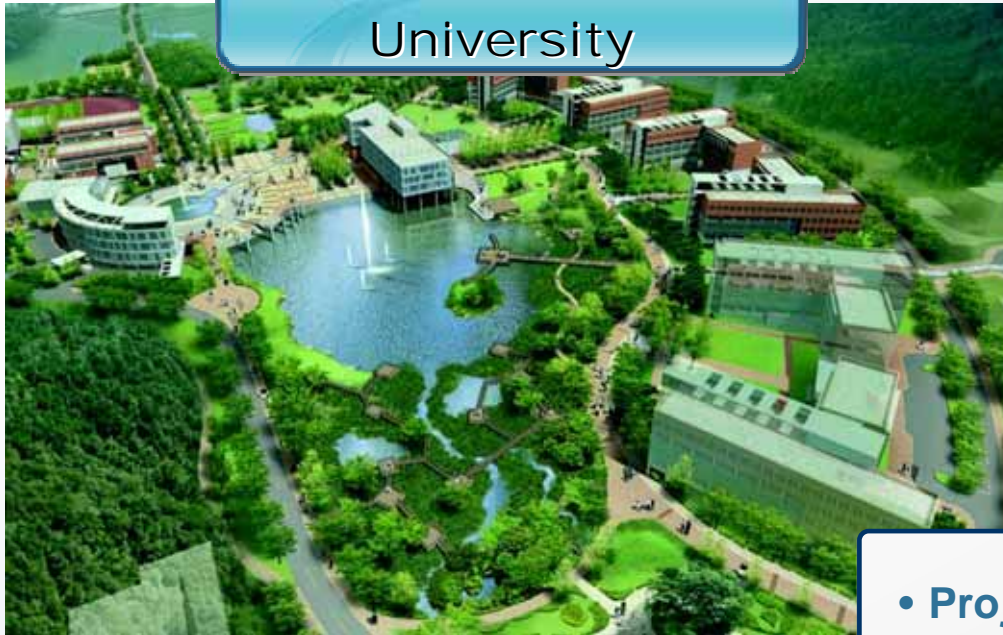
#### Incheon Airport Highway

- Length : 40.2km (6~8 lanes)
- Project Cost : KRW 1.7trillion  
(Subsidy : 16%)
- Const. : '95~'00 (Operate 30yrs)
- Investors : KTCU (45%), MKIF (24%)  
Kyobo Life (15%) etc.  
(Org. Investors : 11 Construction Co.  
85%, 2 Financial Inv. 12%,  
Others 3%)



### *Examples of BTL Projects*

Ulsan National  
University



- Project Cost : KRW 250 Billion
- Const. : '07~'12 (Operate 20yrs)
- Current Status :  
RFP announced in March '07

The background of the slide features a blue sky with white clouds. A large, semi-transparent blue wave-like shape curves across the middle of the slide. Below this wave, there is a grid pattern of glowing blue lines that recede into the distance, creating a sense of depth and technology.

### **III. Future of Korean PPI**

## *Prospects on PPI*

### ■ **Fiscal Constraints in Infrastructure Investment**

- Decreasing Tax Revenue
- Increasing Social & Welfare Expenditure
  - Annual Increase Rate of 10.1% in Social Welfare ('03~'08)

### ■ **Increased Role of Private Investment in Infrastructure**

- Supplement to Public Investment
  - Enables Early Provision of Public Services*
- Introduction of Private Sector Creativity & Innovation in Constructing & Operating Public Facilities

***Heightens Satisfaction of Facility Users***



## *Key Policy Issues*

### ■ Establishment of PPI Long-Term Investment Plan('07~'11)

- Estimate Future Financial Commitment by Government
  - Roads, Railways, Ports, Logistics, Environmental Facilities, Educational Facilities, Military Housing, Cultural Facilities
  - Subsidies, MRG, Government Payments for BTL, etc.
- Development of Fiscal Guidelines and Strategies
  - Managing PPI Investment Amount within a Sustainable Level
- Inclusion in the National Fiscal Management Plan
- Forecast Appropriate Private Investment Level and Fiscal Burden

## *Key Policy Issues*

### ■ **Development of Public Involvement Model in BTL(2007)**

- To Enhance Service Quality & User Satisfaction of Social Infrastructure
  - Schools, Dormitories, Cultural & Welfare Facilities, etc.



## *Key Policy Issues*

### **■ Promotion of Integrated Facilities**

- BTL Facilities with Multiple Functions
  - **Schools + Sports Center + Public Libraries, Nursery Center, etc.**
- Efficient Use of Land & Facilities
- Development of Model MOU and RFP

### **■ Develop. of Standard Models for Major Facility Types**

- Efficient & Transparent Procurement Process
  - **Guidelines for Feasibility/VFM Test, RFP, Output Specifications, Standard BTL Contract, etc.**
  - **School, Environmental Facility (ex. sewer pipe), Military Housing, Cultural Facilities**

## *Key Policy Issues*

### ■ **Strengthening Global Networks & Knowledge Exchange for Promotion of PPI/PPP**

- Growing Interests in PPI/PPP Worldwide
  - **Int'l Events, Official Study Visits, Interchange of Personnel, etc.**
- Several Ways of International Cooperation
  - **Multilateral Cooperation** : International Conferences, Seminars, etc.
  - **Bilateral Cooperation** : MOUs for establishing official networks among policy makers & practitioners, regular meetings, education/training programs, consulting, TA, etc.





# Thank you

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