



5 July 2019

Press release of the Bridge Forum Dialogue a.s.b.l. conference 'The AIIB and cooperation between Europe and Asia'

The Bridge Forum Dialogue organized today in cooperation with the European Investment Bank (EIB) a conference under the title: '***The AIIB and cooperation between Europe and Asia***'. The speaker was **Rt Hon Sir Danny Alexander, Vice-President, Corporate Secretary of the Asian Infrastructure Investment Bank (AIIB)**. The event was hosted at the premises of the EIB.

A distinguished audience gathered for this event, including representatives from the European institutions and bodies, members of the "corps diplomatique", numerous public authorities and actors of the academic, economic and social sphere as well as students.

Andrew McDowell, Vice-President of the EIB, on behalf of the Bridge Forum Dialogue and the EIB, introduced the speaker and the subject matter of the conference. He pointed out that the relationship between the EIB and the AIIB is based on cooperation and not competition.

Sir Danny Alexander started by recalling that the AIIB is the first new multilateral development bank of the 21st century. Its mandate is to finance infrastructure projects that support the sustainable economic development of Asia as well as to foster deeper international co-operation to support that aim. The AIIB is empowered to deploy a wide range of instruments - including sovereign and non-sovereign loans, equity investments, and guarantees. The AIIB's members have endowed the Bank with \$100 billion equity capital to carry out these functions.

The speaker commented that Luxembourg is the first EU country to commit to joining the AIIB and now is the first European host of the annual AIIB meeting, which will take place next week.

Sir Danny Alexander provided insights on the AIIB development and functioning. He further outlined the strategic axes of co-operation between Asia and Europe. He underlined that the AIIB and the EIB have forged a very strong partnership. The two institutions, for example, engaged in the co-financing of a USD 900 million investment in a new metro railway line in the Indian city of Bangalore. The speaker stated that these are important opportunities to learn, develop capacity, share expertise and share risks, especially in large and complex projects.

Sir Danny Alexander summarized the core values of his Institution in the following terms: 'lean, clean and green.' 'Lean' means that the AIIB is committed to use shareholders (taxpayers) money effectively and efficiently to avoid becoming complex, slow and bureaucratic. The second core value, 'clean', refers to good governance and the high international standards applied on how the AIIB selects, develops, and implements the projects that are financed. Finally, he indicated that the AIIB supports its members to invest in infrastructure that supports global goals. For this reason 'green' is alongside clean and lean as one of the Bank's core values.



The speaker provided key figures to illustrate the progress made by the AIIB after three and a half years since it began operation in January 2016. So far, the Bank has approved over \$8 billion of investments in 40 projects across 16 Member countries. These are largely in the core areas of the Bank's strategic focus: connectivity, sustainable infrastructure, and private capital mobilization. India is the largest recipient, with 25 percent of AIIB's lending; other major borrowers are Indonesia, Turkey, Azerbaijan, Egypt, Pakistan and Bangladesh. In 5 years' time the AIIB annual commitment is expected to grow to \$10bn per year. Membership has grown from the initial 57 founding members to 97 approved members, on every continent, representing 78 per cent of the world's population; 63 percent of GDP; and 75 percent of global carbon emissions.

Sir Danny Alexander illustrated some of the findings of the Asian Infrastructure Finance Report published by the AIIB earlier this year. He highlighted the importance of multilateralism and multilateral institutions in the context of the rising geopolitical uncertainty, which had resulted in a modest downturn in private sector investment in infrastructure in Asia. With its impressive economic growth, Asia is a region where investments are crucial to meet strong infrastructure needs, the speaker pointed out.

According to the speaker, Asia's growth presents a great opportunity for Europe. Asia and Europe are now leading trade partners, with \$1.5 trillion of annual merchandise trade, overtaking each continent's trade with the United States. Sir Danny Alexander refers specifically to Luxembourg as a country open to Asia, which has positioned itself to benefit from Europe's growing trade with the continent.

Sir Danny Alexander emphasized the vital importance of infrastructure projects focused on cross-border connectivity for long-term growth. For instance, he said, the development of renewable energy transmission grids across South and Southeast Asia, will ultimately save billions in energy expenditure, and the development of overland freight corridors through Russia and Central Asia to Europe would cut transit times in half compared to shipping routes.

The AIIB have pledged to support its Members to meet their carbon reduction commitments under the Paris Climate Agreement. This is a challenge which, according to the speaker, can only be met through global cooperation and collaboration.

Sir Danny Alexander stated that multilateral institutions like the AIIB, the EIB, and indeed the European Union, provide important examples of the right way of doing things. Quality infrastructure that supports sustainable development benefits everyone.

He concluded by highlighting the fundamental importance of multilateralism in the global context: *"Some people will argue that multilateralism is in decline. I do not believe that, but it is certainly under attack. With all the bad news we see every day, it is easy to forget that the world today is more prosperous and more peaceful than it has ever been in recorded human history. That did not just happen, it was the result of people finding an orderly, respectful and productive way to co-operate with each other, for the common good"*.



The presentation was followed by a stimulating questions and answers session.

More information will be made available on the website (www.forum-dialogue.lu) and LinkedIn page (<https://www.linkedin.com/company/bridgeforumdialogue/?viewAsMember=true>) of the Bridge Forum Dialogue a.s.b.l.



Photo:

From left to right:

Rt Hon Sir Danny Alexander, Vice-President, Corporate Secretary of the Asian Infrastructure Investment Bank (AIIB); Mr Andrew McDowell, Vice-President of the European Investment Bank (EIB)