

AIIB VP: "WE'RE A EUROPEAN INSTITUTION TOO"

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Sir Danny Alexander, VP and corporate secretary of the Asian Infrastructure Investment Bank (AIIB), was in Luxembourg Thursday evening to talk about the growth in Asia and the desire for multilateral cooperation on an even playing field.

His visit was in advance of AIIB's annual meeting taking place in Luxembourg on 12-13 July, which is expected to welcome around 500 delegates and up to 1,500 additional participants. It's the first time a non-Asian country will host the event--perhaps a natural selection for the bank, given that the grand duchy was the first European country to join the AIIB.



AIIB VP and corporate secretary, Sir Danny Alexander, with EIB VP Andrew McDowell during Thursday's Bridge Forum Dialogue *Photo: Twitter/EIB*



“We’re an Asian bank, but thanks to the commitment of so many European countries, we’re a European institution too,” Sir Alexander said during Thursday’s event, held at the EIB. “European ideas are embedded in the good governance of our bank in the way we work every day and the goals that we are trying to achieve.”

The AIIB is a multilateral development bank founded in 2016 which now has 97 members globally. According to Sir Alexander, there are 230 professional staff members in the bank’s Beijing headquarters, and the bank’s policy has been “lean, clean and green”.

Recent approvals for investment have included a power transmission system in Bangladesh, an urban regeneration project in Colombo, Sri Lanka, and a loan of \$90m for a hydropower project in Nepal.

If Asia continues along its same growth trajectory, Sir Alexander noted that by 2050 the continent could account for 52% of the world’s GDP share and see a sixfold increase in per-capita income. Moreover, some 1.2 billion people are expected to move into cities--a population transition which require healthy infrastructure to ensure those are “liveable, breathable, functioning places”.

For this reason, Sir Alexander added, “Economic infrastructure is nearly twice as important in developing Asia than in developed countries... In Asia, the scale of need is huge.”

This need translates to some \$1.7 trillion per year, according to the ADB estimates, factoring in adaptation and mitigation for climate change.

While Sir Alexander said there have been “a few skeptics, not least from across the Atlantic”, he added that multilateral cooperation could only be achieved through “commonly agreed rules according to law, on an even playing field”.

The AIIB annual meeting in Luxembourg will be an opportunity to develop and increase areas of cooperation.

Among the guests expected to be in town for the event are AIIB president Jin Liqun; Liu Kun, China’s minister of finance; Shaukat Aziz, former PM of Pakistan; Danny Quah, dean of the Lee Kuan Yew School of Public Policy; and Zeti Akhtar Aziz, former governor of Malaysia’s central bank, to name a few.