

BOT projects fail to catch eye of foreign investors

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The government opened dozens of public construction projects to private investors yesterday in an attempt to ease its financial burden, but experts said it may not be able to attract much money from overseas firms.

Premier Yu Shyi-kun opened up 57 build-operate-transfer (BOT) projects worth a total of NT\$224 billion — ranging from theme parks to a circular subway system linking together Greater Taipei districts from Neihu through Wugu and back round to Wenshan — to the private sector at a special seminar and exhibition in Taipei County Hall in Panchiao yesterday.

Excessive red tape may scare foreigners off, one expert said.

"If the government wants more foreign investment in BOT projects, it needs to designate one agency as a single window of contact to deal with foreign companies," said Tiffany Huang (黃台芬), senior partner at law firm Baker & McKenzie and chair of the European Chamber of Commerce in Taipei's (ECCT) Project and Procurement Committee.

Discriminatory practices, such as no limits on liability for foreign companies, and bureaucracy forced the American Chamber of Commerce to give up on government projects in Taiwan, an official at the chamber said. Speaking recently to the *Taipei Times*, the co-chair of the chamber's construction committee, Ron McGhie — who is also manager of Bovis Lend Lease in Taipei — said that many of his members had already left Taiwan. The remaining members stick strictly to private projects, he said.

The seminar comes after the government failed to get the private sector interested in two raillinks between CKS International Airport and Taipei, and between the airport and the new North-South High-Speed railway. The government stepped in to take back control of the NT\$83 billion project in June.

Another BOT project in Kaohsiung for the city's subway system has been widely criticized as the company awarded the contract has been giving work to its shareholders, local Chinese-language media have reported.

But one participant at yesterday's seminar said foreign firms should stop expecting that projects be handed to them on a platter.

"BOT projects run the range from hundreds of thousands to billions of NT dollars," said Robin

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Winkler, senior partner at law-firm Winkler Partners (博仲法律事務所) in Taipei. "These projects also range in complexity. Private companies have to deal with all these issues. It's a problem of them wanting to have the government do everything up front."

Yesterday's closed-door seminar was intended to inform government officials about what BOT means, Winkler said.

ECCT's Huang said the government needs to stay involved in the projects to ensure participation.

"The government has to have some budget to subsidize these projects or to guarantee minimum revenue in the future to make them more attractive," she said.

Speaking at yesterday's event Vice Premier Lin Hsin-yi (林信義) said that NT\$300 billion in private money had been invested in public projects so far with another NT\$300 billion expected over the next three years. He pledged to match the figure with NT\$300 billion of public money in the next three years.

Lin also said that Taiwan needs to follow the example of countries like the UK where there is regular private investment in public projects.

"Private investment in public projects does not mean the government does not cough up any cash, but rather it means every dollar works harder for us, bringing back 10 dollars' worth."

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