

# Interview: Siemens's Anthony Casciano

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The economies of the Asia Pacific are forecast by the International Monetary Fund to grow at an average 5.3% this year, and the region remains one of the brightest spots for infrastructure suppliers, including Siemens.

The global engineering group supplies across all sectors, but CEO of Industry and Healthcare Finance, Siemens Financial Services, Anthony Casciano says he sees particularly potential in Asia's healthcare sector.

“One of the key areas of growth in the Asia Pacific region is healthcare facilities across the region, from Australia to China, as well as India, the Philippines and Vietnam,” he said during an interview with *IJGlobal* in Singapore.

## **Building on record**

Siemens Financial Services is looking to build on its track record of involvement in healthcare across the region, Casciano says.

For example, the firm is an equity investor in the Bendigo Hospital PPP in Australia, arranged a non-recourse forfeiting structure through Siemens Bank for Healthcare Global, an Indian cancer centre network, and provided a project loan to Jupiter Hospital to build a new hospital in Pune, India.

With health spending by Asian government expected to continue to rise and a growing middle class willing to pay for private healthcare, the sector shows encouraging potential, according to Casciano.

Each market has its own promising trends.

China's healthcare spending is expected to grow from \$580 billion in 2014 to nearly \$900 billion by 2019, according to Deloitte's 2016 global life sciences outlook report.

Beijing is seeking to attract private capital into what has traditionally been a state-run system, either by privatising government hospitals or encouraging local governments to enter into cooperation agreements to build new facilities with private investors.

India is another bright spot. The federal government is expected to maintain healthcare spending at 4.1% of GDP through to 2019, well below the 6.5% common in many other countries in Asia.

That will leave a gap in medical services that can be met by private operators to develop hospitals. One trend is to set up what is effectively a real estate investment trust to keep hospitals off the balance sheet.

Siemens Financial Services has already provided term loans to Religare Health Trust, a business trust with healthcare assets in India that is listed on the Singapore Stock Exchange, to purchase two hospitals.

Elsewhere, Indonesia, Philippines and Vietnam are rolling out universal healthcare schemes and their governments are

looking to the private sector to help keep costs down, according to the Deloitte report.

### **Boom times ahead**

Developing Asia will require infrastructure investments of around \$26 trillion between 2016 and 2030, according to the recently revised forecast published by the Asian Development Bank (ADB). On the back of stronger GDP growth figures, the ADB has doubled its forecast for emerging Asian countries annual infrastructure investment needs to \$1.7 trillion a year.

Indeed, “there is no shortage of demand for infrastructure in Asia, whether for energy, roads, trains and airports,” Casciano says.

In India, besides healthcare, airports and roads are seen as growth drivers for Siemens Financial Services while roads look promising in Indonesia and in the Philippines, healthcare and power present opportunities, he said.

Another key area of growth going forward will be wind power across the region, Casciano says. Last June, parent Siemens and Gamesa signed binding agreements to merge the Siemens wind power business with Gamesa.

With total installed wind capacity of 176GW, Asia is already the largest regional wind market in the world. The explosion in growth is yet to come, however.

Installed wind capacity is set to expand to 271MW by 2020 and to 533MW by 2030 across the Asia Pacific region, according to the Global Wind Energy Council’s most conservative forecasts.

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