

I just don't have words...

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OK, it's silly season – that time of the year when infra hacks are supposed to scabble around for news, smashing the phones in the vain attempt to raise anyone on the blower... tumbleweed gusting through the streets, a deathly pall across the financial centres, long lunches and worktime suntans.

Fat chance. Beyond a steady and – at times baffling – flow of news, the market remains buoyant.

Perhaps most discombobulating are the following three:

- the UK's new prime minister wants to set up an infra bank
- 3i Infrastructure acquires a pharma company – France
- another crack of the whip for tidal energy – Canada

Boris weighs in

For anyone living under a rock – or just not interested in UK politics – this week Boris Johnson took over from Theresa May as prime minister for the UK.

This shift at the top received a mixed reception from the masses, but all we are really interested in is: what does it mean for infrastructure and energy in the UK.

Conservative MP Jeremy Lefroy (Stafford) kindly teed this up with a question on whether the new PM supported “the establishment of a stand-alone UK investment and development bank” similar to what Germany, France and the Netherlands have.

The reply (lifted from Hansard) from our PM was immediate: “Not only will I endorse that suggestion, but I invite my honourable friend to meet my right honourable friend the Chancellor at the earliest possible opportunity to discuss it.”

Anyone feeling déjà vu right now? What are we talking about here, another Green Investment Bank, but with a remit that goes beyond renewables to take in infrastructure, et al?

Macquarie will be rubbing its hands in glee at the prospect of snapping it up after a couple of years of hard, tax-payer funded work by a plethora of infra refugees with a cheque book. Happy days.

The chattering classes are talking about this being an equivalent to KfW, FMO or Proparco... but others say it's more of a UK version EIB they're mulling, to replace the one that ain't going to be spending its coin within our shores after Brexit.

In reality, it's more of an EBRD – which was set up after the Cold War bring the economic wastelands of the former Soviet Bloc up to Western levels.

Yeah – that sounds about right. They're bracing for the fall-out from Brexit and the anticipated nose-dive that the UK will

take.

OK. Take your view on that if you will. There's two camps and as an apolitical title, we won't be going down either rabbit hole.

But given the amount of liquidity in the market right now – with no sign of lenders (UK or foreign) getting cold feet – there really shouldn't be a problem on this front. But hey ho. That won't stop them.

What really set ears twitching yesterday in the IJ London office was mention of HS2 – the proposed 140 mile, high-speed rail link from one of the nastiest areas of London (Old Oak) to one of the nastiest cities in the UK.

Boris deflected this question with a worrying reply (depending on your point of view) that he has asked Doug Oakervee, former chairman of Crossrail, to “conduct a brief, six-week study” into the spend on HS2 to “discover whether such a proposal might have merit”.

Finally – someone might put a bullet in this project's head. And not a moment too soon.

In the economic environment of post-Brexit UK, it is criminal to pile £42.6 billion – creeping to as much as £86 billion, according to some sources – into one project.

Spread it around Boris and create some impact across the wider economy.

Pharma in an infra fund

When it comes to databases, *IJGlobal* makes the final decision on what can be categorised as “infrastructure” ... but when it comes to infra funds, they set the parameters.

For *IJInvestor* and our funds/acquisitions tracking, the parameters are set by the infra funds. If they buy an asset and hold it in an infra fund... the asset owner defines its categorisation.

Annoying, but that's just how the land lies.

So then we come to today's news that sees 3i Infrastructure acquiring a “[cold sterilisation provider](#)” ... and teeth start to grind at the next asset to be uploaded into our funds database.

3i has forked out €220 million on Ionisos, the France-based company that proudly boasts being the world's third largest cold sterilisation provider. Mmmmmm, nice...

What does it do? It delivers mission-critical services for the medical, pharmaceutical and cosmetics industries for whom cold sterilisation is an essential component of... yawn.

Meh. It sounds like a fair company to buy. But infra? Come along 3i. We thought you were pushing the boat out with [TCR back in 2016](#) when – together with Deutsche Asset Management (now DWS) – it bought the Belgium-based baggage handling company.

This one takes stretching the definition of infrastructure to a new level... a pharma level. Thanks for that.

And then there's tidal in Canada

It's not for the likes of a humble infra title like *IJ* to go on the offensive against a renewable energy technology... in fact, we love them all (not equally, though).

News today that the Nova Scotia provincial government was supporting [Sustainable Marine Energy](#) with a PPA for a 1.2MW tidal array is fantastic.

This is a technology that clearly needs support, and has amazing potential... only nobody seems to be able to make it work very well (some of them disappear off into the Atlantic, for example) and nobody will... without the correct

subsidies (and possibly a good retrieval system).

We view tidal energy in much the same way we view biomass. It all makes sense, but there are so many variables that it makes one... twitchy.

But that seems churlish. After all, Simec Atlantis Energy announced today that it has now fully decommissioned its SeaGen tidal power system in the Strangford Narrows, Northern Ireland.

This was the first commercial-scale tidal stream to be fully decommissioned having been in operation since May 2016.

So much potential... but there goes that twitch again!

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