

Asia

Infrastructure Report

Quarterly Report: Forecasts to 2034



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Key View

Key View: The Asia-Pacific region will drive overall global construction growth, spurred by the robust expansion of construction activity in a number of outperforming markets including India, the Philippines, Vietnam and Indonesia.

Key Forecasts And Latest Updates

- We forecast that the Asia-Pacific construction industry will grow by 2.5% y-o-y in 2025 and 3.7% in 2026, marking a slowdown compared to the previous decade, driven by trade-related uncertainty and weaker regional economic momentum. Our latest forecasts represent a downward revision from previous forecasts of 3.4% and 3.9% for 2025 and 2026 respectively, as of our last update in May 2025. This will follow construction industry growth of 4.0% in 2024 for the region.
- Over our 10-year forecast period between 2025 and 2034, we forecast annual average real growth of 3.6% for the region. This will place the region as the second fastest growing globally over the period.

Construction Industry Forecasts (Asia-Pacific 2024-2034f)

Indicator	2024	2025f	2026f	2027f	2028f	2029f	2030f	2031f	2032f	2033f	2034f
Construction industry value, USDbn	2,367.8	2,429.0	2,580.4	2,738.2	2,888.0	3,034.5	3,166.9	3,299.0	3,432.8	3,577.9	3,730.1
Construction industry value, real growth, % y-o-y	4.0	2.5	3.7	3.9	4.0	3.7	3.5	3.4	3.4	3.4	3.4

f = BMI forecast. Source: Local sources, BMI

Risk/Reward Index

- Asia-Pacific ranks as the second most attractive region globally in our Infrastructure Risk/Reward Index, with a score of 43.7, where lower scores indicate more attractive markets. The region is the second lowest-scoring region, trailing only North America and Western Europe, which leads with a score of 38.5.
- Asia-Pacific boasts robust rewards on offer, due to its large construction industry, elevated regional construction industry growth forecast and a substantial regional project pipeline.

Infrastructure Risk/Reward Index (Global October 2025)

	Industry Rewards	Country Rewards	Industry Risks	Country Risks	Risk/Reward Index	Regional Rank
North America & Western Europe	56.1	47.4	18.0	16.7	38.5	1
Asia-Pacific	39.3	47.9	46.5	43.9	43.7	2
Middle East & North Africa	46.0	44.8	53.4	56.0	49.2	3
Central & Eastern Europe	56.7	55.6	48.8	45.3	52.6	4
Sub-Saharan Africa	45.3	52.3	68.7	80.0	58.6	5
Latin America	59.7	51.5	66.7	60.0	59.2	6

Note: May include territories, special administrative regions, provinces and autonomous regions. Scores out of 100; lower score = more attractive market. Source: BMI Infrastructure Risk/Reward Index

Regional Overview

Asia-Pacific Construction Outlook: Mainland China's Industry Slowdown Weighs On Regional Outlook

Key View

- We forecast that the Asia-Pacific construction industry will grow by 2.5% y-o-y in 2025 and 3.7% in 2026, following growth of 4.0% in 2024, marking a slowdown compared to the previous decade, driven by trade-related uncertainty and a weaker regional economic momentum.
- Over our 10-year forecast period between 2025 and 2034, we forecast annual average real growth of 3.6% for the region.
- The Asia-Pacific will drive global construction industry growth over the coming years according to our current outlook, supported by a combination of comparatively elevated growth rates in individual markets and the large size of the region's construction industry.
- India and select South East Asian markets will be regional outperformers over the coming years, with construction industry real growth set to outpace the Asia-Pacific average.

We forecast that the Asia-Pacific construction industry will grow by 2.5% y-o-y in 2025 and 3.7% in 2026, marking a slowdown compared to the previous decade, driven by trade-related uncertainty and weaker regional economic momentum. Our latest forecasts represent a downward revision from previous forecasts of 3.4% and 3.9% for 2025 and 2026 respectively, as of our last update in May 2025. This will follow construction industry growth of 4.0% in 2024 for the region.

A persistent downturn in Mainland China's construction industry will be the most significant drag on the Asia-Pacific outlook in the near term. At the time of writing, we have revised our forecast for China's construction industry real growth in 2025 to 1.8% y-o-y, down from 3.3% in our previous update in May 2025, as subdued activity in the residential building sector weighs on the near-term outlook. Weak home prices, limited investment and fragile business sentiment will continue to dampen residential building construction and overall industry growth. Although targeted policy measures and public infrastructure development plans are in place, these initiatives will take time to feed through. Risks to our outlook are skewed to the downside, with further deterioration in the residential sector and broader macroeconomic headwinds, including weaker global trade and export demand, posing additional challenges for industrial and manufacturing construction.

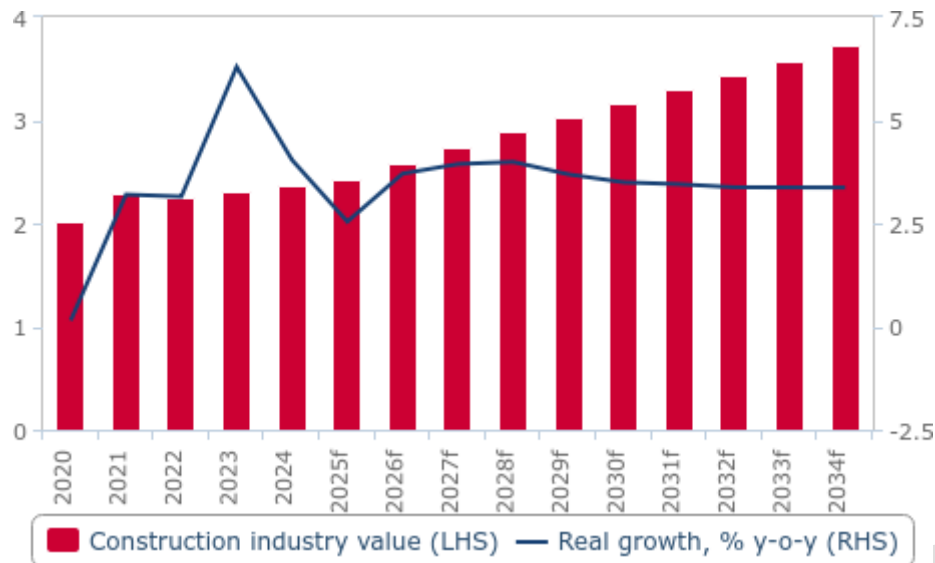
Across the Asia-Pacific region, trade policy uncertainty and shifts in trade patterns will also weigh on construction activity in the near term, along with their implications on the broader macroeconomic environment and business sentiment in the region. We maintain our expectation that trade policy uncertainty and tariffs will continue to drag on construction activity, with trade tensions set to persist into 2026. This will weigh on business sentiment, delay investment decisions, disrupt supply chains and put upward pressure on key construction input prices.

Manufacturing and industrial construction will be particularly affected, with the potential for broader softening of construction demand if tariffs trigger economic slowdowns in individual markets. Disruptions to construction material supply chains and rising inflation on key inputs will likely emerge as further challenges for the Asia-Pacific construction industry. Our Country Risk team expects the current disinflationary trend to end by late 2025, giving way to rising inflation. Tighter financial conditions and higher borrowing costs will threaten project viability and reduce investment, as the window for monetary policy easing closes across much of the region despite some limited scope for rate cuts.

That said, the impact of tariffs will be uneven across the region. Some markets may benefit from a reconfiguration of global supply chains, with trade shifting to select Asian economies that offer cost-efficient manufacturing. Malaysia, Vietnam and the Philippines could see increased construction activity in the medium term if manufacturers relocate, provided they secure preferential trade deals and attract investment.

Growth To Continue

Asia-Pacific - Construction Industry Value, USDtrn & Real Growth, % chg y-o-y (2020-2034)



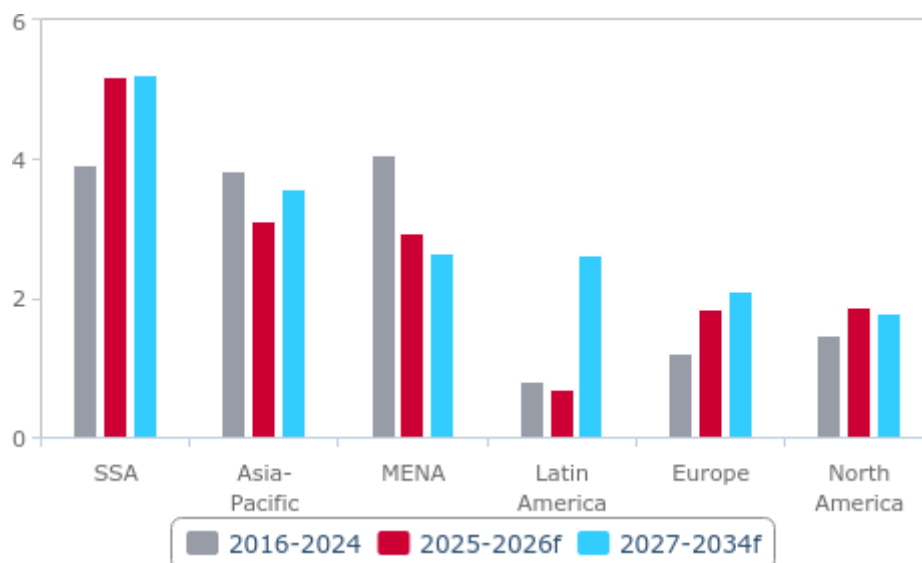
Note: May include territories, special administrative regions, provinces and autonomous regions. f = BMI forecast. Source: Local sources, UN, BMI

The Asia-Pacific region will be the main driver of global construction industry growth over the coming years, supported by its relatively high market growth rates and its large share of total global construction industry value. We expect Asia-Pacific to be the second-fastest growing region globally in terms of construction industry real growth over the long term, surpassed only by Sub-Saharan Africa (SSA). Over our 10-year forecast period, we forecast average annual real growth of 3.6% for the Asia-Pacific. By comparison, SSA is projected to achieve higher growth rates, expanding by 4.8% in 2025, 5.8% in 2026, and averaging 5.4% annually between 2025 and 2034.

Despite stronger growth rates in SSA, Asia-Pacific will remain the primary driver of global construction industry growth, due to its much larger industry size in US dollar terms. In 2024, the Asia-Pacific accounted for 39.7% of global construction industry value, while SSA represented just 1.7%.

Asia-Pacific To Be Among Fastest Growing Regions

Select Regions - Construction Industry Real Growth By Region & Period, % y-o-y

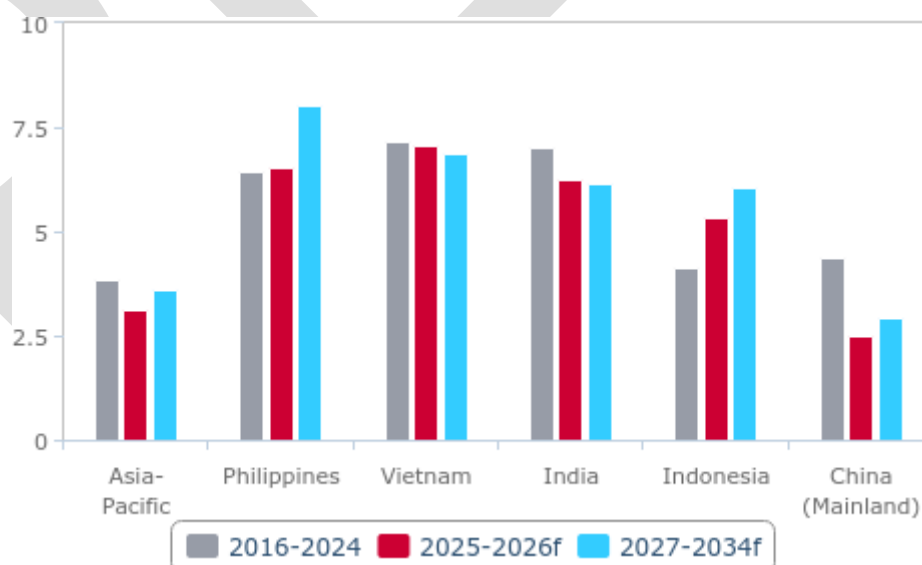


Note: May include territories, special administrative regions, provinces and autonomous regions. Data sorted largest to smallest for 2027-2034f outlook. f = BMI forecast. Source: Local sources, UN, BMI

India and select South East Asian markets will be regional outperformers over the coming years, with construction industry real growth set to outpace the Asia-Pacific average. In India, robust expansion will be supported by stable government backing for infrastructure development, increased private sector participation and ongoing regulatory reforms under the 'Make in India' initiative. These factors will help bridge the country's infrastructure deficit and boost operational efficiencies, with the industry forecast to grow at an average annual rate of 6.2% between 2025 and 2034.

India And South East Asian Markets To Outperform

Asia-Pacific - Construction Industry Real Growth By Select Market & Period, % y-o-y



Note: May include territories, special administrative regions, provinces and autonomous regions. f = BMI forecast. Source: Local sources, UN, BMI

In the Philippines, growth will be underpinned by rapid urbanisation, infrastructure investment and the government's 'Build, Better, More' programme, which prioritises public-private partnerships and private financing. Although near-term risks from tariffs and corruption persist, we expect long-term annual average real growth of 7.7% through to 2034, supported by manufacturing sector expansion and improved financing conditions.

Vietnam will remain one of the fastest-growing construction markets globally, driven by investment in real estate and infrastructure, rising urbanisation and foreign direct investment, with average annual growth of 6.9% forecast to 2034.

Indonesia's construction industry will benefit from a large industrial pipeline, strong residential demand and elevated urbanisation rates, with average annual growth of 5.9% expected between 2025 and 2034. Policy continuity and ongoing investment in transport and manufacturing sectors will further support growth, despite moderating infrastructure expenditure.

Despite these markets standing out as outperformers, China will remain the largest construction industry in the Asia-Pacific region throughout the forecast period, with an estimated industry value of approximately USD1.8trn in nominal terms by 2034. Infrastructure development and building construction will underpin long-term growth, although a secular slowdown in infrastructure investment and persistent weakness in China's residential sector will continue to weigh on overall construction industry growth.

Construction Industry Value Real Growth Forecasts: Key Asia-Pacific Markets

	2023	2024	2025f	2026f	2027f	2028f	2029f	Average 2025-2029f
Australia	2.7	1.7	0.9	2.9	3.4	3.4	3.3	2.8
China (Mainland)	7.1	3.8	1.8	3.2	3.6	3.8	3.3	3.1
India	10.4	9.4	6.2	6.3	6.3	6.2	6.2	6.3
Indonesia	4.9	7.0	4.9	5.8	6.2	5.6	6.2	5.7
Japan	2.0	-2.7	1.3	1.0	0.3	0.2	-0.2	0.5
Malaysia	6.1	17.5	9.6	4.1	3.5	3.6	3.5	4.9
Philippines	8.8	10.2	5.6	7.5	8.6	8.1	8.0	7.6
Singapore	5.8	4.5	4.2	3.2	3.3	3.5	3.6	3.6
South Korea	3.1	-2.6	-4.6	2.5	2.4	1.9	1.7	0.8
Thailand	-0.6	1.3	2.8	3.0	2.8	2.7	2.7	2.8
Vietnam	7.3	7.9	7.1	7.1	6.9	6.9	6.9	7.0

Note: May include territories, special administrative regions, provinces and autonomous regions. f = BMI forecast. Source: Local sources, UN, BMI

Industry Trend Analysis

Malaysia's Double-Digit Expansion In Non-Residential Building Sector Boosts Construction Industry Outlook

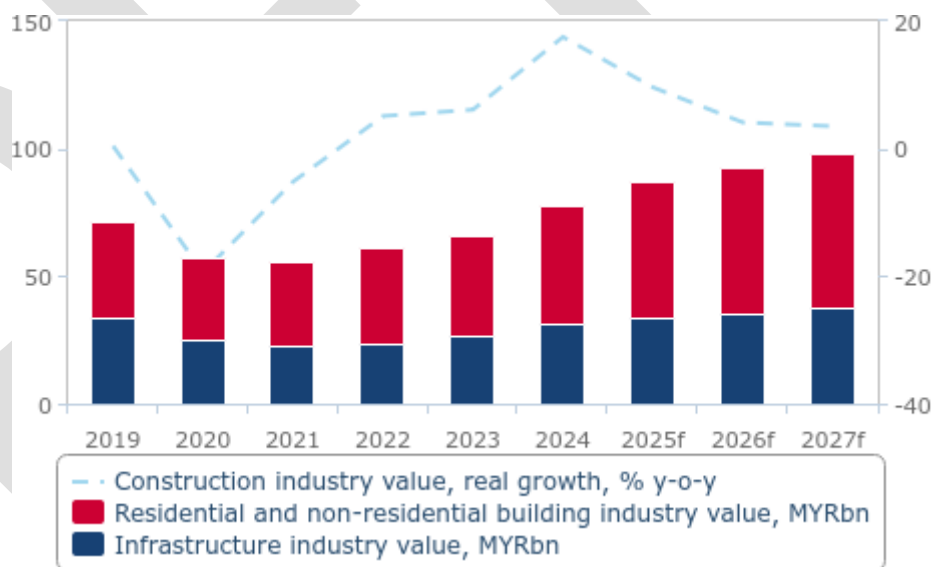
Key View

- This quarter, we have revised up our growth forecast for Malaysia's construction industry, which we now expect will grow in real terms by 9.6% y-o-y in 2025.
- Our near-term growth outlook is driven by the building sector, with residential building and non-residential building expected to expand by 15.7% and 10.3% respectively in 2025.
- We highlight that energy and utilities investments will lead long-term infrastructure construction growth, while a focus on regional integration will be a growth driver for transport infrastructure development.
- Over our 10-year forecast to 2034, we forecast average annual real growth of 4.1%, with long-term growth primarily fuelled by Malaysia's energy transition and industrial investment.

This quarter, we have revised up our growth forecast for Malaysia's construction industry, which we now expect will grow in real terms by 9.6% y-o-y in 2025. This will follow growth of 17.5% y-o-y in 2024. We forecast more moderate construction activity in 2026, with an expected growth rate of 4.1%, due to base effects following the significantly high growth rates seen in 2024 and expected for 2025.

Strong Industry Expansion Under Way

Malaysia - Construction & Infrastructure Industry Value & Real Growth (2019-2027f)



e/f = BMI estimate/forecast. Source: Malaysia Department of Statistics, BMI

Our near-term growth outlook is driven by the building sector, with residential building and non-residential building expected to expand by 10.3% and 15.7% respectively in 2025. The robust expansion in non-residential building construction growth is underpinned by substantial investment in data centre and semiconductor manufacturing projects, driven by rising demand for artificial intelligence and the country's expertise in technology manufacturing. Malaysia is a leading market for data centre development in the region, with billions of US dollars of projects in the pipeline and 700MW currently under construction. As part of the 13th Malaysia Plan presented in July 2025, the government aims to further establish Malaysia as a regional hub for digital technologies, supporting further growth in non-residential building construction. This reinforces our outlook of robust growth in the segment for 2025 and beyond.

In terms of residential building construction, our positive growth outlook is supported by ongoing private sector investment in luxury and large-scale projects, alongside sustained government initiatives targeting affordable housing. Urbanisation continues to drive demand for premium housing, contributing to a widening gap between supply and demand for affordable homes, particularly in urban centres. Due to these trends, high-end residential developments are expected to account for the bulk of new activity, while the government's focus on housing accessibility, reinforced under the 13th Malaysia Plan and the National Housing Policy, will also support growth in the segment.

We highlight that energy and utilities investments will lead long-term infrastructure construction growth, while a focus on regional integration will be a growth driver for transport infrastructure development. The government's commitment to the country's energy transition through policies such as large-scale solar tenders, combined with funding directed at renewables, will support robust growth for the energy and utilities sub-sector, which is forecast to grow by 6.5% in 2025, compared to the wider infrastructure industry growth forecast of 4.2% for 2025. This is part of Malaysia's drive to increase sustainability and accelerate green infrastructure development, under the 13th Malaysia Plan (RMK13). Power plants and transmission grids, in particular, continue to represent the largest share of industry value in Malaysia's energy and utilities construction sector and will be the key growth drivers over the coming decade.

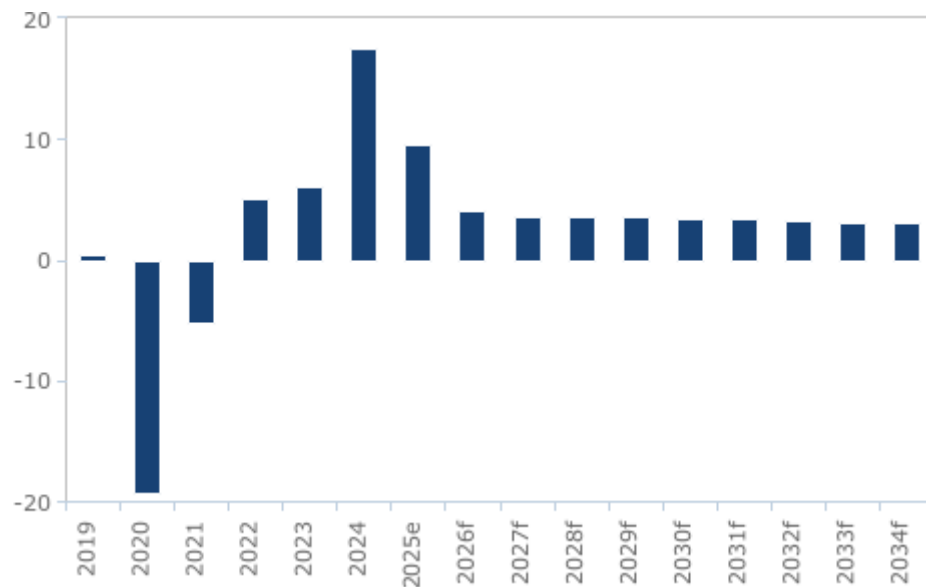
Growth in the transport sector will be largely supported by commitments by the Malaysian government to prioritise improved connectivity in less developed regions, particularly in East Malaysia. The majority of highway and railway construction projects in the country continue to be developed in states such as Sabah, Sarawak, Kedah, Kelantan and Terengganu, supported by government spending. More than half of development funding will be allocated to these areas, including plans for 2,800km of paved roads and major projects such as the Pan Borneo Highway, Trans Borneo Highway and Central Spine Road. We expect this trend to continue in the medium and long term.

Over our 10-year forecast to 2034, we forecast average annual real growth of 4.1%, with long-term growth primarily fuelled by Malaysia's energy transition and industrial investment. A key trend behind our positive long-term growth outlook for the construction industry is Malaysia's strategic position within global supply chains, complemented by supportive government initiatives such as the New Industrial Master Plan 2030, which will continue to attract manufacturing and logistics investments to the country. This will drive demand for industrial parks, smart factories and data centres throughout the forecast period.

Additionally, the energy and utilities construction sector will act as a key growth driver, set to benefit significantly from Malaysia's ambitious energy transition agenda. This will be backed by robust policy support including the National Energy Policy (NEP) 2022-2040 and the 13th Malaysia Plan (2026-2030), which includes strategic objectives for carbon neutrality by 2050 and an 80% renewable energy mix. We expect continued momentum in the sector's project pipeline, led by large-scale solar tenders and grid modernisation projects.

Robust Construction Growth

Malaysia - Construction Industry Value Real Growth, % chg y-o-y (2019-2034f)



e/f = BMI estimate/forecast. Source: Malaysia Department of Statistics, BMI

These initiatives will underpin long-term growth, driving investment activity and supporting Malaysia's shift towards a low-carbon energy future.

Asia Autos Investment Roundup: Tariffs Weigh On Sentiment As India Sustains Momentum

Key View

- The ASEAN region continues to attract robust automotive and EV supply chain investments, with Mainland China-based automakers - such as Geely, GAC and Changan - expanding their footprint, especially in Thailand, Malaysia and Indonesia. This is driven by localisation, electrification trends and strong government incentives.
- India remains a top investment destination, fuelled by favourable policies such as the Production-Linked Incentive scheme and strategic initiatives like the National Critical Mineral Mission, which are supporting both supply chain resilience and the growth of domestic manufacturing in areas like rare earths and automotive components.
- The introduction of Section 232 tariffs by the US in March 2025 has led to a notable decline in automotive investments across Asia, with Japan most affected - highlighted by the cancellation of major EV battery projects - and raising concerns about the country's long-term competitiveness and supply chain security in the EV market.

In our regular roundup of production investments, we track the latest projects from the production side of the industry and analyse regional trends that we see developing. In doing so, we intend to build a picture of any potential hubs that may be developing, as well as company strategy in terms of production bases and export programmes.

Asia-Pacific - Autos Production Investments (Q2 2025)

Date Announced	Market	City/ Province/ Region	Company	Value	Category	Brief Description	Date Onstream
Apr-25	Thailand	Rayong	GAC	THB2.3bn (USD70.8mn)	PV	GAC Aion has produced its first Aion V at its Thailand assembly plant, marking a milestone several months after the facility opened in July 2024. The plant's initial annual production capacity is 50,000 units, with plans to expand to 100,000 units. The Aion V, launched in a single 602 Luxury variant, is the first model produced, and another locally assembled model is expected.	Q4 2025
Apr-25	South Korea	Gwangju	Kia	na	PV	Kia is preparing to launch its EV5 electric SUV at the Gwangju plant in Korea, with production already in trial. The global rollout will begin in earnest, starting in South Korea and Europe, while North American sales - initially exclusive to Canada - are set for early 2026. The EV5 launched in Mainland China in 2023 and will now enter major global markets. It is built on the Hyundai Motor Group's Electric-Global Modular Platform.	Operational

Date Announced	Market	City/ Province/ Region	Company	Value	Category	Brief Description	Date Onstream
Apr-25	Mainland China	Jiangsu	Egtronic	na	EV supply chain	Egtronic has begun building a new factory in Mainland China through a joint venture to produce key EV components. The three-storey facility will manufacture chargers, DC-DC converters, on-board chargers, motor control units and power distribution units - vital for EV performance. The plant will include advanced testing infrastructure, such as an EMI shield room for EMC testing and a 200kW dynamometer for motor durability tests.	TBC
Apr-25	Mainland China	Shanghai	Cellasto	EUR60.0mn (USD69.9mn)	EV supply chain	Cellasto, BASF's polyurethane damping component brand, is investing in a second plant to boost production capacity by nearly 70% and meet growing demand in China's EV market.	2027
Apr-25	Mainland China	Shanghai	SAIC	na	EV supply chain	SAIC Motor inked contracts with the Lingang New Area in Shanghai's free trade zone to build an electric car plant and a battery factory that will produce a new line of EVs and the batteries that power them. At the same time, SAIC CATL, a joint venture between SAIC and battery giant CATL, inked an investment deal with the Lingang New Area to construct a battery system and component factory.	TBC
Apr-25	India	Aurangabad	Uno Minda	INR4.2bn (USD49.1mn)	EV supply chain	Uno Minda plans to invest in a new plant for high-voltage EV powertrain components, including e-axes, inverters and motors. The project, to be executed via a subsidiary and later as a joint venture with Inovance Automotive, targets both passenger and commercial EVs.	Q1 2027
Apr-25	Cambodia	Sihanoukville	BYD	USD32.0mn	PV	BYD has started construction on a passenger EV plant. The plant will have an annual capacity of 10,000 units, producing both battery EVs and plug-in hybrids. The facility will be a CKD plant, assembling vehicles from	Q4 2025

Date Announced	Market	City/ Province/ Region	Company	Value	Category	Brief Description	Date Onstream
						delivered components.	
May-25	Thailand	Rayong	Changan	THB10.0bn (USD300.7mn)	PV	Changan Automobile has launched its first overseas EV plant. The plant's first vehicle produced is a right-hand drive Deepal S05. The facility has an initial annual production capacity of 100,000 vehicles, with plans to expand this to 200,000 units in the future.	Operational
May-25	South Korea	Incheon	GM Korea	na	PV	GM Korea will increase production at its Bupyeong plant by 10,000 units, following an earlier 21,000 unit expansion, for a total production increase of 31,000 units in 2025. This move, driven by strong demand for models like the Chevrolet Trailblazer, Buick Envista and Buick Encore GX, raises Bupyeong's annual target from 208,000 to 239,000 units - about 95% of its total capacity. Despite the new 25.0% US import tariff, GM Korea continues to prioritise exports, with 83.0% of 2024's 490,000-unit sales going to the US.	H2 2025
May-25	Indonesia	TBC	KG Mobility & Pindad	na	PV	KG Mobility is expanding local assembly and sales of its Rexton SUV through a joint venture with the state-owned defence company Pindad. The partnership will review vehicle competitiveness and technology for models like the Rexton and collaborate on a national car and electric bus project, targeting 200,000 units. KGM has previously exported Rexton kits to Indonesia and plans to increase shipments.	TBC
May-25	Indonesia	West Java	Geely	na	PV	Geely has started trial production of the EX5 electric vehicle at the PT Handal Indonesia Motor plant, with an annual capacity of 20,000 units. Over the next three	Q3 2025

Date Announced	Market	City/ Province/ Region	Company	Value	Category	Brief Description	Date Onstream
						years, Geely plans to launch five-seven models in Indonesia, including EVs, plug-in hybrids and petrol vehicles, for both local and ASEAN markets.	
May-25	India	Sriperumbudur	Mobis India	na	EV supply chain	Mobis India, a Hyundai Motor India subsidiary, has opened an EV battery system assembly plant adjacent to Hyundai's car manufacturing facility. The new plant will initially assemble 36,000 EV battery units annually, with plans to scale up to 75,000 units. It will supply high-performance battery systems for Hyundai electric vehicles, starting with the Creta Electric and producing both nickel-manganese-cobalt and, in the future, lithium-iron-phosphate batteries.	Operational
May-25	India	Tamil Nadu	Schaeffler	INR17.0bn (USD197.4mn)	Components	Schaeffler India has inaugurated its fifth manufacturing facility in Shoolagiri, Tamil Nadu. The 16,500sq m plant will produce conventional and hybrid powertrain components and is the first phase on a 108,000sq m plot. The facility supports India's automotive market and Schaeffler's global expansion.	Operational
May-25	Philippines	Central Luzon	HMWS	PHP300.0mn (USD5.3mn)	Components	HMWS, a firm specialising in automotive electrical systems and industrial equipment, is expanding its operations in the Clark Freeport. The expansion agreement was signed with the Clark Development Corporation.	TBC
May-25	India	Haryana	Suzuki	USD137.0mn	Motorcycles	Suzuki Motor is building a new motorcycle plant. This move will expand Suzuki's production capacity to meet growing domestic and export demand, and further integrate the company into India's manufacturing ecosystem. Suzuki's strategy underscores the value of local production in a fragmented global market, prioritising proximity to customers as a key driver of	TBC

Date Announced	Market	City/ Province/ Region	Company	Value	Category	Brief Description	Date Onstream
						future growth.	
Jun-25	South Korea	Daegu	Ilshin Plastic	KRW30.9bn (USD22.2mn)		Daegu Metropolitan Government and Ilshin Plastic signed an investment agreement for a new automotive parts factory in the Dalseong National Industrial Complex. Ilshin Plastic will build the facility on a 14,000sq m site. Ilshin Plastic specialises in plastic automotive parts and has expanded exports to multiple countries. The city promises full support to ensure the project's successful completion.	Components
Jun-25	Malaysia	Kuala Lumpur	GAC	na	PV	WTC Automotif, the distributor of GAC vehicles in Malaysia, has started local assembly of the GAC Emkoo SUV at the Segambut plant ahead of its market launch. The Emkoo is the second GAC model to be locally assembled after the GS3 Emzoom. The five-seater C-segment Emkoo, which will compete with the Honda CR-V and Proton X70.	Operational
Jun-25	Malaysia	Kedah	Hyundai Motor Malaysia	na	PV	Hyundai Motor Malaysia has announced plans to locally assemble CKD seven models - including both internal combustion engine (ICE) vehicles and hybrids, but not EVs - over the next five years. Local production will start at the Inokom plant, initially for the Malaysian market, with about 30% of output expected to be exported to other ASEAN countries as capacity increases. Hyundai aims to establish Malaysia as a key regional hub in its ASEAN growth strategy.	Q3 2025

Date Announced	Market	City/ Province/ Region	Company	Value	Category	Brief Description	Date Onstream
Jun-25	Indonesia	Jakarta	GAC	na	PV	GAC has officially completed and begun operations at its Indonesia Smart Factory in Jakarta. The facility features an advanced new energy vehicle production system with a flexible, multi-model line and integrated battery and high-voltage safety systems. This launch is part of GAC's 'One GAC 2.0' Indonesia Action Plan, focusing on product, channel, service, smart manufacturing, energy ecosystem and mobility ecosystem, aiming to establish a sustainable and localised operational model.	Operational
Jun-25	Indonesia	West Java	CATL	USD6.0bn	EV supply chain	CBL, a subsidiary of CATL, together with ANTAM and IBC, has broken ground on the Indonesia Battery Integration Project. The project will include nickel mining, battery materials production, and battery recycling. By using advanced technologies and renewable energy, the facility aims for high efficiency and a metal recovery rate above 95%. Once operational, it will produce 142,000 tonnes of nickel, 30,000 tonnes of cathode materials and process 20,000 tonnes of recycled batteries annually.	Operational
Jun-25	Mainland China	Chongqing	CATL	na	EV supply chain	CATL has launched two battery pack production lines within Seres's plant using a 'factory-in-factory' model, integrating battery production directly into Seres's vehicle manufacturing facility. This set-up enables faster production, delivery and technical collaboration. The partnership, which began in 2022, includes CATL exclusively supplying batteries for Seres's Aito vehicles for five years. The new lines produce CTP2.0 battery packs, with upcoming models to use CATL's Qilin batteries.	Operational

Date Announced	Market	City/ Province/ Region	Company	Value	Category	Brief Description	Date Onstream
Jun-25	India	na	Attero	na	EV supply chain	Attero will boost its rare earth element recycling capacity from 300 to 30,000 tonnes annually. This expansion targets growing demand from electronics, EVs, wind energy and automotive sectors, enabling efficient recovery of critical minerals like Neodymium, Praseodymium and Dysprosium. The move supports India's National Critical Mineral Mission, aiming to enhance recycling and reduce import dependence.	TBC
Jun-25	Vietnam	Hà Tĩnh	VinFast	na	PV	VinFast has inaugurated its new electric vehicle manufacturing plant in Vietnam's Vũng Áng Economic Zone. Covering 360,000sq m and initially capable of producing 200,000 vehicles per year, this is VinFast's fifth global facility and its second EV site to start production. The plant features highly automated lines and key workshops for welding, painting, assembly, logistics and quality control, plus a 240,000sq m auxiliary cluster under construction for future expansion. It will focus on compact urban EVs for both domestic and export markets.	TBC
Jun-25	India	Tamil Nadu	Jaguar Land Rover	INR90.0bn (USD1.0bn)	PV	Jaguar Land Rover (JLR) is setting up a new automotive manufacturing facility. The plant will begin CKD operations, initially assembling Range Rover Evoque and Velar SUVs. Designed for future expansion, the facility could accommodate the production of Tata Motors and JLR EVs. The first phase will have a capacity of 30,000 units per year.	2026
Jun-25	India	Haryana	Uno Minda	INR2.0bn (USD23.2mn)	Components	Uno Minda has opened a new alloy wheel manufacturing plant for four-wheelers, strengthening its domestic production and partnership with Maruti Suzuki India. The company is also investing in a two-wheeler alloy wheel plant with a 1.5mn annual	Q2 2026

Date Announced	Market	City/ Province/ Region	Company	Value	Category	Brief Description	Date Onstream
						capacity. Additionally, Uno Minda has expanded its Maharashtra facility, increasing capacity by 2.0mn wheels annually.	
Jun-25	India	Haridwar	SKF India	INR5.0bn (USD58.1mn)	Components	SKF India has announced a capacity expansion plan its Haridwar, Pune and Bangalore plants. Haridwar will increase capacity by 50.0%, Pune by 30.0% and Bangalore operations by 10.0%. The expansion targets both ICE and EV automotive components, with Haridwar and Bangalore focusing on bearings for two-wheelers and EV powertrains, and Pune producing unitised wheel end bearings for PVs and CVs.	2025-2030
Jun-25	India	Ahmedabad	Honda Motorcycle & Scooter India	INR9.2bn (USD104.5mn)	Motorcycles	Honda Motorcycle & Scooter India (HMSI) will invest in the addition of a fourth production line at its Vithalapur plant, making it Honda's largest motorcycle assembly plant globally. The new line will start operations with an annual capacity of 650,000 units, increasing the plant's total to 2.6mn units. HMSI's four Indian plants will then have a combined annual capacity of 6.1mn units.	2027
Jun-25	India	Aurangabad	Uno Minda	INR2.1bn (USD24.4mn)	Components	Uno Minda will establish a new Casting Division manufacturing facility. The plant will supply casting parts for EVs to meet rising original equipment manufacturer demand. The investment will be phased to support the growing EV segment.	Q2 2026
Jun-25	Indonesia	West Java	Daimler Truck	na	CV	Daimler Truck has opened a new manufacturing facility in Indonesia, called Daimler Commercial Vehicles Manufacturing Indonesia, with the capacity to produce 5,000 Mercedes-Benz trucks and buses annually. The 15-hectare plant is part of Daimler Truck's regional growth strategy, serving as a hub for assembly and distribution in	Operational

Date Announced	Market	City/ Province/ Region	Company	Value	Category	Brief Description	Date Onstream
						South East Asia. Supported by Daimler India Commercial Vehicles, which will supply CKD kits from Chennai, the facility will focus on localised production and talent development.	
Jun-25	India	Uttar Pradesh	Continental Tires	INR1.0bn (USD11.6mn)	Components	Continental Tires has announced an investment in India to expand local manufacturing and its range of premium tyres for PVs and light trucks. The company is focusing on Ultra High Performance and larger-inch tyres, particularly for SUVs and 4x4s. As part of its expansion, Continental plans to launch its all-terrain CrossContact AT2 tyre in India later this year. This move underscores Continental's commitment to the Indian market and its long-term growth strategy.	TBC

Note: May include territories, special administrative regions, provinces and autonomous regions. PV = passenger vehicle. CV = commercial vehicle. EV = electric vehicle. ASEAN = Association of Southeast Asian Nations. TBC = to be confirmed. CKD = completely knocked down. na = not available/applicable. Source: BMI

In Q1 2025, we tracked 30 new automotive manufacturing investments announced or inaugurated in Asia, valued at USD10.6bn. This represents a significant decrease in the number of projects tracked from 41 in the previous quarter. The total investment value for projects with available information was significantly higher in Q1 2024 at USD54.6bn and also Q4 2024 at USD54.6bn. Throughout Q2 2025, we noted a continued increase in the number of electric vehicle (EV)-related investments, with a number of new projects announced in the growing EV supply chain in Asian emerging markets (EMs) such as India, Indonesia, Thailand and Mainland China.

Tariffs Take Their Toll

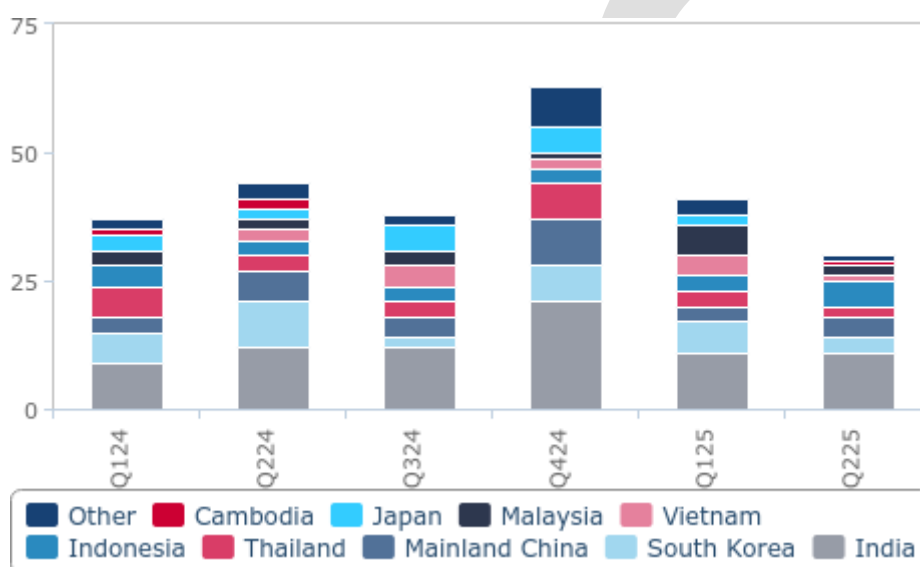
The Section 232 tariffs announced by President Donald Trump on March 26 2025 have had a negative impact on certainty investment patterns in Asia, especially for the automotive sector. Reflecting this, the number of investments identified in Asia fell sharply from 41 in Q1 2025 to just 30 in Q2 2025. These tariffs, aimed at protecting US national security and manufacturing, have led companies to reassess their global strategies, with Japan emerging as the most affected market. Notably, Japan does not feature in the Q2 2025 autos investment roundup, as automakers increasingly shift or expand their operations to the US to sidestep tariff-related risks and access the country's incentives. A clear example of this shift is Nissan's cancellation of its planned USD1.1bn EV battery plant in Kitakyushu, which was expected to produce lithium iron phosphate batteries and create around 500 jobs. In addition, Toyota has postponed construction of its battery plant in Fukuoka Prefecture, further weakening Japan's domestic battery supply ambitions.

These high-profile cancellations and postponements pose a significant challenge to Japan's industrial policy, which has prioritized building a strong domestic EV battery industry. Nissan cited a 'review of investment efficiency' as the reason for its cancellation,

alongside broader cost-cutting efforts in response to declining sales and financial pressures. Both strategic adjustments by Nissan and Toyota reflect the broader recalibration among global automakers as they respond to new tariff regimes and intensifying competition in the EV market. Looking ahead, these developments raise important questions about Japan's long-term competitiveness in the EV sector and its ability to secure a reliable domestic supply of batteries, with broader implications for industrial policy and economic resilience.

Overall Number Of Investments Declined On Tariff Pressure

Asia - Number Of Investments Recorded By Market (2024-2025)



Note: May include territories, special administrative regions, provinces and autonomous regions. Source: BMI Autos Investment Roundup

The ASEAN Automotive Investment Surge Continues

This quarter has seen a significant uptick in automotive-related investments, with a clear focus on the expanding EV supply chain and the Association of Southeast Asian Nations (ASEAN) region emerging as a central hub for global automakers. The most notable trend is the continued expansion of Chinese automakers - Geely, GAC and Changan - that are using the ASEAN region, particularly Thailand, Malaysia and Indonesia as key launchpads for their global ambitions. Geely has announced a landmark investment in Malaysia to transform Tanjung Malim into a major automotive hub, while also pursuing collaborations in Indonesia aimed at developing a homegrown EV by 2026. GAC and Changan are similarly increasing their presence, with Changan leveraging its manufacturing footprint in Malaysia to support regional growth and GAC introducing flagship models and supply chain capabilities at regional expos.

The EV supply chain itself is seeing robust investment, underpinned by a drive for localisation and electrification. Thailand is experiencing a surge in EV demand, with sales expected to jump over 40% in 2025, supported by government incentives and the establishment of domestic battery manufacturing facilities like Amita Technology's gigafactory. In Malaysia, Geely's large-scale commitment is attracting further supply chain investments, reinforcing its position as a regional automotive manufacturing powerhouse. However, the most significant announcement of the quarter in terms of project value is CATL's investment in Indonesia. This major gigafactory project is finally taking shape and represents another example of Chinese companies leveraging ASEAN as a launch platform. The project, known as the Indonesia Battery Integration Project, aims to cover the entire battery value chain - from nickel mining and processing to battery materials, manufacturing and recycling - within the FHT Industrial complex.

India Stands Out As Favourable Policies And Incentives Attract Investments

India's momentum as a destination for automotive and industrial investment continued strongly in Q2 2025, matching the robust activity seen in Q1, with 11 new projects announced for the quarter - on par with the previous period. The country's Production-Linked Incentive scheme remains a central pillar in attracting both domestic and international companies, offering targeted incentives that support manufacturing scale-up and technological advancement, particularly in strategic sectors like automotive components and critical minerals. While shifting global trade dynamics and tariff changes - especially those emanating from the US - have provided Indian exporters with short-term opportunities, such measures do not inherently drive broad-based investment increases. Instead, tariffs often result in trade fragmentation and can adversely impact countries that are heavily export-reliant, highlighting the need for sustainable, policy-driven growth.

A standout investment announcement this quarter was the development of a rare earths recycling plant, a timely response to China's move in April to restrict rare earth exports. Rare earths are vital for the manufacturing of electronics, automobiles and advanced technology products. Recognising the strategic importance of these materials, the Indian government launched the National Critical Mineral Mission in January 2025, aiming to enhance self-reliance in the critical minerals sector. This initiative places a strong emphasis on recycling as a means to secure domestic supply chains and reduce dependence on imports, reflecting a proactive approach to supply chain resilience.

Another notable trend in the Q2 2025 Autos Investment Roundup was the continued expansion of Uno Minda, a leading player in India's automotive components sector. The company announced several projects focused on high-growth areas like lighting, seating and alloy wheels, underpinned by significant investments in new manufacturing facilities and advanced technologies. Uno Minda's expansion aligns with the broader 'Make in India' drive, supported by rising domestic demand for automotive products and an industry-wide shift toward electric and autonomous vehicle technologies. Altogether, these developments underscore India's growing appeal as an investment destination, driven by a combination of policy support, market potential and strategic moves to future-proof its industrial base.

Related Research

- Q1 2025: [Autos Investment Roundup: 'Make In India' Campaign Gathers Traction As India Stands Out In Q1 2025](#), May 26 2025.
- Q4 2024: [Autos Investment Roundup: Asia's EMs Build On Momentum, Hybrid And Software-Defined Vehicle Projects Indicate Industry Path](#), February 10 2025.
- Q3 2024: [Autos Investment Roundup: Regional Asian Markets Attract EV Investments Amid Mainland China's Capacity Saturation](#), November 15 2024.
- Q2 2024: [Autos Investment Roundup: India's Development And OEM Risk Mitigation In Mainland China And South Korea Drive Investments](#), August 12 2024.
- Q1 2024: [Autos Investment Roundup: India Leads Asia In Q1 2024, Followed Closely By South Korea And Thailand](#), May 13 2024.

Infrastructure Methodology

Connected Thinking

BMI employs a unique methodology known as 'Connected Thinking'. This means that our analysis captures the inter-relatedness of the global economy, and takes into account all of the relevant political, macroeconomic, financial market and industry factors that underpin a forecast and view. We then integrate them so as to explain how they interact and affect each other. Our Connected Thinking approach provides our customers with unique and valuable insight on all relevant macroeconomic, political and industry risk factors that will impact their operations and revenue-generating potential in the industry/industries within which they operate.

We use a transparent forecasting model as a base for our industry forecasts, but rely heavily on our analysts' expert judgement to ensure our forecasts capture all of the insights we derive using our unique Connected Thinking approach. We believe analyst expertise and judgement are the best ways to provide the most accurate, up-to-date and comprehensive insight to our customers.

Infrastructure Methodology

Our data and forecasts capture the entire spectrum of construction activities, including all areas of civil engineering and building construction, as defined under the ISIC Rev.4.

Our data and forecasts for Infrastructure are broken down into: transport (road, rail, ports and airports) and energy & utilities (power plants & transmission grids, water, oil & gas pipelines). Our building data and forecasts are broken down into residential and non-residential construction.

Construction Industry

Construction Industry Value

Our construction data is derived from national accounts from each market's national statistics office (or equivalent) or from international organisations which compile national account data, most notably the UN. Specifically, it measures the gross value added (GVA) of the construction industry over the reported 12-month period in nominal values. GVA (also known as GDP by industry) measures the contribution to overall GDP. The components of value added consist of compensation of employees, taxes on production and imports less subsidies, and gross operating surplus. We source our construction industry value data in nominal local currency terms.

This data is used because it is reported by virtually all markets and can therefore be used for comparative purposes.

Construction Industry Value Real Growth

Our construction industry value forecasts are based on a regression model, using a market's own historical time series and key macroeconomic variables, such as gross fixed capital formation, from BMI Country Risk.

In addition, we will also apply analyst expert judgement to refine and finalise our construction industry value real growth forecast, based on exogenous and endogenous variables or events, not captured by our regression model. Real growth is defined as industry value nominal growth adjusted for industry-specific inflation (construction deflator).

Bearing in mind that other factors need to be taken into consideration, both quantitative and qualitative, our analysts also factor in industry-specific issues in deriving our forecasts:

- Political risk - potential change in leadership, policy continuity
- Regulatory outlook - pricing structures of specific markets, bureaucracy, red tape
- Currency outlook - currency volatility, cost of imports
- Funding availability - fiscal health of the government, openness to private/foreign investment
- BMI Infrastructure Key Projects Data - indication of a market's infrastructure project pipeline by sector
- High Frequency Data - construction permits, starts, confidence etc
- Company developments - reflective of market dynamics and competitive landscape

Construction Industry, % Of GDP/Construction Value (USD)

These are derived indicators, calculated using our Country Risk team's GDP and exchange rate forecasts.

Construction Output

These figures refer to the gross output of the construction industry. Gross output measures the total sales or receipts of the industry, including sales to final users in the economy as well as sales to other industries. Gross output consists of construction industry value and intermediate consumption.

As in the case of construction industry value data, our construction output data is derived from national accounts from each market's national statistics office (or equivalent) or from international organisations which compile national account data, most notably the UN.

Forecasts are the result of a regression model, using a market's own historical time series as well as our construction industry value forecasts.

Construction Intermediate Consumption

These figures refer to the intermediate consumption of the construction industry. Intermediate consumption measures the goods and services employed in the production process of other goods and services and not for final consumption. Intermediate consumption is equivalent to the difference between gross output and GVA.

Our Construction Intermediate Consumption figures are a function of construction output minus construction industry value.

Cement Data

We forecast Portland cement production, consumption and net exports, in millions of tonnes.

Our historical national production data is sourced from the United States Geological Survey (USGS), while trade data is sourced from TradeMap by the International Trade Centre. By calculating production and net exports, we are able to determine historical consumption levels.

These consumption levels are then forecast over our 10-year forecast period using our construction growth forecasts, reflecting the changing demand picture for cement from the industry.

Construction Sector Employment

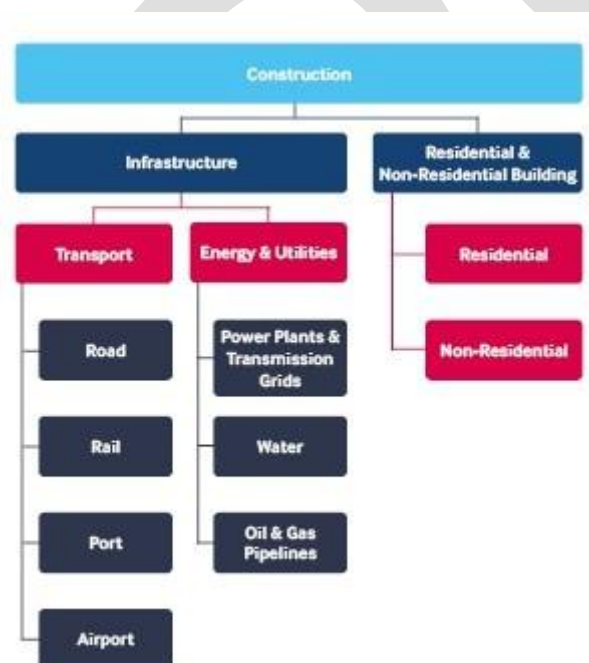
Total Construction Employment

This data is sourced from either the national statistics office or the International Labor Organization. It includes all those employed within the sector.

Our total construction employment forecasts are based on a regression model, using a market's own historical time series and key macroeconomic variables from our Country Risk service.

Infrastructure Data Sub-Sectors

Infrastructure Data Sub-Sectors



Source: BMI

For select markets, in addition to our construction industry value figures, we also provide industry value (gross value added) figures for subsectors of the construction industry.

We use a combination of historic data as reported by central banks, national statistics agencies and other official data sources, and leverage our analysts' knowledge of market and subsector dynamics and project information included in our proprietary BMI Infrastructure Key Projects Data, a comprehensive catalogue of the major power, transport, utilities, residential and non-residential projects in each market.

Given a variation in construction sub-sector classifications under various national accounts systems currently in use, we segment official construction sub-sector data into consistent and proprietary categories to compare industry value across sub-sectors. First, our construction industry data is broken down into infrastructure construction on one hand and residential and non-residential

building construction on the other. Infrastructure construction is then broken down where possible into transport infrastructure and energy and utilities infrastructure, which are then further broken down where possible into the categories illustrated in the figure above. Residential and non-residential building construction in turn is broken down where possible into residential building and non-residential building.

Our infrastructure sub-sectors industry value forecasts are based on a regression model, using a market's own historical time series and key macroeconomic variables, such as fixed capital formation, from our Country Risk service.

In addition, we also apply analyst expert judgement to refine and finalise industry value real growth forecasts, based on exogenous and endogenous variables or events, not captured by our regression model.

The residential and non-residential industry values are a function of construction minus infrastructure industry value. We further rely on national sources and our BMI Infrastructure Key Projects Data to further estimate the separation between the two areas of building when historic data is not available.

Infrastructure Risk/Reward Index

Our Infrastructure Risk/Reward Index (RRI) quantifies and ranks a market's attractiveness within the context of the Infrastructure industry, based on the balance between the **Risks** and **Rewards** of entering and operating in different markets.

We combine industry-specific characteristics with broader economic, political and operational market characteristics. We weight these inputs in terms of their importance to investor decision-making in a given industry. The result is a nuanced and accurate reflection of the realities facing investors in terms of first the balance between opportunities and risk and second between industry-specific and broader market traits. This enables users of the index to assess a market's attractiveness in a regional and global context.

The index uses a combination of our proprietary forecasts and analyst assessment of the regulatory climate. As regulations evolve and forecasts change, so the index scores change providing a highly dynamic and forward-looking result.

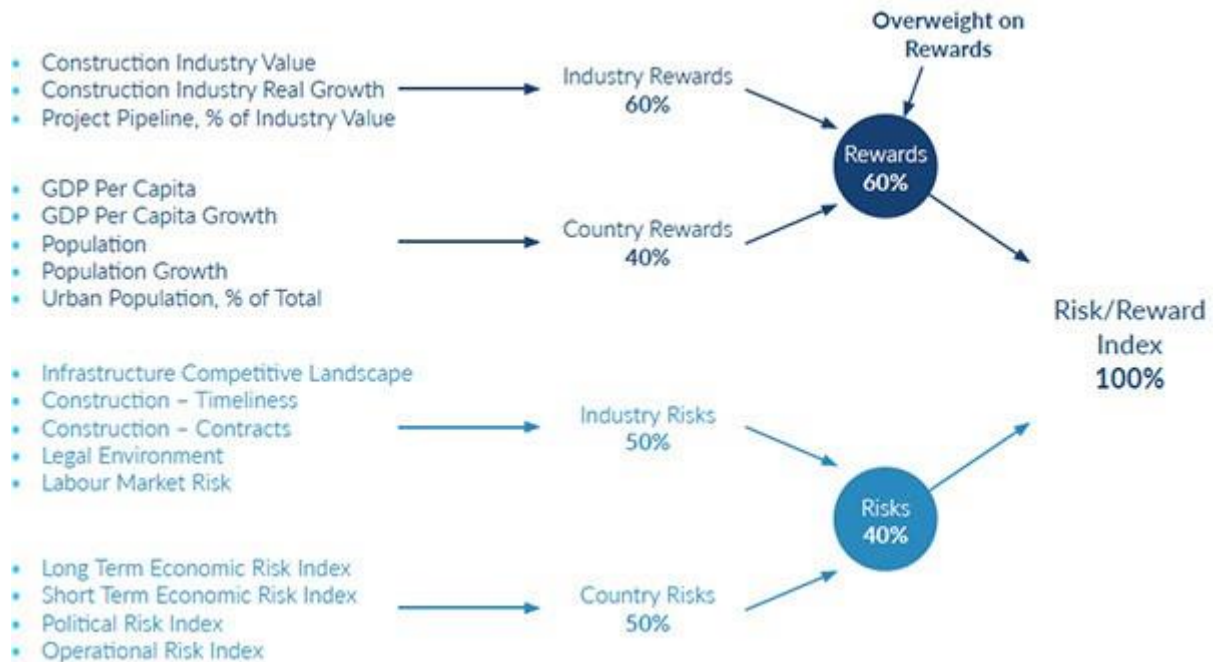
The Infrastructure Risk/Reward Index universe comprises **104 markets**.

Benefits Of Using Our Infrastructure RRI

- **Global Rankings:** One global table, ranking all the markets in our universe for Infrastructure from most attractive (closest to zero) to most risk (closest to 100).
- **Accessibility:** Easily accessible, top-down view of the global, regional or sub-regional Risk/Reward profile.
- **Comparability:** Identical methodology across 104 markets for Infrastructure allows users to build lists of markets they wish to compare, beyond the confines of a global or regional grouping.
- **Scoring:** Scores out of 100 with a wide distribution, provide nuanced investment comparisons. The higher the score, the less favourable the market profile.
- **Quantifiable:** Quantifies the Rewards and Risks of doing business in the infrastructure industry in different markets around the world and helps identify specific flashpoints in the overall business environment.
- **Comprehensive:** Comprehensive set of indicators, assessing industry-specific risks and rewards alongside political, economic and operating risks.
- **Entry Point:** A starting point to assess the outlook for the infrastructure industry, from which users can dive into more granular forecasts and analysis to gain a deeper understanding of the market.
- **Balanced:** Multi-indicator structure prevents outliers and extremes from distorting final scores and rankings.
- **Methodology:** The index is a combination of proprietary BMI forecasts, analyst insights and globally acceptable benchmark indicators.

Weightings Of Categories And Indicators

Infrastructure Risk/Reward Index



Source: BMI

The RRI matrix divides into two distinct categories:

Rewards: Evaluation of an industry's size and growth potential (**Industry Rewards**), and macro characteristics that directly impact the size of business opportunities in a specific industry (**Country Rewards**).

Risks: Evaluation of micro, industry-specific characteristics, crucial for an industry to develop to its potential (**Industry Risks**) and a quantifiable assessment of the political, economic and operational profile (**Country Risks**).

Assessing Our Weightings

Our matrix is deliberately overweight on **Rewards** (60% of the final RRI score for a market) and within that, the **Industry Rewards** segment (60% of final Rewards score). This is to reflect the fact that when it comes to long-term investment potential, industry size and growth potential carry the most weight in indicating opportunities, with other structural factors (demographic, labour statistics and infrastructure availability) weighing in, but to a slightly lesser extent. In addition, our focus and expertise in emerging and frontier markets has dictated this bias towards industry size and growth to ensure we are able to identify opportunities in markets where regulatory frameworks are not as developed and industry sizes not as big as in developed markets, but where we know there is a strong desire to invest.

Infrastructure RRI Indicators - Explanation And Sources

	Source	Rationale
Rewards		
<i>Industry Rewards</i>		
Construction Industry Value	BMI Forecast	Size of the construction industry indicates potential for opportunities and scale of operations. USDbn, Five Year Average Forecast.
Construction Industry Value	BMI Forecast	Growth of the construction industry indicates potential for growth in opportunities. Real Growth, % Change y-o-y, Five Year Average Forecast.
Project Pipeline, % of Industry Value	BMI Key Projects Data/BMI Forecast	Size of the project pipeline in the pre- and under-construction phase relative to the construction industry size, indicates the potential for project opportunities, progression of projects through the pipeline and growth of pipeline.
<i>Country Rewards</i>		
GDP Per Capita	BMI Forecast	The wealth of the population indicates demand for infrastructure. USD, Five Year Average Forecast
GDP Per Capita Growth	BMI Forecast	As a population gets richer, we would expect to see greater demand for infrastructure, especially transport. Local Currency, % Change y-o-y, Five Year Average Forecast. Except: Zimbabwe & Venezuela where USD is used.
Population	BMI Forecast	Larger population creates greater demand for infrastructure. Five Year Average Forecast
Population Growth	BMI Forecast	Growth of population necessitates increased infrastructure stock. % Change y-o-y, Five Year Forecast.
Urban Population % Of Total	BMI Forecast	High and growing concentration of population in urban areas indicates greater pressure on infrastructure assets. Five Year Average Forecast.
Risks		
<i>Industry Risks</i>		
Infrastructure Competitive Landscape	BMI Subjective Indicator	Assesses the openness of the competitive landscape. Considers the sophistication and saturation of the existing market, the ability to compete fairly in tenders and barriers to international companies entering the market.
Construction - Timeliness	BMI Project Risk Index	Measures the risk of delays to project development. Based on ability to secure permits and the potential for protracted bureaucracy to delay or increase the cost of operations.
Construction - Contracts	BMI Project Risk Index	Measures the risk of contracting issues. Assesses both the efficiency of contract resolution and the sophistication of local regulations.
Legal Environment	BMI Operational Risk Index	Measures risk stemming from lack of transparency and legal protection. Assesses the strength of rule of law, transparency and investor protection.
Labour Market Risk	BMI Operational Risk Index	Measures the risk to project development based on the labour market. Assesses the size, education levels and cost of employment.
<i>Country Risks</i>		
Long-Term Economic Risk Index	BMI Country Risk Index	Takes into account the structural characteristics of economic growth, the labour market, price stability, exchange rate stability and the sustainability of the balance of payments, as well as fiscal and external debt outlooks for the coming decade.
Short-Term Economic Risk Index	BMI Country Risk Index	Seeks to define current vulnerabilities and assess real GDP growth,

	Source	Rationale
		inflation, unemployment, exchange rate fluctuation, balance of payments dynamics, as well as fiscal and external debt credentials over the coming two years.
Political Risk Index	BMI Country Risk Index	The Political Risk Index is a score made up of the mean average across three distinct pillars: Governance Risk, Society Risk and Security Risk. These are aggregated into an overall assessment of Political Risk.
Operational Risk Index	BMI Operational Risk Index	Focuses on existing conditions relating to four main risk areas: Labour Market, Trade & Investment, Logistics, and Crime & Security.

Source: BMI

Disclaimer: This information is sourced from BMI Country Risk & Industry Research, a product of Fitch Solutions Group Ltd, UK

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