



KPMG-High Point Rendel (HPR) Acquisition Enhances Major Infrastructure Projects Advisory

Strategic Acquisition

On 10 July 2015, KPMG UK completed the acquisition of the strategic management and commercial consultancy arms of High-Point Rendel Ltd (HPR), the international project consultancy company. The team of 35 professionals transferred from HPR to KPMG, is lead by Kelvin Hingley, Chairman of KPMG-HPR and Nigel Bell, COO. With more than 175 years' experience advising on some of the world's largest and most high-profile projects, HPR helps businesses to plan and avoid costly delays and over-runs. HPR provides specialist delivery, commercial, contractual, programme and risk management services to help public and private owners, investors, contractors and vendors involved with large scale global infrastructure projects. Its clients principally operate in the energy, transportation, and oil and gas sectors.

In a period of unprecedented global infrastructure investment, KPMG's clients are grappling with increasingly ambitious and complex projects, many of which are fraught with risks that are amplified by the complexity that global supply chains bring.

On 16 September, 2015, KPMG Japan showcased the holistic benefits of the KPMG-HPR can bring to its Japanese clients at a reception. With more than 50 guests from major Japanese infrastructure companies including Inpex, Chiyoda, Mitsubishi Corp, Hitachi and Toshiba, the event opened with the key note by Mr. Hisanaga Kawamura, Director at Ministry of Economy, Trade, and Industry (METI), Policy Planning Division, Minister's Secretariat. Mr. Kawamura is leading the policy direction for Infrastructure export. He noted that supporting advisory services are needed for Japanese players to play in the "Global Infrastructure sector" with international standards.



Mr. Hisanaga Kawamura
Director at Ministry of
Economy, Trade, and
Industry (METI), Policy
Planning Division, Minister's
Secretariat.

Leveraging Infrastructure Synergies

Mina Sekiguchi Head of Infrastructure KPMG in Japan and Energy & Natural Resources for KPMG in Japan and Asia Pacific hosted HPR Chairman Kelvin Hingley and COO Nigel Bell at the event. Guests heard how KPMG has developed an outstanding track record for advising on large scale infrastructure projects across the world and the widespread synergies HPR will bring to KPMG's Global Infrastructure value proposition. The two firms

have a breadth of experience in helping clients manage their projects across the entire asset life cycle, from initial planning to final delivery and through operations and maintenance, disposal or renewal.



HPR Chairman
Kelvin Hingley
and COO Nigel
Bell

HPR has been engaged by many of the world's major companies, governments, banks and insurers and has been involved in over 200 'first of a kind' and global mega-projects. Bringing into the company professionals with deep engineering backgrounds as well as contractual and commercial knowledge, KPMG-HPR build special value on KPMG's extensive experience in Transportation, Power, Oil & Gas, Industrial and Building projects including airports, healthcare, sporting and mixed use developments.

HPR has experience of working with Japanese companies for over 40 years on a wide variety of overseas infrastructure projects. KPMG Japan has started building capacity in this field in close collaboration with KPMG-HPR to provide comprehensive project consultancy services to its major Japanese clients.

Rising Competition to Japan

Over last 20 years, coinciding with the globalization of markets, Japanese companies have faced increasing competition in all sectors, particularly from Korea and more recently, China in developing and third world markets. Foreign competitors typically offer very competitive prices, have a greater risk appetite and harness the ability to bring financing. As a consequence, Japanese companies are facing price competition that has the capacity to impact delivery capability, risk and profit.

Moreover, the nature of international infrastructure projects have evolved. Projects are large, complex and risky, and now involve a large number of public and private sector stakeholders, partnerships and alliances. Effective corporate governance and project delivery processes and expertise is essential to manage risk and deliver on business objectives

Staying ahead of the Curve

Although Japan is highly respected for its technology, delivery capability and quality, Japan's domestic market practice remains very different from International practice. Japanese companies must continue invest in education, training and capacity building to enhance business and technical expertise in international projects. HPR can help Japanese companies stay ahead of the curve and maintain a durable competitive advantage.

Developing international capability through strategic alliances with other capable organizations will be essential to Japanese companies building effective delivery and sustainable business.

In Summary

There is a challenging environment surrounding international infrastructure projects;

- Increasing globalization of markets, business and sectors in international infrastructure projects has led to increased competition in many sectors
- Projects are large and complex and risky, and now involve a large number of public and private sector stakeholders, partnerships and alliances

- Effective corporate governance and project delivery processes and expertise is essential to manage risk and deliver on business objectives
- Japan is highly respected for its technology and delivery capability and quality, however the Japanese domestic market practice remains very different from International practice
- Japanese companies must continue invest in education, training and capacity building to enhance business and technical expertise in international projects

Building international capability through strategic alliances with other capable organizations is essential to build effective delivery and sustainable business. This is why KPMG is proud to showcase the enhancements that HPR brings to KPMG's Global Infrastructure based team in Japan.