



The US Looks to Infrastructure Spending In a Bid to Boost Economic Growth

9 April 2019
 By **Nyambura Tabitha**
 Markets Reporter



The United States is currently working on a multi-prolonged infrastructure spending plan in a bid to boost economic growth. The plan by the White House is seeking to improve the country's aging roads, bridges and airports. The US

is also hoping to stimulate increased energy exports. Senior advisors in the White House believe that the plan will provide the much needed infrastructure revamp in the country and spur additional economic growth in the long term.

Revamping the aging US infrastructure is something that has been in the public eye for the last few months. There is also bipartisan support in Congress for a comprehensive infrastructure

spending plan but so far law makers have not agreed on the modalities to fund it. However, the plan by the White House looks more ambitious than earlier thought. Speaking to CNBC News, top White House economic advisor Larry Kudlow noted that, the administration is looking at more than just roads, bridges and airports.

Kudlow confirmed that they are looking at the possibility of building pipelines and shipping terminals.

◀ The hope is that these investments will help revive the doormat US shipping industry. The senior white house advisor also noted that the infrastructure plan will put Washington on poll position to export oil and natural gas to Asia and Europe. The energy angle is a little bit sensitive though. Just recently, US president Donald Trump lashed out at Germany and by extension Europe for their overreliance on Russian gas.

The US has also criticized the development of a new gas pipeline dubbed "Nord Stream 2" that seeks to deliver Russian gas to Western Europe. The United States definitely looks at Europe as a possible energy market but countering the dominance of Russia will require some geopolitical maneuvering. Besides, many experts have argued that the United States still needs enormous infrastructure investments to effectively compete in the energy market.

In the first three quarters of 2018 for example, private equity firms raised a total of \$68.2 billion for infrastructure

Funding For a Comprehensive Infrastructure Plan

The source of funding for a comprehensive infrastructure plan still remains a contentious issue among lawmakers. While both Democrats and Republicans agree that there is an urgent need to revive aging US infrastructure, there is still no agreement on the best way to fund it.

The entrance of private capital could also be decisive. The appetite for infrastructure investment among private firms is growing. Although for so many years the focus has often been on emerging markets, where demand for infrastructure spending

is high, there is a serious shift towards the US.

In the first three quarters of 2018 for example, private equity firms raised a total of \$68.2 billion for infrastructure. Many firms are looking at the long term picture. The US federal government has also expressed its willingness to pursue public private partnerships. This could open up more opportunities for private equity firms wishing to get into infrastructure investment.

Investing On Infrastructure Assets

Investing in infrastructure can be a great way to diversify your portfolio into real assets. The anticipated US infrastructure spending offers a good opportunity for private investors to get in the action. Well, investing on infrastructure is not that hard. The Brookfield Real Assets Income Fund gives you the opportunity to do so through a managed portfolio.