

# Early-Stage Market Testing

## Full Description

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While a detailed market sounding should be undertaken during the transaction phase of the asset recycling transaction, early-stage market interest should also be conducted to shape the potential transaction. This may assess the level of market interest in asset recycling transactions and test broader issues:

- Market interest in the specific asset class: The Relevant Authority should assess if the asset appeals to the private sector investor community through a market testing exercise; and
- Investor class: The range of potential private sector participants in asset recycling transactions would include strategic, financial, institutional investors. The Relevant Authority should seek input from these parties, such as their specific investment criteria including return expectation, tolerance for certain risks (such as revenue transfer), preferred project structures, etc.

The feedback from the market can be used to support the decision if the particular asset should be the subject of an asset recycling transaction. Input from the market can also help inform whether further analysis may be needed as part of the preparation for the transaction.

## Useful Links

[Marketing the PPP](#)

[PPP Reference Guide - PPP Framework](#)

[Toolkit on Market-Based Approaches in Private Sector Provision of Bus Services](#)

[Investors in Infrastructure in Developing Countries](#)

## Related Content

[Guidelines for Implementing Asset Recycling Transactions \(Download PDF version\) - Now Available!](#)

Page Specific Disclaimer

*The Guidelines have not been prepared with any specific transaction in mind and are meant to serve only as general guidance. It is therefore critical that the Guidelines be reviewed and adapted for specific transactions To find more, visit the Guidelines to Implementing Asset Recycling Transactions [Section Overview](#) and [Content Outline](#), or [Download the Full Report](#).*

