

Media Release

IFM Investors 



Infrastructure Horizons 2025: Artificial intelligence, energy security and renewable fuels are reshaping the future of infrastructure investment

Monday 31st March, 2025

Investors are looking at new infrastructure investment opportunities in growing areas like sustainable aviation fuel, renewable natural gas, artificial intelligence, data centres and the energy transition, as the asset class continues to mature.

IFM Investors, the fourth-largest infrastructure manager in the world, today released new insights on the latest trends shaping the infrastructure investment landscape, in a report titled *Infrastructure Horizons 2025*.

Its key findings include:

- the AI revolution is expected to profoundly impact the infrastructure space – bringing opportunities for data centres, electricity and fibre networks as well as operational upside for infrastructure assets;
- sustainable aviation fuel (SAF) is the only medium-term pathway to decarbonise aviation, and by 2050, 80-90% of aviation fuel is expected to be SAF;
- the renewable natural gas (RNG) industry is poised for significant growth over decades to come, with increased demand leading to an acceleration of capital in the sector;
- data centre operators are now ‘following the power’ and approaching renewable energy generators to build new data centres on existing renewable energy sites; and
- governments are focusing on energy independence and boosting advanced manufacturing capabilities, leading to opportunities for investors in infrastructure debt.

Infrastructure as a maturing asset class

The report suggests that there are infrastructure opportunities emerging at the intersection of traditional asset classes.

“As infrastructure matures and develops as an asset class, it demands fresh thinking from asset allocators,” said IFM Investors Chief Strategy Officer, Luba Nikulina.

As a leading private markets manager with deep expertise, experience and networks in infrastructure equity and debt, IFM is particularly interested in the confluence of technology and critical infrastructure.

“The opportunity set and investment universe of these infrastructure technology opportunities are only limited by the speed of technological developments emerging. These new opportunities span a range of important investment themes and megatrends, from capturing the energy transition to digitisation and automation,” said Nikulina.

IFM’s inaugural [PM700 investor survey](#) found that the proportion of respondents allocating to infrastructure is set to grow over the next three to five years from 46 per cent to 54 per cent for equity, and 45 per cent to 50 per cent for debt.

Flying into the future: the decarbonisation of aviation

Unlike other decarbonisation pathway suggestions for aviation, such as engine and aircraft advancements, electrification, and hydrogen, SAF is a ‘drop-in’ ready fuel which can be blended with existing jet fuel, without significant changes to aeroplane engines and refuelling infrastructure.

“We believe Australia has natural advantages which have the potential to create a generational opportunity to become a significant global producer of SAF,” said IFM Investors Investment Director, Timothy May.

In July last year, IFM, Ampol and GrainCorp signed a Memorandum of Understanding (MoU) to explore the establishment of an integrated renewable fuels supply chain in Australia.

The waste to energy opportunity: renewable natural gas

Renewable Natural Gas (RNG) is an alternate fuel that can help industries lower emissions, improve waste management and create more circular economies.

Industry attention is rapidly shifting toward the recent and rapid growth in the voluntary market, where RNG is sold directly to end-users, such as natural gas utilities and commercial and industrial customers.

“This favourable supply-demand dynamic is expected to both drive RNG pricing higher and encourage the development of higher cost RNG sources. With this, the RNG industry is poised for significant growth over decades to come,” said IFM Investors Executive Director Infrastructure, Ashish Thomas.

The AI revolution: opportunities and challenges

The AI revolution is expected to profoundly impact the infrastructure space - creating significant opportunities for investment and enhancing value of existing infrastructure and also bring about challenges.

“Generative AI is expected to create sizeable economic benefits, given its potential to transform work and to accelerate technological development across industries,” said IFM Investors Executive Director Asset Management, Sebastian Domenech.

However, to fully harness its benefits, IFM believes it must be developed and implemented in ways that maximise its positive impact while proactively addressing potential risks such as cybersecurity and misinformation.

Integrating renewable energy and digital infrastructure

The outlook for energy demand, particularly electricity, is increasing at a rate not seen in decades.

IFM Investors expects a rapid convergence of renewable power generation, energy storage and digital infrastructure to meet the surging power demand, while simultaneously addressing the growing net zero objectives of data centre operators.

“Corporates are developing tailored solutions such as co-locating renewable energy sources with data centres to help ensure power security and to gain competitive advantages,” said IFM Investors Executive Director, Marigold Look.

Deglobalisation’s impact on infrastructure

Deglobalisation is emerging as a major driver of infrastructure debt opportunities, as the US and Europe look to onshore vital industries.

“While we believe the global economy will remain fundamentally interconnected for years to come, we also believe there will be a renewed focus on reshoring of industries and building national economic self-sufficiency,” said IFM Investors Director Head of Product Specialists, Jacob Otto.

IFM releases infrastructure insights annually, and the full *Infrastructure Horizons 2025: The forces reshaping the future of infrastructure investing* report is available to read here [\[insert link\]](#).

For media queries, please contact:

media@ifminvestors.com

About IFM Investors

IFM Investors was established more than 30 years ago with the purpose to invest, protect and grow the long-term retirement savings of working people. Owned by Australian pension funds, the organisation has approximately A\$230 billion under management as at 31 December 2024. Because IFM is owned by industry pension funds, we prioritise the interests of 745 like-minded investors worldwide by focusing on assets that combine excellent long-term risk/reward characteristics with broad economic and social benefits to the community. Operating globally from offices in Melbourne, Sydney, London, Berlin, Zurich, Amsterdam, Milan, Warsaw, New York, Houston, Hong Kong, Seoul and Tokyo, IFM manages investments across infrastructure equity, debt, listed equities and private equity assets. For more information, visit www.ifminvestors.com.

IFM-27MARCH2025-4351525