

Logistic Platform "Zona ILCO"



PROJECT INFORMATION



OBJECTIVE

To develop activities related with products transport, processing, distribution and storage in order to support all the ports and airports of Ecuador and promote the national competitive through infrastructure and quality services that allow to optimize the logistic processes.



MANAGEMENT MODEL

Public-Private Partnership:

Public tender concession agreement.

- Time of construction: 2 years
- Time of operation: 23 years
- Total time of concession: 25 years

Payment procedure:

· The investment will be recuperated by the private entity through direct charged of fees under the offered services

Platform entrance fee:

- USD 5 (cargo transportation)
- USD 1 (light vehicles)

Fees for certain services offered in the plataform:

Type of service	Fee	Unity	Value USD
Truck maintenance	Rent per month	USD/m2	3
Vulcanization	Rent per month	USD/m2	3
Parking	Rent per month	USD/m2	3
Storage, weigh in and distribution	Storage fee	USD/ton	2,5
Surveillance of vans and truckers	Surveillance fee per day	USD/truck/day	3
Restaurant	Rent per month	USD/m2	3
Hotel	Rent per month	USD/m2	3
Meeting rooms	Rent per month	USD/m2	3

* The rest of the services are detailed in the pre-feasibility studies.



INVESTMENT

CAPEX: 46 MM USD
OPEX: 107 MM USD
TOTAL: 153 MM USD



FINANCIAL INDICATORS

- IRR: 47%
- Recovery time: 11 years



MARKET

· National users: companies and natural persons linked to transport, processing and storage products within supply and logistic chain

· **ADT for freight/cargo transportation:** 3' 400.000 vehicles

· **ADT for light transportation:** 864.000 vehicles



BENEFITS FOR THE INVESTOR

- 19 MM USD in tax incentives
- Exemption from revenue tax for 10 years
- Exemption from exchange currency tax
- Legal stability under the granting contract normative
- Application of the best international practices of efficiency and safety about the management of load and offered services



PROJECT DETAILS

Strategic project that receives services directed to supporting the logistic activity of foreign trade (land port) and local productive activities (agro cluster); moreover, this platform will be used as an urban and regional distribution center.



TECHNICAL DESCRIPTION OF THE PROJECT

- This project uses the Design-Build- Operate-Transfer (DBOT) model for the provision of infrastructure and the Landlord model for the provision of services.
- The Decentralized Autonomous Provincial Government of Santo Domingo de los Tsáchilas will give to the investor the ground and it will provide all the facilities required for the operation of the platform. Also the local government will assure the cooperation with the public entities related to platform services like: National Customs Service (SENAE), National Transport Agency (ATN), Ministry of Interior and Municipality of Santo Domingo de los Colorados.
- The investor will build, operate and assure the maintenance of the platform during the concession period, later the investor will transfer the infrastructure to Autonomous Decentralized Provincial Government of Santo Domingo de los Colorados
- The pre-feasibility studies were made by INECO
- The environmental licenses will be obtained during the structuring phase of project



REGULATORY FRAMEWORK

- Constitution of the Republic of Ecuador
- Organic Code of Territorial Organization, Autonomy and Decentralization (COOTAD, Spanish acronym)
- Environment Organic Code
- Production, Trade and Investment Organic Code (COPCI, Spanish acronym)
- Public-private Partnership and Foreign Investment Organic Incentive Law
- Executive Order No. 810
- Executive Order No. 582
- Financing Program of Public-Private Partnership Projects of Banco de Desarrollo del Ecuador B.P



LOCATION

Santo Domingo de los Tsáchilas province, Santo Domingo de los Colorados city.

Direct Beneficiaries: 1.500 families. More than 100 thousand families to regional level.

Ecuador
Destination of INVESTMENTS