

Train Project

Guayaquil - Posorja



PROJECT INFORMATION



OBJECTIVE

To implement a railroad system for passengers and cargo, which connects two main cities on the Ecuadorian coast, additionally connecting ports and airports with the purpose to develop the production, tourism and culture of beaches and towns.

Total Length: 97.02 km, first phase.



MANAGEMENT MODEL

Public Private Alliance/Concession:

Delegation through international public tender.

Term of delegation: 35 years

Payment:

The investment is recovered by the delegated agent through the direct collection of fares. (Rate to be defined for both passengers and cargo). The tickets will be charged in each station depending on the distance traveled.



INVESTOR BENEFITS

- Exemption on Income Tax for 10 years
- Exemption on the foreign exchange outflows tax for goods imports, services acquisition, financing, dividends or profits, and payments for shares, rights, or participations acquisition.

Foreign Trade taxes:

Exemption on customs duties and VAT for imported goods and services

Legal Stability:

On the concession contracts regulations



INVESTMENT

Total: USD 762 MM



FINANCIAL INDICATORS

Study in process



MARKET

- Passenger transportation
- Cargo transportation



PROJECT DETAILS

The construction of this large capacity train: allows the transport of large quantities of goods over long distances. The costs of the operation are, in general, quite low; so it would be reasonably profitable and competitive for both cargo and passenger transport.

The travel time between the beneficiary cities would be significantly reduced and compared to road transport; it will avoid the problems related to traffic congestion.



TECHNICAL DESCRIPTION OF THE PROJECT

Studies at the pre feasibility level:

The study, characteristics and elements of the geometric design of the project, is being carried out by the China Civil Engineering Construction Corporation (CCECC); which will be completed on February 27, 2019.

Construction and exploitation stage:

- Construction of 3 intermediate stations
- First phase: Construction of roads, tunnels, bridges and intermediate and transit stations from Yaguachi to Posorja in the first year of the project
- Execution time: 1 year



REGULATORY FRAMEWORK

- Organic Law for Productive Promotion and Investment Attraction, Employment Generation, Stability and Fiscal Equilibrium
- Organic Code of Production, Commerce and Investments, COPCI
- Regulations for the Application of the Exceptional Regime for the Delegation of Public Transport Services (Executive Decree No. 810)
- Regulation of the Public-Private Partnership Regime (Executive Decree No. 582)
- Organic Law on Incentives for Public-Private Partnerships and Foreign Investment
- Ministerial Agreement 061 of the Ministry of the Environment, Reform to the sixth book of the Tulas
- Organic Law of Land Transportation, Traffic and Road Safety.
- Land Transport and Transit Regulation



LOCATION

Provinces:

Guayas stations: Yaguachi, Guayaquil and Sea Port of Posorja

Ecuador
Destination of INVESTMENTS