

Long Term Opportunities in Chile: MPW Investment in Infrastructure



Ministerio de
Obras
Públicas

Gobierno
de Chile

Alfredo Moreno
Minister of Public Works

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Main Investment Advantages of Chile



Solid macroeconomic foundations

Robust regulatory framework for infrastructure investments

Successful experience in PPPs with a wide participation of international investors

High demand, traffic jams and water scarcity show deficits in infrastructure

Strong infrastructure plan with a solid PPPs portfolio

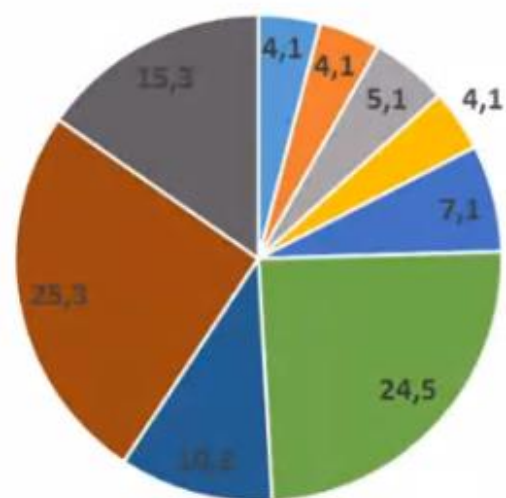
Wide and attractive range of projects with long-term returns

Experience in PPP projects

Successful PPP program in Chile, since 1993.

Up to now 98 contracts have been awarded in different areas: 74 currently in force and 24 already completed.²

PPP CONTRACTS (%)



- Public buildings
- Irrigation and hydraulic works
- Infrastructure for public transportation
- hospital infrastructure
- prison infrastructure
- airport infrastructure



Total investment
USD 24 B

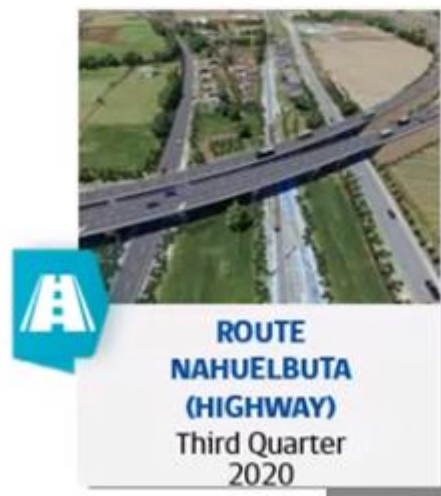
Materialized
USD 17.6 B

To be executed
USD 6.4 B

Projects to be built now

Between 2020 and 2021, construction will begin on 8 concession projects with an investment of USD 1.4 B

Name of the project	Type	Total Investment (MMUSD) ³	Estimated Starting Date ⁴
Chacalluta	Airport	83	4 th Quarter 2020
Road Access AMB	Urban road project	30	4 th Quarter 2020
Nogales-Puchuncavi	Interurban highway project	215	2 nd Quarter 2020
Ruta Nahuelbuta	Interurban highway project	250	3 rd Quarter 2020
Rutas del Loa	Interurban highway project	300	3 rd Quarter 2020
Industrial Bridge	Interurban highway project	196	4 th Quarter 2020
Bicentennial Cableway	Cableway	80	1 st Quarter 2021
Connection R78-R68	Urban highway project	250	4 th Quarter 2021
TOTAL		1404	



Private Initiatives: Additional Valuable Characteristic

PIs are a powerful tool for infrastructure development with new projects proposed by the private sector.

- Since 1992, 23 PI projects have been tendered, for USD 3.5 B
- Examples: Bicentennial Cablecar, Antofagasta Routes, South Américo Vespuccio highway
- 13 new initiatives in 2019
- During 2020, a new regulation will be issue to further encourage these initiatives: the process is simplified and more certainty is given to investors



Outstanding Projects in Evaluation

- ✓ Railroads Santiago-Valparaíso and Mejillones-Calama
- ✓ Waterways, Desalination plants
- ✓ Tram to Arturo Merino Benítez Airport

Ample Participation of International Investors

International investors in different sectors have identified Chile as a stable and attractive market for their infrastructure investments.

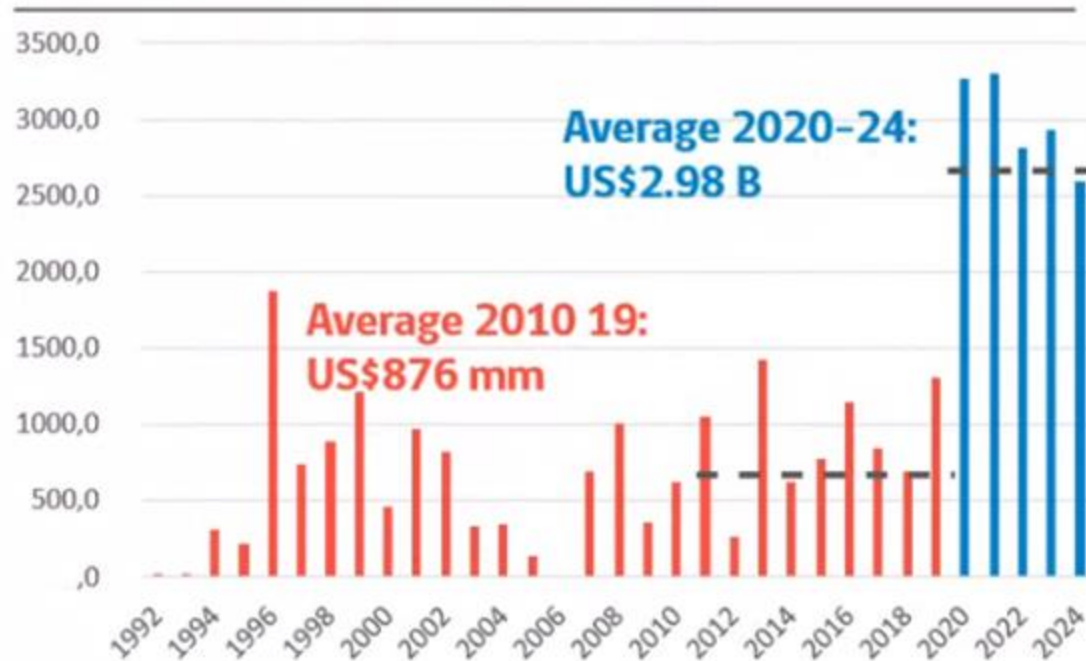
Selected International Investors Involved in the infrastructure sector

Urban Highways	Interurban Highways	Ports	Airports	Sanitation Services	Others
 	 	 	 	 	    <small>INGENIERIA Y CONSTRUCCION</small>
 	 	 	     	 	  <small>中国港湾工程有限责任公司 China Harbour Engineering Company Ltd.</small>
 	 		 	 	  <small>ACTIVIDADES DE CONSTRUCCION Y SERVICIOS</small>  
 	 		 	 	 

Attractive Project Portfolio

Successful PPP program in Chile, has been extended to new sectors. The portfolio considers investments three times greater than the historical average

PPPs Projects: Call for tenders (USD)⁵



Portfolio 2020-2024

Type of Asset	Investment (US\$ mm) ⁽⁴⁾	# Projects	Existing Projects	New Projects
Highways	10.671	23	11	12
Hospitals	2.110	15 ⁽⁶⁾	0	15
Trams and Cableways	890	5	0	5
Reservoirs	823	2	0	2
Airports	284	6 ⁽⁶⁾	4	2
Others ⁽⁷⁾	132	3	1	2
Total	14.910	54	16	38

Projects 2019-2020

There are currently 5 projects (US\$1.43 B);




SOUTHERN AIRPORT NETWORK



Punta Arenas
Current: 6,471 m²
Future 16,614 m²

Coyhaique
Current: 2,400 m²
Future: 12,391 m²




SECOND CONCESSION ROUTE 5 TALCA-CHILLÁN

193 km including 55 km of new bypass

LA FLORIDA AIRPORT

Current: : 8,574 m²
Future: 12,938 m²




MAULE HOSPITAL NETWORK

368 beds
In three locations
157,000 m² (estimated)







BUIN PAINE HOSPITAL

200 beds
55.000 m²



Projects	Date of initial offer	Date for tenders ⁸	Investment (MMUS\$) ⁹
Southern Airport Network	17/08/2019	06/08/2020	162
La Florida Airport	27/11/2019	10/09/2020	68
Maule Hospital Network	19/12/2019	15/07/2020	278
R5:Talca - Chillán	19/10/2019	30/07/2020	804
Buin-Paine Hospital	30/04/2020	22/07/2020	120

Notes: (8) Dates could be modified by present contingency. (9) It assumes an exchange rate CLP / USD 647.95 and UF of CLP 27,158.77 as of June 30, 2018.

Eleven projects for US\$3.26 B, are expected during 2020, although deadlines are tight.¹⁰

Project	Investment (US\$ mm) ¹¹	Date
 Highways: US\$1.84 B; 725 kms		
Ruta 78: Santiago-San Antonio	714	4 ^{to} Quarter
Ruta 5: Longitudinal Chiloé	503	4 ^{to} Quarter
Ruta 5: Caldera-Antofagasta	628	4 ^{to} Quarter
 Hospitals: US\$1.26 B; 2,039 Camas		
Hospital Buin-Paine:	120	2 ^{do} Quarter ✓
Hospitals Biobío Network: (Santa Bárbara, Nacimiento, Coronel, Lota)	360	2 ^{do} Quarter
Hospital Coquimbo	300	2 ^{do} Quarter
Hospitals Valdivia Network: (La Unión, Río Bueno, Los Lagos)	180	3 ^{er} Quarter
Hospital La Serena	300	4 ^{to} Quarter
 Others : US\$159 mm		
Airport Araucanía (2nd)	81	4 ^{to} Quarter
Digital Stops	40	4 ^{to} Quarter
Road Access AMB	38	4 ^{to} Quarter

13 projects for US\$3,30 B during 2021 in highways, hospitals and airports ⁽¹²⁾

Project	Investment (US\$ mm) ¹³	Date
 Highways: US\$2.21 B ; 617 kms		
Orbital sur de Santiago (Alternative highway in South Santiago)	210	1 ^{er} Quarter
Ruta 5: Chillan-Collipulli (2 nd)	309	2 ^{do} Quarter
Ruta 5: Temuco-Rio Bueno y Acceso Valdivia (2 ^{da})	543	2 ^{do} Quarter
Ruta 68: Santiago-Valparaiso-Viña del Mar (2 ^{da})	903	4 ^{to} Quarter
Ruta Pie de Monte (foothills Coronel-Concepción)	251	4 ^{to} Quarter
 Hospitals: US\$850 mm; 1.073 beds		
Instituto Nacional del Cáncer (National Cancer Institute)	260	1 ^{er} Quarter
Red de hospitales O´ Higgins: (Rengo, Pichilemu)	170	1 ^{er} Quarter
Hospital Metropolitano Norte	230	2 ^{do} Quarter
Instituto de Neurocirugia (Institute of Neurosurgery)	190	2 ^{do} Quarter
Others : US\$236 mm		
Tsunamis early warning system	60	1 ^{er} Quarter
Cableway Alto Hospicio-Iquique	84	2 ^{do} Quarter
Airport El Loa (3 ^{ra})	50	2 ^{do} Quarter
Airport Atacama(2 ^{da})	42	2 ^{do} Quarter

Long Term: Mobility Infrastructure Plan – 2050

A plan has been developed to specify the long-term infrastructure needs for passenger and cargo transportation.



- It updates and modernizes the 1997 National Plan
- It seeks to achieve the goal of **doubling GDP** through:
 - A total investment of US\$50 billion.
 - In different sectors: roads (68%), ports (10%), airports (8%), railways (14%)
 - Expected private investments: 50% approx.
- To be launched in mid-2020

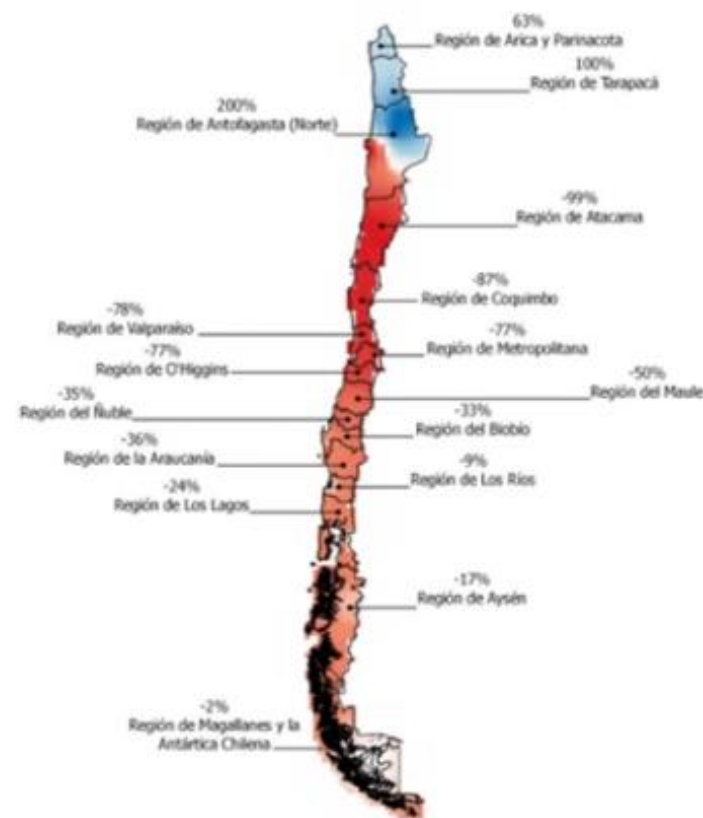
Investment in Water Infrastructure

Chile is the 18th most water-stressed country in the world according to the global water risk map from the World Water Institute. Several basins in the country face the urgent challenge of tackling the water imbalance, which requires investments in water infrastructure, among other measures.

Investments in water infrastructure

- Desalination plants
- Exploitation of deep aquifers and artificial infiltration of aquifers,
- Reuse of treated wastewater,
- Reservoirs
- Dams and irrigation channels

A long term plan of water infrastructure is under development for the main basins of the country



Mapa de Déficit/Superávit de precipitaciones acumuladas a Septiembre 2019, en comparación con el promedio histórico para el mismo mes entre los años 1981-2010.

Leyenda

Déficit / Superávit (al mes de Septiembre en %)

-70% a -100%

-1% a -69%

0% (Año Normal)

1% a 69%

70% a 100%

101% a 200%

Summary



1

Chile has a healthy economy with solid macroeconomic fundamentals, a stable political system, and serious public policies.

2

A robust regulatory framework in the infrastructure sector and a successful experience with Public-Private Partnerships ("PPPs")

3

The Investment Plan of the Government of Chile aims to tender PPP projects of around US \$ 2,9 B per year during the period 2020 - 2024

4

In the uncertain and complex actual world scenario, Chile offers a unique opportunity to invest in relevant projects and long-term returns with low risk, based on a solid and proven system of Public Private Partnerships.