Guayaquil South Viaduct Road Project

OBJECTIVE

- To build a new road connecting directly the Maritime Port and the South side of Guayaquil, along with the traffic coming from the South-Central areas of the Coast, Highlands and Jungle of the country
- Total length: 44.20 km, divided in 4 sections

PROJECT DETAILS

Optimize travel time generating a considerable cost reduction in vehicle operation, also reducing traffic congestion in the streets of Guayaquil, the current road to cross Duran and by the Puente de la Unidad Nacional (Bridge of National Unity), above the Daule and Babahoyo rivers.

MARKET

- Average traffic
  - Daily traffic: 21,046
  - Annual traffic: 7 Million
- The construction of 4 toll booths is expected

INVESTMENT

CAPEX: 815 MM USD
OPEX: 343 MM USD
TOTAL: 1,158 MM USD

FINANCIAL INDICATORS

- IRR: 12.69%
- Recovery time: 30 years

MANAGEMENT MODEL

Public-private alliance
- Through a concession agreement by means of a public tender
- Conflict resolution through mediation and arbitration for force majeure events, acts by the authority and fortuitous events

Payment modality
- The investment is recovered by the delegated manager through direct collection of tolls. (Rate of 2 USD - collection will be in a single direction)

Benefits for the Investor
- Income tax exemption for 10 years
- Exemption to the currency outflow tax on the importation of goods, acquisition of services, funding, dividends or profits, payments for acquisition of shares, rights or participations
- Taxes on foreign trade: Exemption on customs rights and VAT on imported products and services
- Legal stability: standard on concession agreements
LEVEL OF PRELIMINARY PROJECT STUDIES:
- The study, characteristics and elements of the project’s geometric design was carried out by the Asociación de Consultoras NYLIC–CONSULSÍSMICA
- The traffic study was conducted by Consultora COA

CONSTRUCTION AND EXPLOITATION STAGE:
- Construction of 4 sections: first phase: Construction of roads, bridges, and toll booths in the first four (4) years of the project. Second phase: Encompasses building the expansion to 4-lanes in several years (2031-2041: 2046-2047-2048-2049-2051)
- Execution time: 40 years

TECHNICAL DESCRIPTION OF THE PROJECT

- Organic Law of Incentives for Public-Private Associations and Foreign Investment
- Organic Code of Production, Trade and Investments, COPCI
- Application Rules of the Exceptional Regime of Public Transportation Service Delegation (Executive Decree #810)
- Rules of the Public-Private Collaboration Regime (Executive Decree #582)
- Ministerial Agreement 061 of the Ministry of Environment (MAE) - Amendment to the Sixth Book of the Unified Text of Secondary Legislation (TULAS)

REGULATORY FRAMEWORK

LOCATION

Province: Guayas, in the area bounded by the road Puerto Inca – Naranjal, Autopista “Durán – Boliche”, Maritime Port of Guayaquil.