



Ministry of Land,
Infrastructure and Transport

Light Rail Transit Project in Asuncion, Paraguay

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Special Legislative Bill for Light Rail Transit Project in Asuncion passed by the Senate of Paraguay securing the first Korean investment and development in overseas railway projects

The Ministry of Land, Infrastructure and Transport (MOLIT, Minister WON Hee-ryong) announced on 2 December that the special legislative bill for the Light Rail Transit Project in Asuncion, Paraguay (hereinafter referred to as ‘the Project’), which is being pursued by a Korean consortium, was approved by the Senate of Paraguay on Thu. 1 December local time.

The special legislative bill is supposed to be reviewed later by the House of Representatives and put to a vote to be enacted into the law through a presidential promulgation if its approval made.

It includes cooperation fields in financing for smooth operation of the Project between the Paraguayan government and the Korean consortium, and on legal grounds for the Korean consortium to be guaranteed with project rights from the ordering body. The contract of the Project will be confirmed by concluding an

executed agreement in the future.

In the meantime, the MOLIT and the Korea Overseas Infrastructure and Urban Development Corporation (CEO LEE Kang-hoon, hereinafter ‘KIND’) have actively participated from the initial stage with identifying and reviewing projects through the support project for feasibility study (Nov. 2020–Jun. 2021) and in September 2008, the MOLIT signed an MOU for a cooperative project with the Ministry of Public Works and Communications of Paraguay.

In particular, KIND, which has led the project from its identification stage, has been working hard to win the project through intergovernmental cooperation, such as supporting the enactment of special legislative bill and holding a briefing session on the project for the local government and parliament in Paraguay.

Korean companies are expected to win the bidding worth up to USD 1.8 billion (USD 550 million in construction costs and USD 1 billion in operation costs), and the project is more meaningful in that the Korean way of railroad construction and operation system is exported overseas as an integrated package for the first time in Korea.

“The MOLIT will provide active supports so that the project promoted jointly by public institutions such as KIND and private companies becomes a model case for overseas investment and development projects in public-private partnership,” KIM Sang-moon, Assistant Minister of Construction Policy Bureau in MOLIT stated, adding that “We expect that the possibility of winning projects in Central and South America will be increasing in near future.”

Furthermore, KIND CEO Lee expressed that “We will focus our efforts on identifying and supporting more “Team Korea” projects in addition to the Light Rail Transit project in Asuncion of Paraguay to become a reliable partner for Korean companies to advance overseas.”

Project Status and Structure of Light Rail Transit Project in Asuncion, Paraguay

□ Project Overview

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| Ordering Body (Paraguay) | Ministry of Public Works and Communications (MOPC), Railways of Paraguay SA (FEPASA) |
| Project Scale | Route extension 43.2km, 1 Carriage Depot, 7 Stations, etc. |
| Means of Project | Build-Operate-Transfer (BOT) |
| Project Costs | USD 550 million of construction costs, USD 1 billion of operation costs |
| Project Period | 34 years of concession period (4 years for construction / 30 years for operation) |
| Participating Companies | (Korea) Hyundai ENG, KIND, Gyeryong Construction, LS Electric, Hyundai Rotem, (Paraguay) Local companies |



□ Map of Project Route



□ Structure of Project

