



Release Date: FOR IMMEDIATE RELEASE

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Taking a joint step forward in the Asuncion Light Rail Project

Paraguay agrees to start the legislative process for the light rail project during the MOLIT Vice Minister's visit to the country.

Vice Minister Yun Seong-won of the Ministry of Land, Infrastructure and Transport (MOLIT) visited Paraguay from April 24 to 27 to spur the passage of a special legislation that will make concrete Korea's partnership with Paraguay on the Asuncion Light Rail Project.

The Asuncion Light Rail Project is a \$550 million project that will build a 43km light rail line between Asuncion and Ypacaraik, a town located east of the capital city. The special legislation, which stipulates matters concerning the project, will be submitted to the Paraguayan Congress for, according to the current plan, discussion at both chambers in May and passage by the middle of this year.

If the passage comes through, the Team Korea, the Korean consortium for the project involving KIND(Korea Overseas Infrastructure and Urban Development Corporation), Hyundai Engineering, Kyerong Construction Industrial, LS Electric, and Hyundai Rotem, will have a firmer ground for its activities surrounding the project.

Korea's cooperation with Paraguay on the project started last September when MOLIT Minister Noh Hyeong-ouk signed a memorandum of understanding (MOU) with Óscar Rubén Salomón Fernández, the President of the Senate of the Congress during his visit to Korea. In the MOU, the two countries agreed to promote the light rail project as the 'lead project' through which the two countries expand their cooperation in the infrastructure field.

Since signing the MOU, the Team Korea went to Paraguay in October to survey the project sites and had discussions with the government officials responsible for the project. Based on the discussion, the Team Korea drafted and submitted to the Ministry of Public Works and Communications, the main ministry in charge the project, its project proposal in November.

Meanwhile, the legislative process has been moving slowly due to delays in coordination between relevant government agencies and Paraguay's relative lack of experience with the public-private partnership (PPP) scheme, which the Asuncion project adopts for its funding and implementation.

It was against this backdrop that the Korean delegation led by the MOLIT Vice Minister paid the official visit to Paraguay. His visit, which was accompanied by the Team Korea, will give boost to the legislative process.

The Asuncion light rail project, which will be funded under an PPP scheme, will provide a rail link between Asuncion and Ypacarai. The Paraguayan government will tap into the old rail infrastructure now sitting idle and the nation's abundant hydrogen power to develop the new rail. Once complete, the government expects the new rail service to relieve traffic congestion, create jobs, and help expand the domestic rail industry, whose development is essential to a landlocked country like Paraguay.

During his visit to Paraguay, Vice Minister Yun paid a courtesy call on President Mario Abdo Benitez

to explain the Team Korea's plan for the Asuncion project. As he made the briefing, Vice Minister Yun expressed appreciation for giving Korea an opportunity to participate in the first light rail project in the city. He also reiterated its potential contribution to Paraguay, particularly in employment, tourism, living and environment. While promising a continued active cooperation with the Paraguayan government to ensure realization of such potentials and give a new momentum for the national development, the Vice Minister reminded the importance of the passage of the special law.

Minister Arnoldo Wiens Durken of Public Works and Communications mentioned "Paraguay wants to restore its reputation as the rail powerhouse with cooperation with Korea on this project." As for the progress in the legislation, the Minister expects submission to the Congress by this week at the earliest.

During his four-day trip, the Vice Minister had a trilateral meeting with the Minister of Public Works and Communications and the Minister of the Planning Secretariat (Viviana Casco Molinas) on April 25. At the meetings with members of the Senate, including the Senate President on April 26 and with the President of the Chamber of Deputies, Paraguay's lower house of the Congress on April 24, Vice Minister Yun sought their support for the project.

To check on the progress of the project, the Vice Minister visited the project sites and chaired a meeting with the Team Korea. At the meeting, he listened to the challenges they face in Paraguay and promised MOLIT's support to ensure their success with the project.

Vice Minister Yun says "The Asuncion Light Rail Project will be the first case where Korea will develop a concrete partnership on a project based on a legislation that affirms such partnerships. The project will also be the first case where Korea will not only build but operate the rail transit system it built." "MOLIT will review what support it can provide to ensure the Team Korea's successful implementation of the project and to replicate the success in Paraguay to similar projects in other countries."