



# National Transportation Plan: Status and impact on Argentina's development



Ministerio de Transporte  
Presidencia de la Nación

# CHALLENGES ACROSS THE TRANSPORT SECTOR

## ROADS



- 40% of the network in poor conditions
- 95% of freight transported by truck.

## FREIGHT RAILWAYS



- 5% of the total freight
- Average speed: 14km/hour

## PORTS AND WATERWAYS



- Limitations on infrastructure don't allow the operation of large ships.
- Lack of access infrastructure.
- Loss of competitiveness.

## AIR SECTOR



- Low domestic connectivity.
- Half the number of pax/capita than in the rest of the region.
- Space for improvements in security and air traffic control.

## URBAN MOBILITY



- 15M users in MRBA.
- Limited provision of public transport in the provinces
- Low quality infrastructure.

# VISION

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Carrying out the most ambitious Transport Plan in the history of the country, with a federal vision; integrated and intermodal transport that provides conditions of excellence for the mobility of people and goods; reducing transportation times, costs and negative externalities; and fundamentally maximizing safety, comfort and sustainability.

# STRATEGIC GOALS



## INFRASTRUCTURE

Transforming, developing and modernizing the **infrastructure** for transport in the country, through a **federal strategy**, improving the **connectivity and productivity** of the **regional economies**, especially the ones that have been most left behind.

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## PRIORIZATION

Managing in an **efficient** and **sustainable way** the different modes of transport, to contribute to the **economic growth and to reduce the logistic costs**, defending the interests of users. **Prioritizing the sustainable modes of transport** and the individual non-motorized mobility.

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## SAFETY

Positioning **security as the center of actions** associated with transportation in all its forms and in a transversal way to all the areas of the Ministry.

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## EMPLOYMENT AND PEOPLE

Strengthening **quality work**, favoring the generation of direct and indirect employment in the execution of works; The creation of new jobs based on the opportunities generated by the development of infrastructure; and **ongoing training to professionalizing** and prioritizing public and private employment in the field of transportation.

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## TRANSPARENCY

**Eliminating corruption** and ensuring transparency in purchases, contracting and control of works, as well as in all acts of government of the Ministry of Transport.

TRANSPORT INVESTMENT PLAN

2016 - 2019



USD 33,270 M

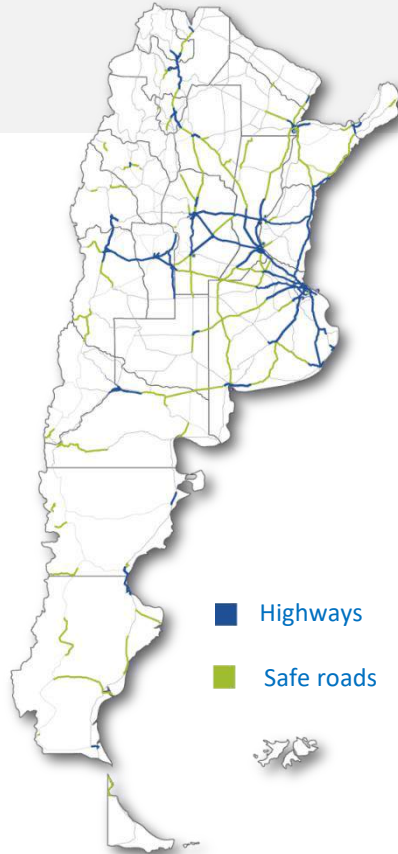
Public investment (million USD)					Private investment 2016-2019	TOTAL
	2016	2017	2018	2019		
Air sector	250	360	400	450	1,350	2,810
Freight railways	100	500	1,550	1,550	500	4,200
Urban transport	750	2,750	3,000	3,000		9,500
Roads	1,900	2,100	3,000	3,000	2,000	12,000
Ports	10	50	100	100	4,500	4,760
TOTAL	3,010	5,760	8,050	8,100	8,350	33,270





# NATIONAL ROAD NETWORK

## LONG TERM PLAN FOR 2027



- ✓ **2,800 km** new highways
- ✓ **2,500 km** safe roads
- ✓ **13,000 km** rehabilitated roads
- ✓ **250** new engineering projects
- ✓ **2,000 km** new pavings
- ✓ **825** works

**USD 12,000 M**  
INVESTMENT 2015 – 2019

**USD 35,000 M**  
LONG TERM PLAN 2027



RN 7 - Lujan to Giles



**JOB GENERATION:**  
**100.000**

New design: Rosario – Sunchales Highway

### HIGHWAYS - WORK IN PROGRESS

Completed  
254 km

Under construction  
1.190 km

For tender  
1.327 km

Finished by dec-17  
326 km

Under construction by dec-17  
1.912 km



# ROAD CORRIDORS – PPP OVERVIEW

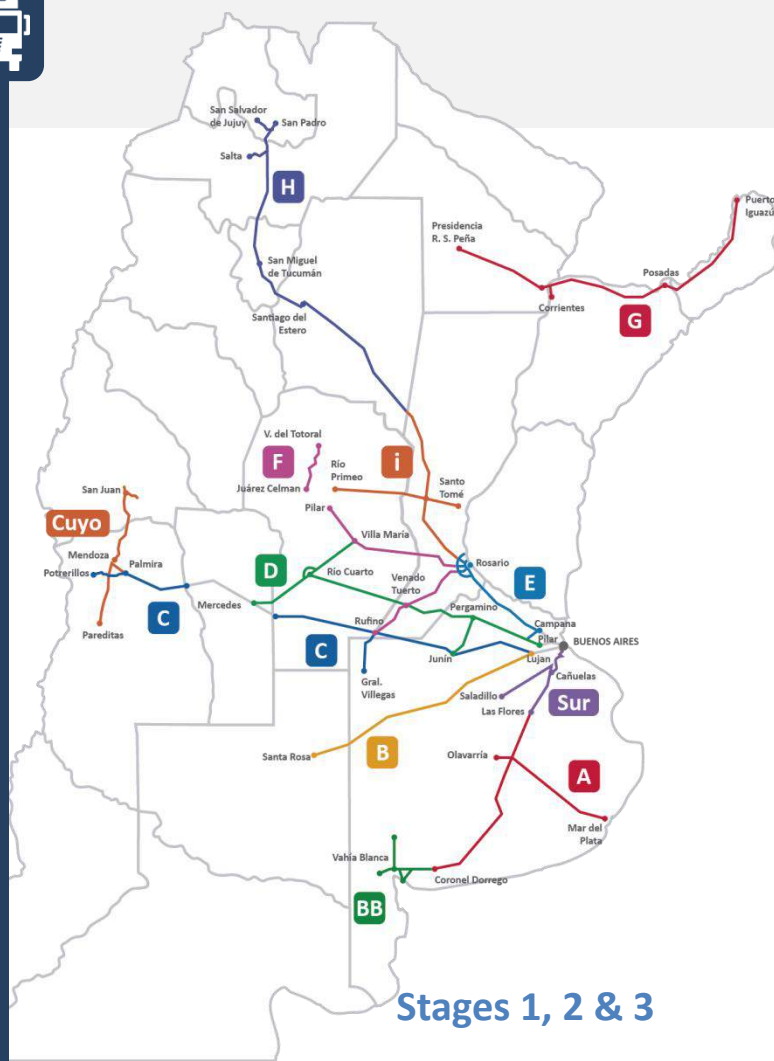
1st PPP project to be launched in Argentina

- **Main objective:** enhance road capacity and safety
- **Target:** over 7.300 km of national roads
- **Partnership scope:** design, construction, operation, maintenance and financing of roads corridors
- **Contract term:** 15 years

Project information will be available within 15 days at <http://www.vialidad.gov.ar>

Bidding announcement:  
December 2017

Stages 1, 2 & 3





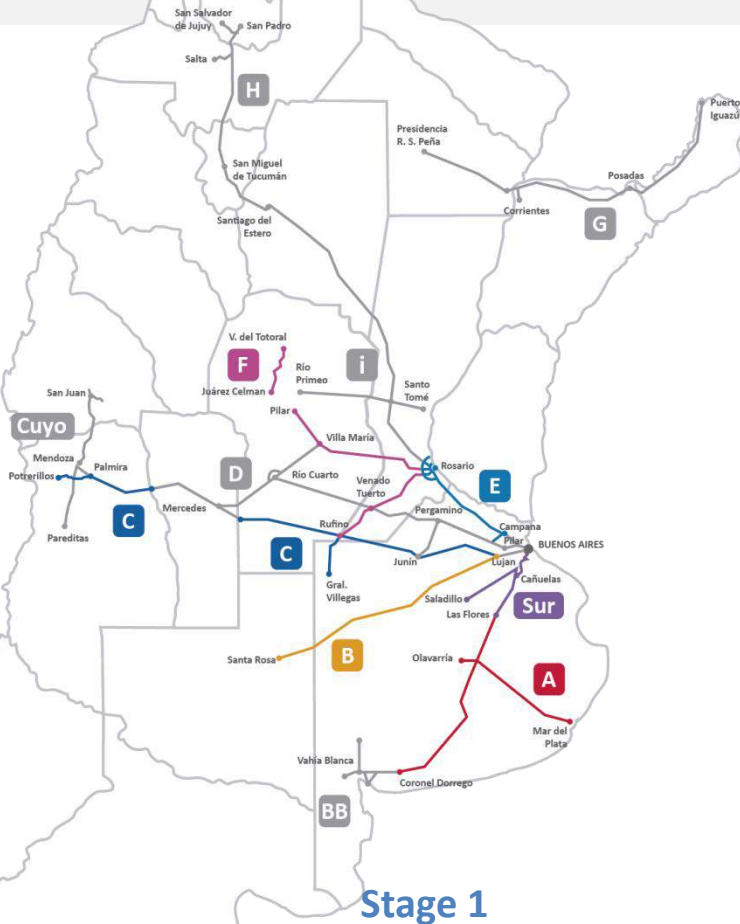
# ROAD CORRIDORS – PPP STAGE ONE

Investment: **7.400 M USD**

**5.500 M USD**  
(construction)



**1.900 M USD**  
(operation & maintenance)



Stage 1

PPP	Roads	Length (km)
A	RN N° 3 Y 226	707
B	RN N° 5	539
E	RN N° AU9, 193, 34 y 19	433
F	RN N° AU9, 9 Y 33	666
Sur	Corredor Sur (Ac. Riccheri, RN3 y RN205)	299
C	RN N° 7	914
TOTAL		3560





# INCREASING CARGO IN THE NEAR FUTURE

MODERNIZATION OF PORTS. PREDICTABLE AND SAFE NAVIGATION

INVESTMENT 2016 - 2019

CURRENT PRIVATE INVESTMENT

**USD 260 M + USD 2.500 M**

- Improvement of industry competitiveness
- Infrastructure works in ports and waterways (to improve navigation safety)
- Improvements in the accesses to ports
- Development of our merchant navy





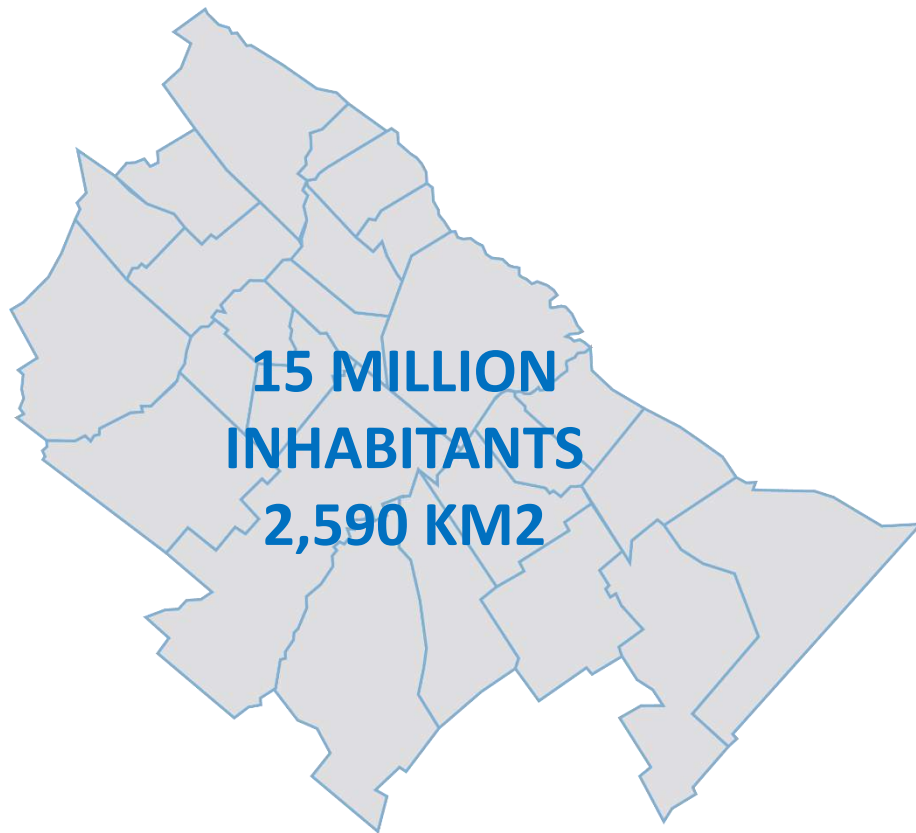
# BUENOS AIRES PORT EXPANSION



- ✓ The most important container terminals of Argentina with a total combined capacity of 1,5 M TEUs
- ✓ Investment in the layout of the port to increase capacity and receive newer generation ships (Post-Panamax)
- ✓ Current concessions expire in 2019 – the tendering process will be launched during 2017
- ✓ Investments are estimated at around 2 billion USD – including access infrastructure (Paseo del Bajo)



# BUENOS AIRES METROPOLITAN REGION

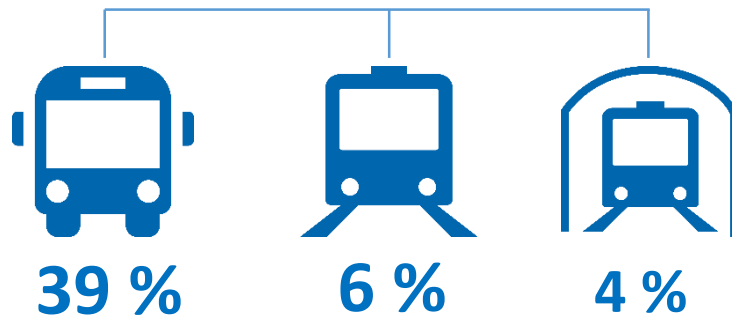


**22.000.000**

daily trips

**PUBLIC TRANSPORT**

**49 %**





# USD 14.187 M INTEGRAL PLAN FOR METROPOLITAN PASSENGER TRAINS (2016-2025)

## Investments in progress



**USD 816 M**  
Automatic Train Stops



**USD 570 M**  
Railway renewal



**USD 100 M**  
Powering



**USD 731 M**  
New stations and technologies



**USD 3,240 M**  
100% new rolling stock



**USD 193 M**  
Workshops

**USD 5.650 M**

## Strategic works in progress



**USD 3.244 M**  
Regional Express Network



**USD 3.000 M**  
Undergrounding



**USD 1.360 M**  
Viaducts and Underground crossings



**USD 933 M**  
Electrification

**USD 8.537 M**



# ON GOING ROLLING STOCK TENDER – URBAN TRAINS










## ➤ ONE OF THE BIGGEST ROLLING STOCK TENDERS OF THE YEAR

Detail	Units	Total	2017	2018	2019	2020	2021	2022	2023	2024	2025
Broad Gauge Electric Cars (1676/25Kv, 50Hz)	USD M	1,806	6,24	6,24	41,6	95,68	166,4	182	310,96	540,8	459,08
Numbers of Train	Units	174	0	0	4	8	16	16	26	52	52
Electric Train Maintenance	USD M	45,9					1,8	3,6	9	10,8	20,7
	Units	51	0	0	0	0	2	4	10	12	23

## ➤ 3 DATA ROOM in January – 12 international companies – 485 inquiries

➤ Financing conditions

➤ Lead time

COMPANY	COUNTRY		COMPANY	COUNTRY	
ALSTOM	France		mitsubishi	Japan	
TALGO	Spain		KBR	USA	
BOMBARDIER	Canada		STADLER RAIL	Switzerland	
SIEMENS	Germany		CAF	Spain	
CRRC	China		TRANSMA HOLDING	Russia	
HYUNDAI ROTEM	Korea		MARUBENI	Japan	

# RECOVERING THE FREIGHT NETWORK BY 2030



TOTAL INVESTMENT  
**15.000 M USD**

Network fully enabled

JOB GENERATION:  
**25.000 DIRECT**

- ✓ 135 M Tn transported
- ✓ 17.500 km rehabilitated tracks
  - ▶ 6.600 km renewed track
  - ▶ 10.900 km heavy maintenance





# WHAT ARE WE DOING? Recovering the freight network

The most important investment on the freight network infrastructure

## ➔ USD 6 billion investment on infrastructure

### BELGRANO CARGAS

1.593 km of rails will be renewed.  
USD 2.600 M investment.  
20.600 employment generated  
(direct + indirect).

**WORK IN  
PROGRESS**

### SAN MARTÍN

In 2018 we will begin the  
construction:  
1.626 km of rails to renew.  
USD 2.800 M investment.  
26.000 employment generated  
(direct + indirect).

**STARTING IN 2018**

### ROCA

700 km of rails to renew.  
USD 530 M investment.  
3,500 employment  
generated (direct + indirect).

**UNDER  
NEGOTIATION**





# AIR TRANSPORT PLAN

## DOUBLING THE NUMBER OF DOMESTIC PASSENGERS



Diagnosis and demand analysis



Plan Pillars

- ▶ Growth of Aerolíneas Argentinas
- ▶ Allowing for new companies to start operating
- ▶ Infrastructure modernization and airspace redesign



Impact on the economy

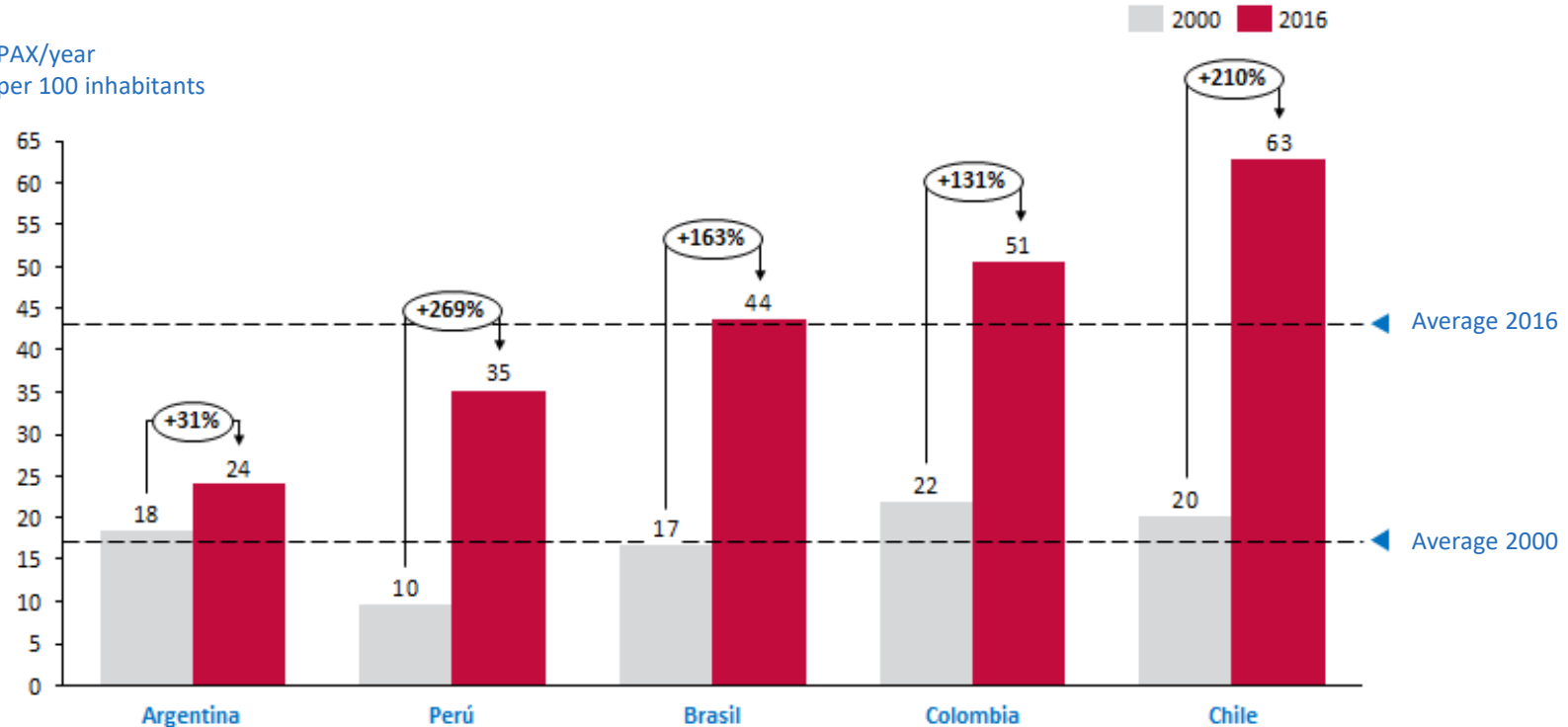
- ▶ Investment and job generation
- ▶ Impact on tourism and regional economies



# ARGENTINA SHOWS THE LOWEST FIGURES IN THE REGION WHEN IT COMES TO DOMESTIC TRAVELLING

8th largest territory in the world

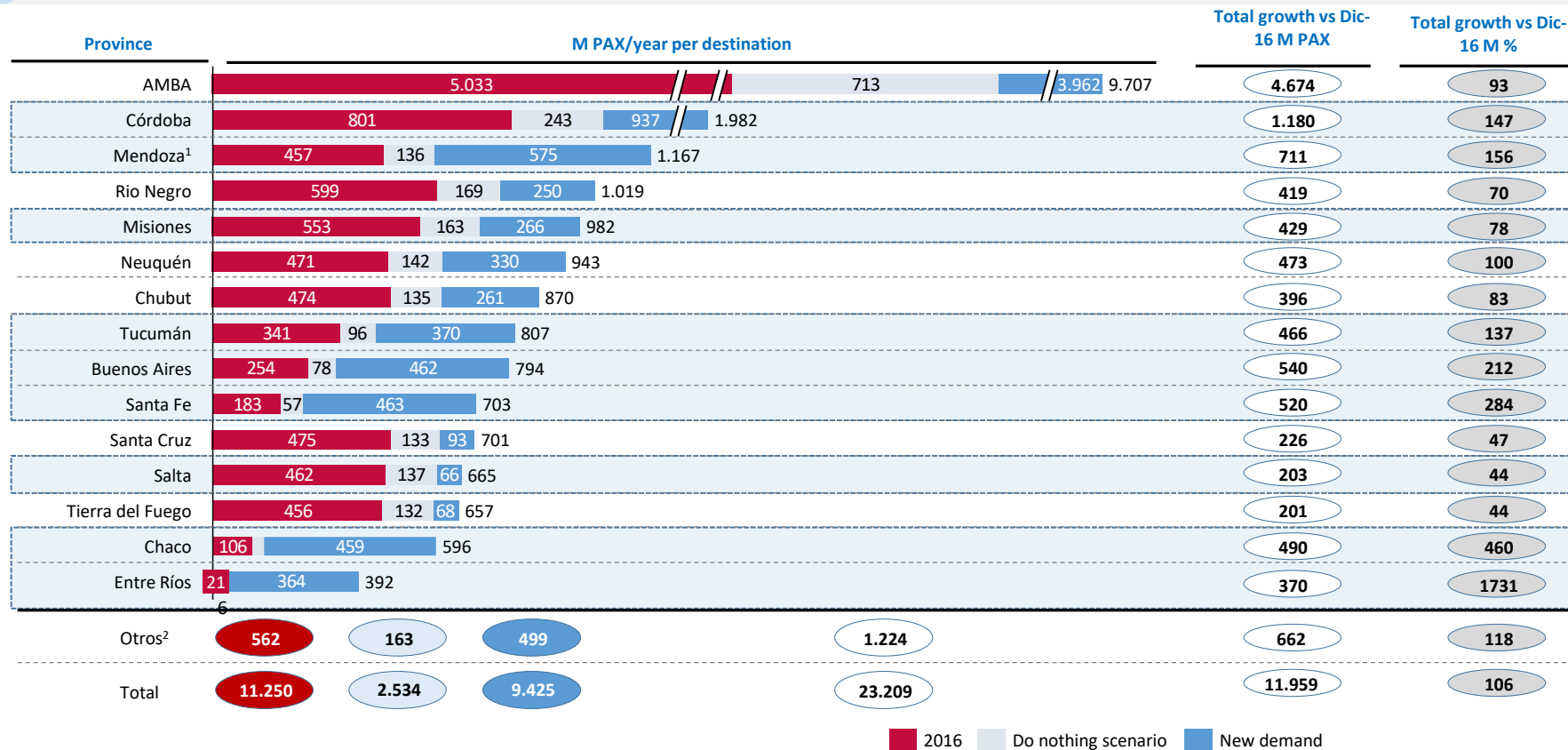
PAX/year  
per 100 inhabitants



Source: EANA, IATA



# WITH OUR PLAN, WE EXPECT TO GENERATE 12 MILLION NEW TRIPS



1: Mendoza in 2016 was affected by the airport closure of 3 months, between September and December // 2: San Juan, Santiago del Estero, Jujuy, Formosa, San Luis, La Rioja, Corrientes, La Pampa, Catamarca

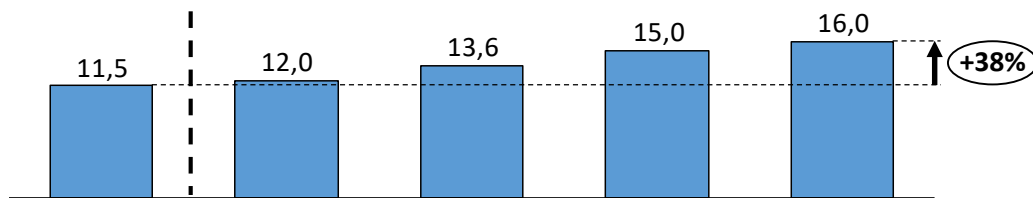
SOURCE: Estimation based on Demand model and infrastructure bottlenecks, Jefatura de Gabinete del Ministerio de Transporte



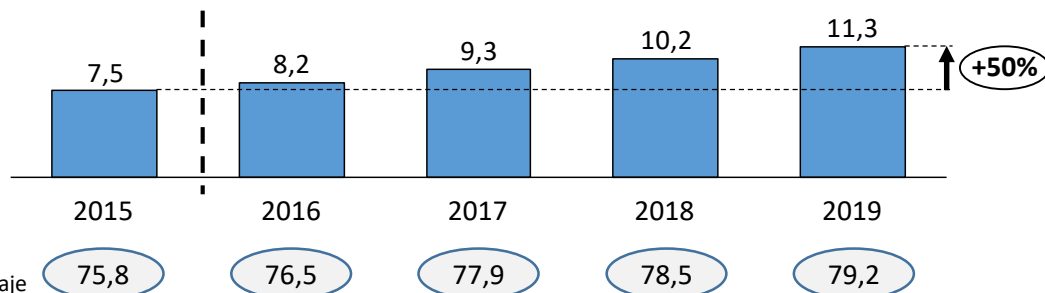
# AEROLINEAS ARGENTINA'S EXPANSION STRATEGY AIMS AT CAPTURING MORE THAN +50% OF NEW DOMESTIC DEMAND

## ➤ Operational plan of Aerolíneas<sup>1</sup>

MM AKOs



MM Pax



F.O.  
Cabotaje

75,8

76,5

77,9

78,5

79,2

Aerolineas Argentinas aims to increase its capacity (AKOs) by 38%

**AEROLINEAS WILL BE LEADING DOMESTIC EXPANSION BY ABSORBING 3.8 MILLION PAX/YEAR**



# MODERNIZING AIRPORT INFRASTRUCTURE, INVESTMENT IN NEW TECHNOLOGY AND EQUIPMENT



INVESTMENT 2016 – 2019  
**1.400 M USD**  
4 X investment of the previous 4 years

**19** airports



Work in airports



Integrated renovation of aircraft systems

Aeroparque's airport today



New Aeroparque's airport





# 8 AIRPORTS ALREADY RENOVATED

- ✓ Córdoba
- ✓ Mendoza
- ✓ Río Gallegos
- ✓ Salta
- ✓ Trelew
- ✓ Iguazú
- ✓ Chapelco
- ✓ Tucumán





## 9 AIRPORTS WITH CURRENT WORKS



Comodoro Rivadavia



Aeroparque



Ezeiza



Jujuy



Salta



San Fernando



San Juan



San Lu s



Bariloche

Comodoro Rivadavia



Ezeiza



Aeroparque



Jujuy





# IMPACT ON THE ECONOMY



## FIRST PUBLIC HEARING

FIRST IN  
ELEVEN YEARS

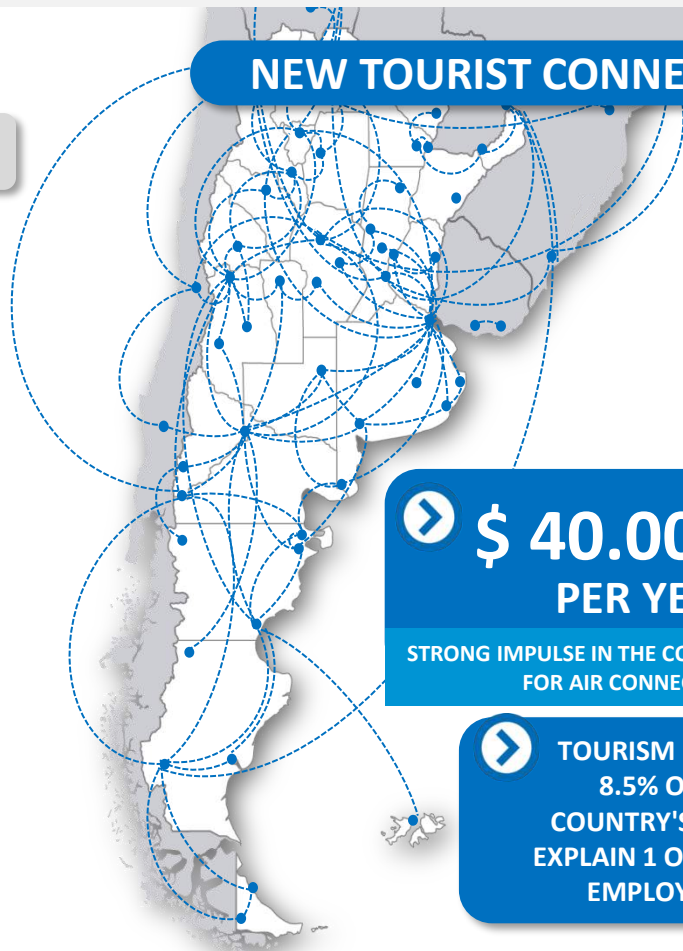
- ✓ 5 COMPANIES AUTHORIZED
- ✓ Total granted routes : 135 (77 domestic)
- ✓ INVESTMENT: 1.000 M USD
- ✓ EMPLOYMENT: 2.900 direct & 24.300 indirect



## SECOND PUBLIC HEARING

- ✓ PARTICIPATION OF 9 COMPANIES
- ✓ Total requested routes : 510 (206 domestic)
- ✓ INVESTMENT: 6.885 M USD
- ✓ EMPLOYMENT: 10.315 direct & 73.600 indirect

## NEW TOURIST CONNECTIONS



**\$ 40.000 M  
PER YEAR**

STRONG IMPULSE IN THE COUNTRY ECONOMY  
FOR AIR CONNECTIVITY



TOURISM IMPACTS  
8.5% OF THE  
COUNTRY'S PBI AND  
EXPLAIN 1 OF EVERY 10  
EMPLOYMENT



## REFERENCES

- Existing
- New routes granted
- New routes awarded starting To operate in the second half

➤ 2015

➤ 2017

**BETWEEN 2015 AND 2017, THE NUMBER OF INTERNATIONAL ROUTES INCREASED 260% AND 11 NEW AIRLINES STARTED OPERATING**





Clear rules in Argentina



# SAVINGS AND NEW INCOME EXPAND BUDGET CAPACITY

Record participation since 1958

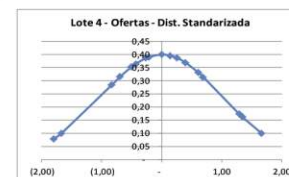
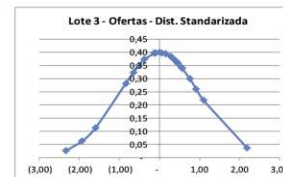
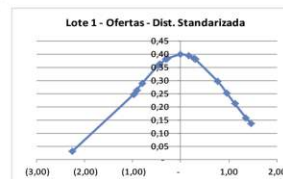
Previous government budget \$ 9,000 M  
Official budget \$ 7,430 M  
Best offer \$ 6,135 M  
Savings: \$1,570 M + \$ 1,295 M = \$2,865 M

**\$ 2.865 M  
SAVING**

**PAVING 220KM OF UNPAVED ROAD**

OBRA		Ruta Nacional 19 - Cordoba San Francisco				
Financiamiento		BID				
PARTICIPACIÓN		TOTAL	Lote 1	Lote 2	Lote 3	Lote 4
Ofertantes		25	16	8	23	16
individual offers		63	16	8	23	16
Ofertas x adjudicación Conjunta		8	1	1	5	1
Companies		34				
UTES		8				
Plazo para Preparación de Ofertas		9,5 semanas				
PRECIOS (AR\$ Millones)		TOTAL	Lote 1	Lote 2	Lote 3	Lote 4
PO (Mayo 2016)		6.944	1.222	2.500	1.298	1.924
POFA a Agosto (+7% aprox.)		7.430	1.308	2.675	1.389	2.059
Mejor Oferta (1)		6.135	987	2.481	1.034	1.634
Dif Mejor Oferta vs. POFA		(1.295)	(321)	(194)	(355)	(425)
		-17%	-25%	-7%	-26%	-21%
Mejor Oferente			lote 1	UTE - CRZ/Perales Aguir		
			lote 2	UTE - Pietrobuoni/Losi		
			lote3	UTE - CRZ/Perales Aguiar		
			lote4	Dy casa		
2° Mejor Oferta (2)		6.465	1.210	2.502	1.090	1.662
Dif 2° Mejor Oferta vs. POFA		(965)	(97)	(172)	(299)	(396)
		-13%	-7%	-6%	-22%	-19%
2° Mejor Oferente			lote 1	Corsam Corviam		
			lote 2	Rovella Caranza		
			lote3	Dy casa		
			lote4	Corsam Corviam		

ANALISIS ESTADÍSTICO	TOTAL	Lote 1	Lote 2	Lote 3	Lote 4
POFA a Agosto (+7% aprox)	7.430	1.308	2.675	1.389	2.059
Mínimo	6.135	987	2.481	1.034	1.634
Media	7.543	1.381	2.785	1.361	2.016
Máximo	8.771	1.637	3.095	1.669	2.370
Desvío Estándar	743	176	215	141	213
	9,9%	12,7%	7,7%	10,3%	10,5%
Media Ofertas / POFA	1,5%	5,7%	4,1%	-2,1%	-2,1%





# RESULTS: MORE CONCURRENCY, INTERNATIONAL COMPANIES AND SAVINGS

## Participation of international companies in railway tenders

Countries interested in future tenders

✓ Francia

Alemania

Japón

Rusia

Corea

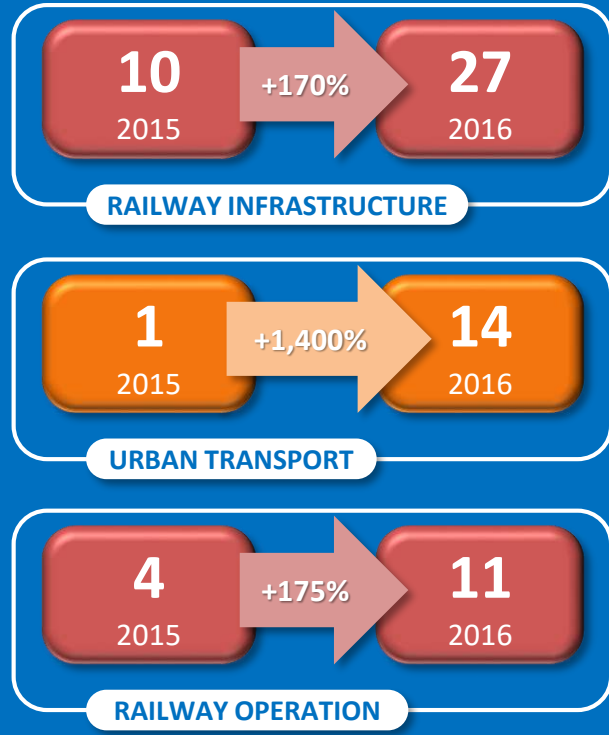
E.E.U.U

Suiza

Dubai

Tendersz	Company	Company
LP 28/2016	ATS	Spavias Engenharia
LP 29/2016	Tracking trains system	CAF Signalling
LP 33/2016	Railway signalling	Spavias Engenharia
LP 33/2016	Railway signalling	Spavias Engenharia
		Assignia
		Ghella + Salcef
		CRCC
		CREG
		Queiroz Galvao
LP 33/2016	Railway signalling	Vial Obra

## Increasing the number of providers





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