



Uruguay



PUBLIC-PRIVATE
PARTNERSHIP
HIGHWAY PROJECTS

NEW ROAD CORRIDORS: AN OPPORTUNITY TO INVEST IN URUGUAY

Number of Projects: 6 road corridors.
Estimated total initial investment: USD 343 million.
Total length: 1350 km.
Duration of PPP contracts: 20 years.



Uruguay has a strategic location to provide access to the region. This factor, together with the growth in exports and a greater mobilization of agro-industrial products, has resulted in the launch of an ambitious plan to improve logistics chains, with an emphasis on a more agile, secure, and efficient infrastructure throughout the country.

On a different note, heavy transport has changed its traditional performance, which has contributed to decentralization and an increased use of side roads. This new road network requires significant investments in initial work and a reorganization of its maintenance to go with the new flows of cargo, improve transit times, and increase the users' levels of security and comfort.

WHY INVEST IN URUGUAY?

- Political, legal, and social stability that ensure a favorable business environment.
- Macroeconomic soundness, with twelve years of uninterrupted economic growth. Only country in Mercosur with investment grade, which translates into the best conditions to have access to credits.
- Gateway to a market with 400 million people through Mercosur and its supplementary agreements with other countries, as well as the FTA between Uruguay and Mexico.
- Ease of doing business, high-quality human resources, and combined development of different sectors.
- Highest and best-distributed income in the region, with Montevideo considered the capital city with the best quality of living in Latin America (Mercer, 2015).



Route	Details	Length (km) ^(a)	AADT ^(b)	Initial investment ^(c) Estimated in million of USD
1	Routes 12, 54, 55 and 57*	260	836	62
2	Routes 9 and 15*	200	2064	55
3	Route 14 West and Middle*	260	850	93
4	Route 26 West	200	544	62
5	Routes 6, 7 and 12*	240	2058	71
6	Routes 14 East and 15	190	493	122**
TOTAL		1350		465

* Includes the connection to other routes.

** Assuming new work needs to be done in the entire route.

(a) Data are estimates and may be changed during the analysis and bidding stages.

(b) Corresponds to the average annual average daily traffic (AADT) of all the routes for 2014.

(c) Amounts corresponding to initial work to be done during the first two years; may be changed during the analysis and bidding stages.



ACTIVITIES TO HIRE

-DESIGN: Do the necessary studies to prepare all of the projects, designs, and plans for the necessary work and tasks for each of the sections. This includes everything from the initial condition of the sections that are assigned to the contractor to the required condition, and then the exploitation and maintenance of all sections that make up the routes for the 20-year period of the contract.

-FUNDING: Bear all costs resulting from studies, and the design, construction, and operation of routes, as well as all costs resulting from complying with the contract.

-CONSTRUCTION: Do all the work related to all of the plans, designs, and projects mentioned above.

-OPERATIONS: Carry out all ordinary and extraordinary exploitation and maintenance tasks for all sections that make up the routes, with regard to all of the plans, designs, and projects approved by the contracting party.

COMPENSATION FOR CONTRACTORS

As compensation for the investment made, **contractors will receive an availability payment according to service standards. This payment will be divided into three components.**

- Component A: a fixed annual payment for availability associated to the initial investment ("fine-tuning" work).
- Component B: a fixed annual payment associated to the maintenance costs according to the comprehensive plan for maintenance of all of the elements that make up the road and its operation.
- Component C: the Uruguayan State will make an annual payment for availability by means of a shadow toll per heavy vehicle that uses the road.



AWARDING CRITERIA

Contracts will be awarded pursuant to the following criteria:

Technical:

- Commitment with an IRI lower than the required minimum.
- Supplementary construction work.

Financial:

- Percentage to create an allowance fund for the final condition of the routes.
- Amount of economic proposal.

Economic:

- Linear addition of future payments.
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CHARACTERISTICS OF TRAFFIC

According to their geographic location, different sections will have different types of traffic:

- Heavy transport cargo, mainly with agro-industrial raw materials (raw wood, engineered wood, grains, live animals, etc.).
- Passenger transport, mainly related to binational tourism with Brazil.
- Fruit and vegetable production of the metropolitan area.

Public-Private Partnership Highway Project - Uruguay 2016.



Public-Private Partnership Highway Project - Uruguay 2016.

- Modern port and airport infrastructure, and competitive facilities make Uruguay an excellent choice to transport cargo bound for Mercosur and the region.
- Favorable legal framework for transportation and logistics activities, including the free trade zone, free port and airport, customs deposits, and temporary admission schemes.
- Uruguay has brought its international trade operations up to date by means of the "paperless customs" port system and the "Single Window for Foreign Trade", thus offering great customs facilitation.
- The National Logistics Institute (INALOG) brings the public and private community together and coordinates it, consolidating the country as an international logistics platform.
- Uruguay offers a high-quality supply chain in relation to logistics services, which makes it possible to reduce transit times and lower inventory costs with a smaller stock rotation, as well as to offer ideal delivery times and competitive international freight services.
- Many international companies use Uruguay as a regional distribution center.
- Uruguay is a leading country with regards to technology, having the highest Internet penetration rate and the highest download speeds in Latin America thanks to its modern fiber optics infrastructure.
- Uruguay has a robust investment program for the 2015-2019 period, which will optimize the country's productive capacity. In addition, it will enable it to advance and significantly modernize its main means of transport, by strengthening the road and railroad networks and the National Port System.





More information and bidding documents in
www.mtop.gub.uy/ppp