

Ministries of Finance and Public Works announce plans to accelerate infrastructure investment by US\$1.4 billion

The plan is designed to further support the economic recovery.

The Minister of Finance, Felipe Larraín along with the Minister of Public Works, Juan Andrés Fontaine, announced a plan to accelerate infrastructure investment projects for roughly US\$1.4 billion, including PPP projects (concessions) as well as traditional public works.

Felipe Larraín explained that although the economy in April showed signs of recovery after a weaker than expected first quarter – a mining sector with positive increase for the first time in the year with an annualized rate of growth of 3.6% for the last 12 months, according to the seasonally adjusted series-, “the economy can grow more and we are not happy with this performance”.

As announced by President Piñera in his State of the Nation speech (*Cuenta Pública Annual a la Nación*), the Ministry of Finance, the Ministry of Public Works and the Budget Office, will work on the implementation of a broad set of public infrastructure works that will boost the economy.

The plan accelerates the construction of public works projects and the bidding processes for concession projects for a total value of approximately US\$1.4 billion. In addition, public investment will follow a *fast track* process, reducing administrative approval times for the reallocation of public resources within the budget, if needed.

In sum, the plan considers:

1. Fast-track the necessary administrative steps to approve the investment in infrastructure projects.
2. Considering that the implementation during the beginning of each year is slow, the identification for projects for 2020 will be pushed forward.
3. The beginning of public works projects will be anticipated with the injection of additional resources for US\$388 million. The additional resources will be obtained by the reallocation of other budgeted expenditures.
4. To accelerate concessions for US\$657 million in 2019-2020.
5. The increase of resources for engineering research and to strengthen technical teams dedicated to concessions.
6. To allocate US\$300 million to accelerate the construction of public hospitals. These resources will be obtained by the reallocation of other budgeted expenditures.

The Minister of Public Works, Juan Andrés Fontaine, stated that as part of the plan, there will be an acceleration of projects related to highways (US\$287 million), ports (US\$17

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million), airports (US\$23 million), hydraulic projects (US\$42 million) and drinking water in rural zones (US\$19 million).

“These infrastructure projects will improve the productive capacity of the country and the quality of life, as well, reducing transportation times. These are projects with a high social impact, like the paving of 300 kilometers of additional basic roads and other 60 kilometers of roads in indigenous zones, the implementation of the free-flow system in toll roads, increasing the number of lanes in highways, 60 new bridges, rural drinking water systems and other projects that will benefit thousands of people”, highlighted Minister Juan Andrés Fontaine.

Additionally, the Minister of Public Works stated that 8 port projects and 17 airport auctions could be moved forward to this year.

“Through this, we want to support the economic recovery”, added Felipe Larraín, stating that these projects will create 21,000 new jobs.