



Ministry of Land,
Infrastructure and Transport

US\$500M Asuncion Light Rail Project paving the way for Korea-Paraguay G2G cooperation

*KIND and FEPASA sign a memorandum of understanding on
cooperation for the light rail project*

Project Site : Asuncion (the capital city of Paraguay) ~ Ypacarai

Project Type : BOT

Project Content : approx. 44km of rail sections (7 stations, 1 depot)

Project Period: Construction – around 2 years, Operation – 30 years

Total Project Cost : approx. US\$ 500 million

- The Korean delegation* of government and business officials, which visited Paraguay as part of a bid for the Paraguay Asuncion Light Rail Project, signed a Memorandum of Understanding (MOU) between Korea Overseas Infrastructure & Urban Development Corporation (KIND) and Paraguay's FEPASA on August 19th, 2020, paving the way for the G2G cooperation between Korea and Paraguay.

* The delegation was formed by officials from the Ministry of Land, Infrastructure and Transport (MOLIT, Minister KIM Hyun-mee), Ministry of Foreign Affairs (MOFA, Minister KANG Kyung-wha), and members of KIND, Korea Rail Network Authority (KRNA), and other construction companies.

- The Asuncion Light Rail Project is a PPP project worth US\$ 500 million,

building an urban rail line connecting Paraguay's capital city of Asuncion with a nearby suburb city, Ypacarai.

- The Project will set a milestone in Paraguay's railway history, as it constructs an urban railway for the first time in Asuncion, the city which currently only has the aged railway lines built in the colonial period.
- Under this MOU, KIND will collaborate with Paraguay's FEPASA in planning, financing, finding investors, and selecting construction firms for the light rail project.
- As the first follow-up measure of the MOU, KIND plans to conduct a feasibility study (F/S) this year, upon request from FEPASA.
- While the feasibility study is being conducted, MOLIT plans to finish general preparations for the project, such as forming a "Team Korea" and finalizing the method for financing.
- At the same time, MOLIT will actively engage in consultations with the Paraguayan government, so that G2G cooperation would continue on the main part of the project, such as construction, after the completion of the feasibility study.

- The successful outcome of the Korean delegation's visit to Paraguay is also thanks to the contributions made by MOFA, which, through close consultation with the Korean Embassy in Paraguay, arranged meetings with high-level officials of Paraguay including the President of the National Congress and officials from the Ministries of Public Works and Communications, Finance, and Foreign Affairs, and provided assistance regarding immigration procedures.

- Director Jae-soon PARK of Overseas Construction Policy Division explained, "As with the achievements made this February regarding the 3 projects in Bangladesh, this G2G cooperation with Paraguay will become an exemplary case of G2G cooperation on PPP projects."

- "Going forward, I hope the method of forming a team - "Team Korea"- consist of the government, KIND, public enterprises, and businesses based on G2G cooperation would become a new strategic model in advancing into the overseas construction market."