Project: Southern Transandine Railway

Presented by the Neuquén Province Investment Agency - Argentina
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Length of Southern Transandine Railway (in Spanish FCTS Ferrocarril Trasandino del Sur) 1300 km between the two main ports of terrestrial corridor Bahía Blanca, on the Atlantic side, and Concepción, on the Pacific side. Out of those 1300, 276 km are not constructed.

**SCOPE**

Construction of 276 km of railway track, between Zapala, in Argentina and Victoria-Púa in Chile.
Main Benefits of the Project

- Strengthen physical and geopolitical integration between Argentina and Chile through a biocean corridor fostering the commercial exchange.

- Costs reduction on freight transportation.

- Journey by sea around Cape Horn (cabo de Hornos) takes 6 or 7 days. Atlantic-Pacific link connection via Transandine Railway is estimated in only 24 hs.

- Combination of these factors indicate that the project is feasible and profitable.

- Access to new markets on the Pacific side.
Regional Productive Characteristics and Structure

- **Population**: 6,100,000 inhabitants (12% of the population of Argentina and Chile)
- **Surface**: 490,000 km² (14% of the territory of both countries)
- **Economy**: leading sectors are fishery, fruit growing, stockbreeding, mining, forestry, hydrocarbons, chemical and petrochemical industry.
Railway: an efficient mean of transport

- The railway allows to transport larger bulks than the truck at a lower price per unit
- Possibility to transport at least twice the current amounts of cargo
- Cross the Andes Mountain range where it is most convenient as regards weather conditions offering a continuous service.
- Land upgrade 2% maximum average
- No break-of-gauge to avoid transfers and optimize rail transport.
- High ratio loading/motive power.
- Low environmental impact
Referential Railroad
Main Data of the project

- **Extension**: Zapala (Neuquén Province – Argentina) – Lonquimay (Araucanía Region-Chile)
- **Andes crossing defined**: Authorities from Argentina and Chile agreed on Mallín Chileno, at 1,758 masl, as the most convenient border crossing.
- **Km. to construct on the Argentinian side**: 86 (50 km with engineering project finished)
- **Km. to construct on the Chilean side**: 80 – from Mallín Chileno Pass to Lonquimay
- **Km. to restore**: 110 from Lonquimay to Púa.
- **Total Km. To be constructed**: 276 (21% of the total)
Investment

- Estimated investment: U$S 500 MM for the section not constructed between the railheads currently operative
- Estimated value per km for a new track: U$S 2,5 MM
Railway Track
Other considerations: Exports to Chile by truck

- **Total de Carga**
  - 2004: 81930
  - 2005: 125660
  - 2006: 144631
  - 2007: 155059
  - Hasta Ago/2008: 191903

- **Total de Camiones**
  - 2004: 2855
  - 2005: 4499
  - 2006: 5209
  - 2007: 5369
  - Hasta Ago/2008: 6609
Since 1994 Argentina transports products destined to external markets shipped on Chilean ports of Antofagasta and Tocopilla.

Chilean nitrate and copper mining materials, also items from the free trade zone in Iquique are transported from Chile to Argentina. Products are also transported from/to Paraguay and Brazil.

The railway will certainly facilitate and improve the commercial interchange between both countries.
Additional services

- Combination of freight transport with other services, such as:
  - Turism.
  - Private wagons.
- The Biocean corridor has a strategic importance as it broadens the scope of influence made up by Río de Janeiro, Buenos Aires, Patagonia to Chile and the countries of the Pacific region.
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