

Opportunities for Swiss companies

# IN PROJECTS OF SANTIAGO SUBWAY AND RAILWAYS IN CHILE



OFFICIAL PROGRAM



IN COOPERATION WITH

**+** Schweizerische Eidgenossenschaft  
Confédération suisse  
Confederazione Svizzera  
Confederaziun svizra  
  
Embassy of Switzerland  
Swiss Business Hub Chile

**Cristián Anex V.**  
Certified Consultant S-GE  
Mining, Industry & Energy





## ABOUT CHILE

### 1ST PLACE IN LATIN AMERICA

WEF Competitiveness Ranking (since 1998)

### > 100 SWISS COMPANIES IN CHILE

with more than 20,000 direct jobs

### FREE TRADE AGREEMENT

Chile-EFTA since 2003

### INVESTMENT PROTECTION AGREEMENT

Chile-Switzerland since 2002

### DOUBLE TAXATION AGREEMENT

Chile-Switzerland since 2011

## HISTORY OF THE RAILWAY AND SUBWAY IN CHILE

### Chile Railway

The railway in Chile is a means of transportation used for both cargo and passengers, especially in the central and southern areas of the country.

Its origins date back to 1851, with the construction of the first line between the cities of Copiapó and Caldera, one of the first lines in South America.

After this railway, different lines were built throughout the country, such as the Valparaíso to Santiago Railway (1863), the Tongoy-Tamaya line (1867) or the Southern Railway. The latter line, intended to connect Santiago with Chillán, was acquired by the State in 1873 and served as the basis for the creation of the State Railway Company (Empresa de los Ferrocarriles del Estado - EFE) in January 1884.

In spite of the fact that the train had an important growth and importance in the development of the country in its beginnings, during the last 4 decades this growth was stopped, mainly due to circumstantial political reasons. However, the past and current governments have promoted the re-launching of the train as a relevant means of transportation in Chile. This initiative includes the improvement of the current tracks, renewal of rolling stock, better service to customers, together with the opening of other new connections, all of which involves a significant investment portfolio.

There are currently 4,873 km of track in Chile, in 3 different gauges: Wide track: 3744 km with 1676 mm gauge; Narrow track: 116 km with 1067 mm gauge; 2922 km with metric gauge; Standard track: 62 km from Arica to Tacna, Peru, with 1435 mm gauge.

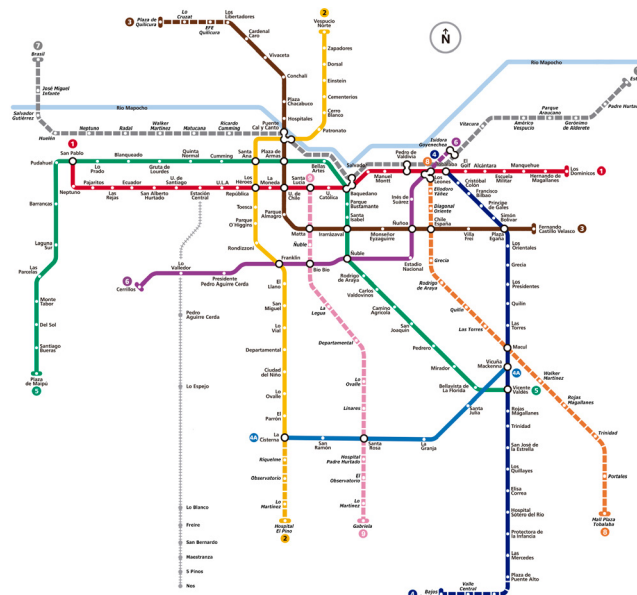
### Santiago Metro

Metro de Santiago is the metropolitan subway whose network covers part of Santiago, the capital of Chile. This transport system is administered by the state-owned company Metro S.A.

In 1975, the first line of the Santiago Metro was inaugurated, making it the third metro system in South America after Buenos Aires and São Paulo, which opened in 1913 and 1974, respectively.

Today, this metro is one of the most modern systems in Latin America, and is also the most extensive network in South America and the second longest in Latin America after the Mexico City Metro. It is also the seventh most regular in terms of frequency in the world.

The Santiago Metro currently has seven lines, 136 stations and an extension of 140 km. It transports around 2,600,000 passengers daily.



## STRATEGY OF CHILE TO ENHANCE RAILWAY AND SANTIAGO METRO SERVICES

In June 2022, the current president of Chile, Mr. Gabriel Boric Font, announced that an extensive railway network will be sought in the country, within the framework of the so-called National Railway Development Plan.

In the public annual speech of his first public account, the President highlighted that "this plan contemplates deploying urban and suburban passenger services, and gradually advancing in the construction of medium and long distance inter-regional passenger services. It also contemplates new infrastructure for cargo services and raises the quality standard of its current operations". In addition, he commented that work has already begun on the train that will link Santiago with Valparaíso.

The goal is to triple the number of passengers, from 50 million people transported by train in 2019 to 150 million passengers in 2026, making the train the backbone of sustainable mobility in Chile, which is why EFE is taking on the challenges of sustainability with a sense of urgency.

On the other hand, the expansion of Metro de Santiago is seen as one of the greatest contributions to achieving social and territorial equity in a city of eight million inhabitants like Santiago de Chile.

But in addition to sustainable mobility, Metro promotes culture, creates spaces for entrepreneurship, promotes intermodality with bicycles, contributes to decontamination and even supports the country's commitment to achieve carbon neutrality in Metro by 2025.

This is why Metro continues to work on the expansion of its network of stations, through three new lines and four extensions of existing lines.

"In the field of railways, Swiss companies have a recognised trajectory, so I foresee many opportunities for them, in terms of rolling stock, metal bridges, tunnel construction, control and automation systems, signalling, logistics, renovation of facilities in operation, conversion to green hydrogen, operations in high mountains, among others".

José Solorza Estévez, General Manager of the State Railway Company of Chile.

"Metro currently has a large portfolio of projects, which involve significant industrial development in different areas of work: construction, technology, administration and others. These initiatives will generate a great business opportunity for those national and international suppliers that have the necessary experience and knowledge to implement and execute large-scale and social impact projects, such as those developed by this public company".

Guillermo Muñoz Senda, President of Metro de Santiago

THE RAILWAYS ARE EXPECTED TO TRANSPORT 150 MILLION PASSENGERS BY 2026

FLAGSHIP PROJECT: TRAIN SANTIAGO - VALPARAÍSO

METRO AIMS FOR CARBON NEUTRALITY BY 2025

METRO NETWORK EXPANDS, WITH EXTENSION OF 4 EXISTING LINES AND CONSTRUCTION OF 3 NEW LINES



## STATE RAILWAY PROJECTS

In his government programme, the current President of Chile proposed "developing a railway policy in the central and southern macro-zones" and "strengthening the cargo railway". These policies aim directly at the development planned for the extensions and improvement of the current railway system, "giving continuity to the projects that already have some level of progress and promoting three new projects: Santiago-Valparaíso, Santiago-San Antonio and Santiago-Chillán-Concepción".

The next step towards the realisation of the railway programme was the announcement of the "National Railway Development Plan 2022-2026" with which the government aims to transport 150 million passengers and 6 billion tonne-kilometres of cargo per year.

The plan consists of four axes: raising the quality standard of operators, generating new infrastructure for cargo services, gradually advancing inter-regional medium and long distance services for passengers and the deployment of urban and suburban services in areas of influence of the regional capitals where EFE operates.

The projects highlighted are the Melipilla-Estación Central section -called 'Melitren'-, Santiago-Batuco section and the study of Limache-La Calera line. The most noteworthy, however, is the Santiago-Valparaíso train, which dates back to 2014 when EFE and the Regional Government of Valparaíso carried out a pre-feasibility study for the construction of a cargo and passenger train between the capital and the port.

Type	Projects in railway development plan	Stage	Investment (MM USD)
Expansion	Nos - Estación Central	In progress	49
Expansion	Vilcún - Padre Las Casas (Parads PLC + Cajón)	In progress	0,6
Replacement and upgrading	Chillán - Estación Central	In progress	115
Replacement and extension	Rancagua - Estación Central	In progress	18
Infrastructure	Nuevo Puente Biobío	In progress	268
New Service	Melipilla - Estación Central	In progress	1,582
Systems	Payment method	In progress	7
Expansion	Ext. Quillota - La Calera	Under study	700
New Service	Temuco - Gorbea	Under study	134
Expansion	Coronel - Lota Extension	Under study	106
Expansion	O'Higgins, Maule, Ñuble Regional Services	Under study	200
Expansion	Concepción - Los Ángeles	Under study	126
Expansion	Santiago - Valparaíso	Under study	1,320
New Service	North Access and service to Concepción	Under study	2
New Service	Calera - San Felipe - Los Andes	Under study	123
Cargo	Ferroport logistics platform	Under study	45
Expansion	Est. Central - Quinta Normal Connection	Under study	196
Expansion	Estación Valencia (Quilpué)	Under study	13
New Service	Concepción North Extension (Lirquén)	Under study	118
Systems	Virtual signalling control	Under study	108
New Service	Quinta Normal - Batuco	Under study	705
Replacement	Talca - Constitución Renovation	Under study	14
		22	5,949

## SANTIAGO METRO PROJECTS

The expansion of the Santiago Metro is seen by the government as a contribution to achieving social and territorial equity in a city of eight million inhabitants like Santiago.

That is why Metro continues to work on the expansion of its network of stations, through three new lines and four extensions of existing lines.

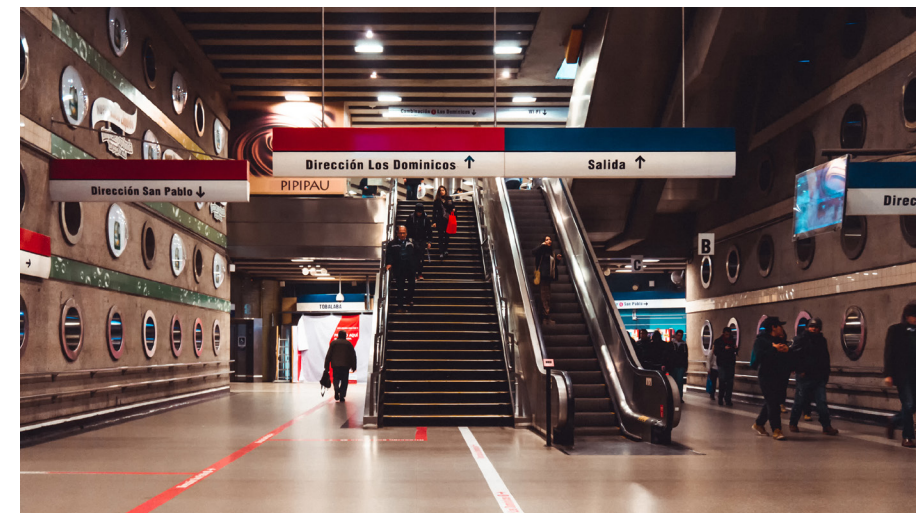
The extension projects involve the extension of Line 2 by four stations and the extension of Line 3 by three stations, both projects with an estimated commissioning date of late 2023. It also includes the extension of Line 6 by one station, with an estimated commissioning date by the end of 2027.

On the other hand, the construction of the new Line 7, which will connect the districts of Renca with Vitacura through 19 stations (with an estimated commissioning date for the end of 2027), is currently underway. In addition, the new Line 8 will connect Providencia with Puente Alto through 14 stations and the new Line 9 will connect the Santiago city centre with La Pintana through 12 stations (both projects are expected to be in service by the end of 2030).

As for the services required for Metro's project portfolio, solutions are envisaged in the construction of tunnels and vertical piques, access galleries, civil works, track assembly, renewal of rolling stock, control and automation, maintenance and renovation of lines and stations in operation, escalators and lifts, among others.

In total, Metro's ongoing expansion projects involve an estimated investment amounting to US\$7.6 billion.

Type	Projects in railway development plan	Stage	Investment (MM USD)
Expansion	Line 2 Extension	In progress	410
Expansion	Line 3 Extension	In progress	379
Expansion	Extension of Line 6 to the West	In progress	197
New Service	New Line 7	In progress	2,528
Expansion	New Line 8	Under study	1,900
Expansion	New Line 9	Under study	1,782
Expansion	Line 4 Extension	Under study	404
		7	7,600



## OPPORTUNITIES FOR SWISS COMPANIES

The following is a list of opportunities for Railways and Metro projects in Chile.

### Sector



#### Services

- Basic and detail engineering
- Architecture
- Technical inspection of works
- Land surveying
- Certifications
- Innovation Consulting



#### Infrastructure

- Stations
- Track
- Rolling Stock
- Tunnels
- Bridges
- Electrical installations
- Lifts and escalators
- Telecommunication systems



#### Safety and automation

- Operations control systems
- Railway safety technology
- Passenger information systems
- Ticketing systems



#### Rolling stock

- Renewal of equipment
- Refurbishment of equipment in operation
- Passenger comfort facilities
- Maintenance of equipment
- Sensors, control systems, on-board computers
- Traction components



#### Prevention of natural and man-made hazards

- Work safety
- Disaster risk reduction (e.g. against earthquakes)
- Air quality control / gas detection
- Fire control systems



#### Air and Environment

- Dust emission reduction during construction and operation
- Indoor dust filtration
- Sustainability, eco-design and design for the circular economy

## INTERNATIONAL PUBLIC PROCUREMENT IN CHILE

Public procurement is a formal process through which government entities obtain goods and services, including construction services or public works and public works concession contracts.

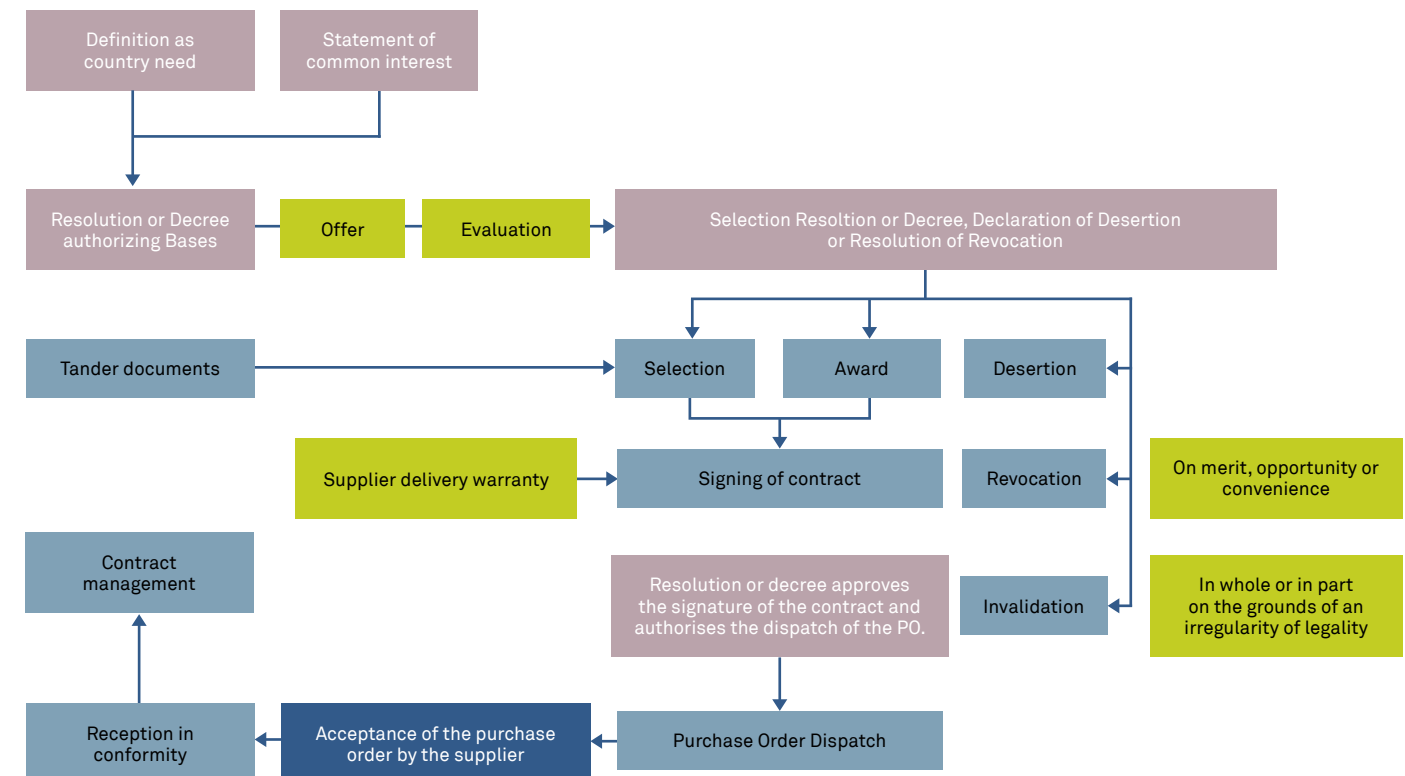
In Chile, international public procurement refers to the possibility for foreign suppliers to participate in tenders in the country, allowing national public entities to obtain better prices and conditions by expanding the supply and competition in the public market.

As a result, thanks to the Switzerland-Chile Trade Agreement (EFTA), the Chilean State is committed to ensuring that Swiss companies will receive no less favourable treatment than that granted to a local supplier, thus preventing them from being discriminated against in tendering processes on the grounds that they are foreigners.

Both Metro de Santiago and the State Railway Company have their own supplier registration systems and tendering processes, which are based on the general principle that all purchases or orders made by the State must be made through public tenders, with few exceptions, such as small amounts in isolated purchases or in emergencies caused by catastrophes.

In this way, as a main objective, public tenders do not establish barriers to entry. Thus, in the processes themselves, the aim is normally to maximise economic efficiency, which means that the administration awards the tender to the bidder that offers the best technical and economic conditions to carry out the contract offered. Furthermore, it is concerned that all information, whatever its nature, is accessible to all participants and to the public of interest.

A typical scheme is presented below, showing the main steps to be followed in a public tender in Chile:



**Switzerland Global Enterprise**  
**Swiss Business Hub Chile**

Embassy of Switzerland in Chile  
Américo Vespucio Sur 100  
14th floor, Las Condes  
CL-Santiago de Chile  
T +56 22 928 01 00  
santiago.sbhchile@eda.admin.ch

Switzerland Global Enterprise  
Headquarter  
Stampfenbachstrasse 85  
CH-8006 Zurich  
T +41 44 365 51 51

s-ge.com  
info@s-ge.com