



Sweden

**Sverige**

# WINNING INFRASTRUCTURE DEALS IN LATAM

---

Infrastructure EPC opportunities for Sweden



**SEK**

 **ekn** 

# THANK YOU FOR CALLING IN FOR TODAY'S WEBINAR!

Before the meeting, we kindly ask everyone to:



*Mute your microphone*



*Webcam off (unless you are presenting)*



*Write any questions and/or comments in the chat  
– they will be addressed during the Q&A session or followed-up after*



*We are recording today's session*

# A VERY IMPORTANT QUESTION TO OUR AUDIENCE



*What are your main challenges when doing business in Latin America?*

*A poll will appear in the chat:*

- use the show conversation icon to use the chat*
- you can select multiple answers*
- all answers are anonymous*
- we'll show the results and discuss them in our Q&A session*



# INTRODUCING TODAY'S SPEAKERS

---

## Global team



**Per Åkerlind**  
Deputy CEO  
Swedish Export Credit Corporation

*per.akerlind@sek.se*



**Kjell Forsberg**  
Deputy Director Large Corporates  
The Swedish Export Credit Agency

*kjell.forsberg@ekn.se*



**Hans-Olof Rauman**  
Senior Advisor Strategic Projects  
Business Sweden

*hansolof.rauman@business-sweden.se*



**Madelen Strömberg**  
Consultant  
Business Sweden

*madelen.stromberg@business-sweden.se*

## Regional team



**Yazmin Maya**  
Project Manager, Colombia  
Business Sweden

*yazmin.maya@business-sweden.se*



**Abraham Morales**  
Project Manager, Mexico  
Business Sweden

*abraham.morales@business-sweden.se*



**Marcelo Juc**  
Consultant, Brazil  
Business Sweden

*marcelo.juc@business-sweden.se*



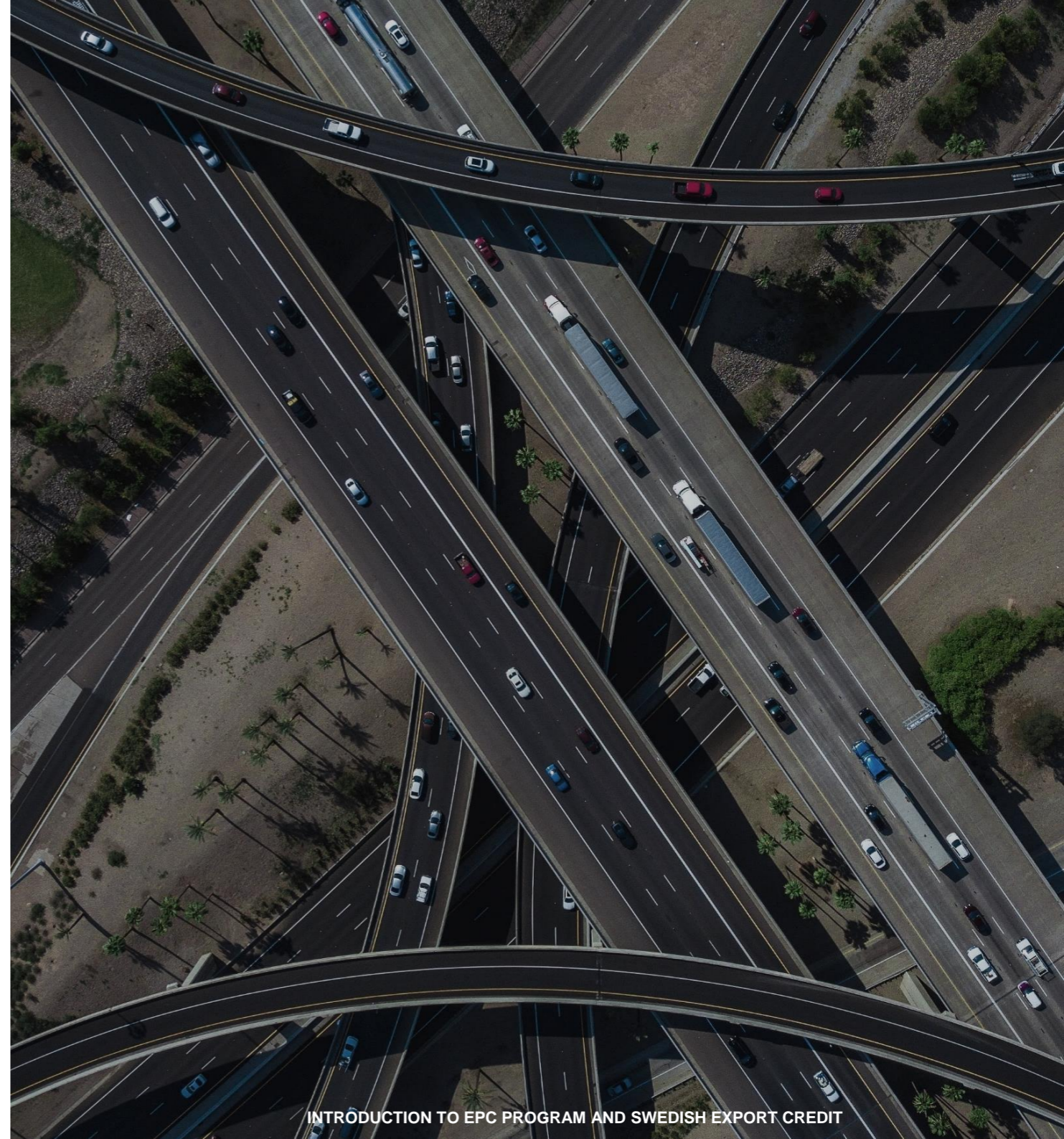
**Marcelo Quiroga**  
Consultant, Chile  
Business Sweden

*marcelo.quiroga@business-sweden.se*

# AGENDA

---

- **Introduction to Business Sweden's EPC program and the Swedish Export Credit Offering**
- Business Sweden's EPC study in Latin America
- Planned activities during 2021
- Next steps
- Q&A



# THE EPC PROGRAM

## TEAM SWEDEN CALL FOR PARTNERSHIP



### Background

- Sweden have world leading product and service companies
- Very attractive Swedish AAA ECA financing
- Few Swedish EPC's on export market
- Not enough international EPC's in Sweden



### EPC partnership

- Swedish financing for projects in export markets
- Swedish companies with world class products & services
- Introduce EPC's to the Swedish markets



### Objectives

- Secure Swedish supply to export projects
- Establish relations with EPCs
- International EPC's to win contracts in Sweden

## TEAM SWEDEN

A NETWORK OF GOVERNMENT AUTHORITIES, ORGANIZATIONS AND THE INDUSTRY TO JOINTLY PROMOTE TRADE AND INVESTMENT



**BUSINESS SWEDEN**  
Business Sweden's purpose is to help Swedish companies grow global sales and international companies invest and expand in Sweden



**THE SWEDISH EXPORT CREDIT AGENCY**

EKN is an authority with the task of promoting Swedish exports. They do this by insuring the risk of not being paid in export transactions

**SEK**

**SWEDISH EXPORT CREDIT CORPORATION**

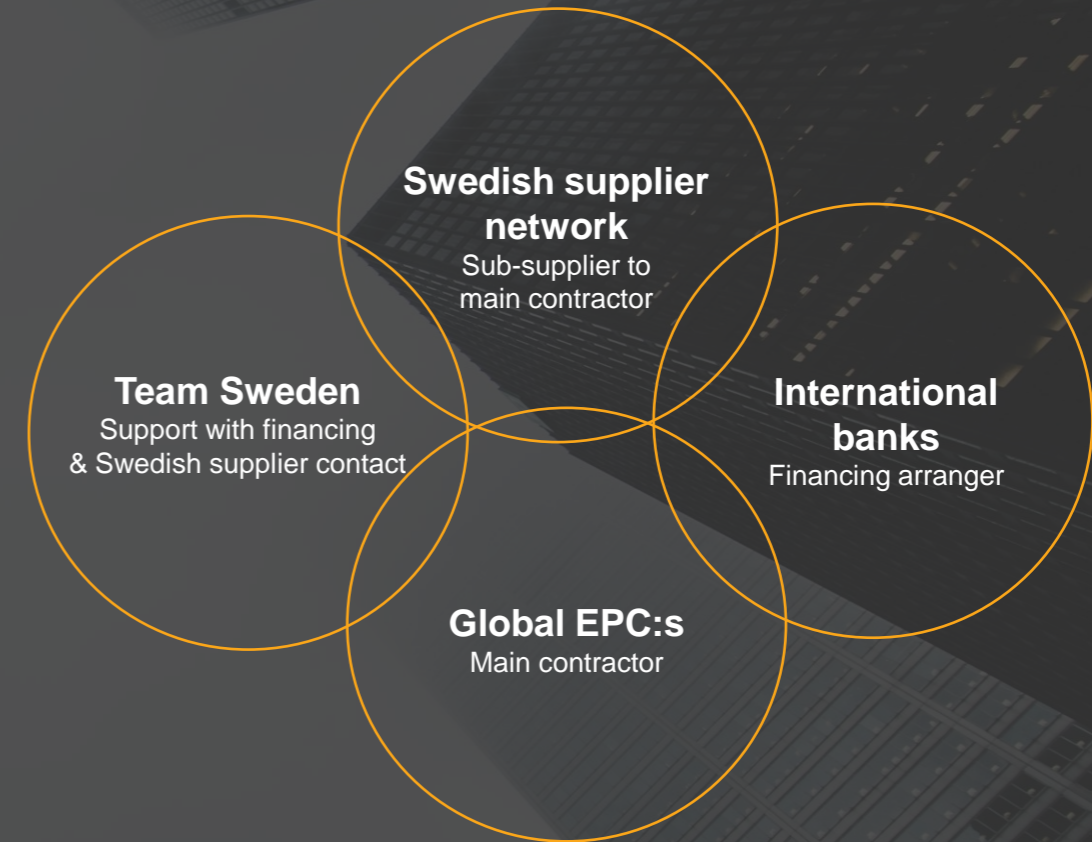
With SEK's financing international buyers can obtain loans to purchase Swedish goods and services. This reliable source of fund is also available for exporters

**Swedfund**

**SWEDISH DEVELOPMENT FINANCE INSTITUTION**

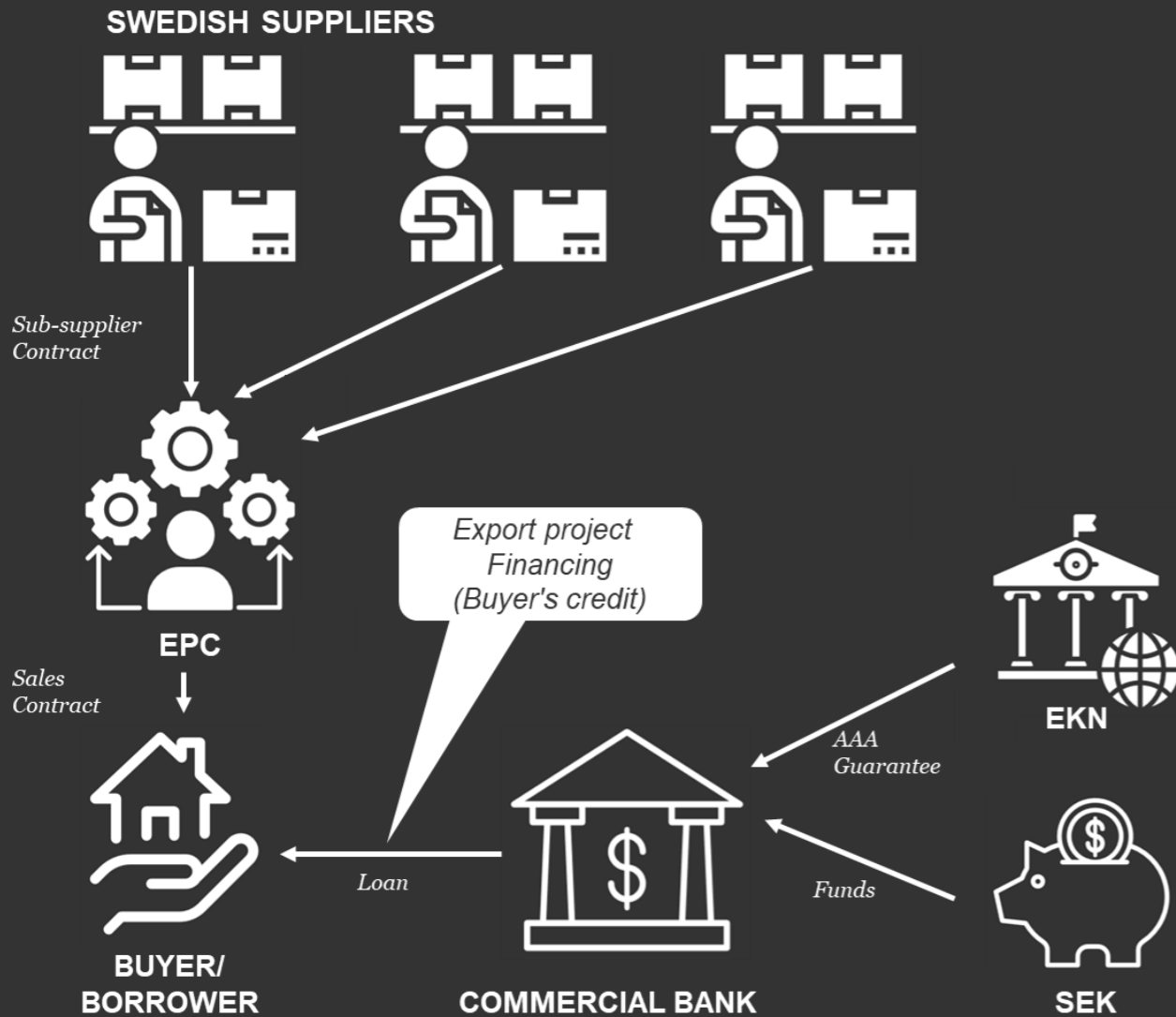
Swedfund's goal is to eliminate poverty by creating sustainable business in some of the world's toughest and most promising growth markets.

## PROGRAM STAKEHOLDERS SYNERGIES OF COOPERATION





# EXPORT CREDIT FINANCING STRUCTURE



OECD RULES ALLOW EKN AND SEK TO COVER UP TO 50% LOCAL COSTS OUT OF THE EXPORT VALUE

30% SWEDISH CONTENT OF TOTAL CONTRACT VALUE

EDGE IN SUSTAINABILITY

# IDENTIFY AND WIN EPC LED PROJECTS WITH SWEDISH SUPPLY SUPPORTED BY SWEDISH FINANCING

---

30 7267 920

Total projects  
in pipeline

MEUR in  
value

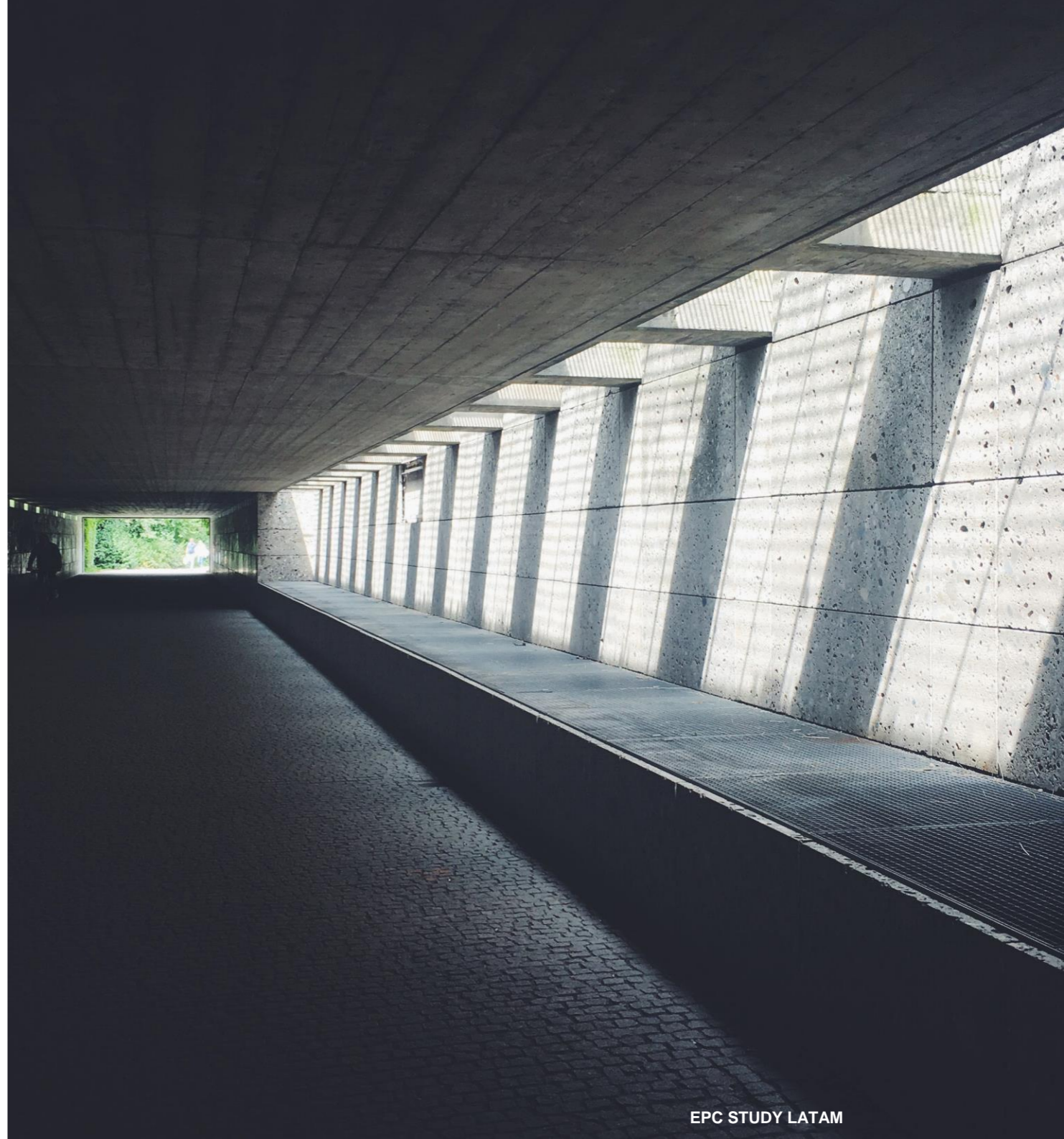
MEUR value in deals closed  
(mid 2019 until May 2021)

TARGET 5 NEW DEALS 2021

# AGENDA

---

- Introduction to Business Sweden's EPC program and the Swedish Export Credit Offering
- **Business Sweden's EPC study in Latin America**
- Planned activities during 2021
- Next steps
- Q&A



*South America has a regional potential of **300 BUSD** on announced investments in sectors with high potential to generate **sustainable infrastructure projects***

*The coast-to-coast railway connecting Brazil, Paraguay, Bolivia and Peru is a good example, along with the Guatemala interoceanic corridor and the Bogota green BRT corridor in Colombia*

---

The Inter-American Development bank and consulting firm Merker

# The purpose of the study is to identify high potential EPC contractors and projects to target with Swedish suppliers and export credit financing in Latin America

## INFRASTRUCTURE INVESTMENT TRENDS

- Regional analysis
- Country prioritization
- Macroeconomics and Covid-19 impact
- Infrastructure investment trends

## EPC CONTRACTOR MAPPING

- Size of operations (revenue)
- Key projects
- Need for Swedish solutions
- Experience with export credit agencies

## PROJECT MAPPING

- Characteristics of projects (sector, value, etc.)
- Timeline
- Financing

## SYNERGIES WITH BANKING INSTITUTIONS

- Project financing models
- Sector challenges
- Interest on Swedish export credit financing

## Development of a *market-needs* based ecosystem for Swedish companies in EPC projects

**Top global and local contractors on key sectors for the market**



**Potential Swedish suppliers matching key sectors of EPC contractors for each market**



**International and local banks interested in leveraging from Swedish offering**

**KEY FINDINGS IN LATINAMERICA TO WIN EPC PROJECTS  
WITH SWEDISH SOLUTIONS AND FINANCING**

**4**      **273**      **1,905**

Prioritized  
markets

EPC contractors  
analyzed

BUSD infrastructure  
investment needs



**FOCUS MARKETS**

Brazil, Colombia, Mexico and Peru are the most attractive infrastructure markets



**FINANCING**

Project owners and contractors involved in project financing – focus on PPPs



**SYNERGIES WITH EPCs**

Medium-scale EPC contractors have the greatest potential



**22 EPC contractors**

With confirmed interest to meet with Swedish suppliers

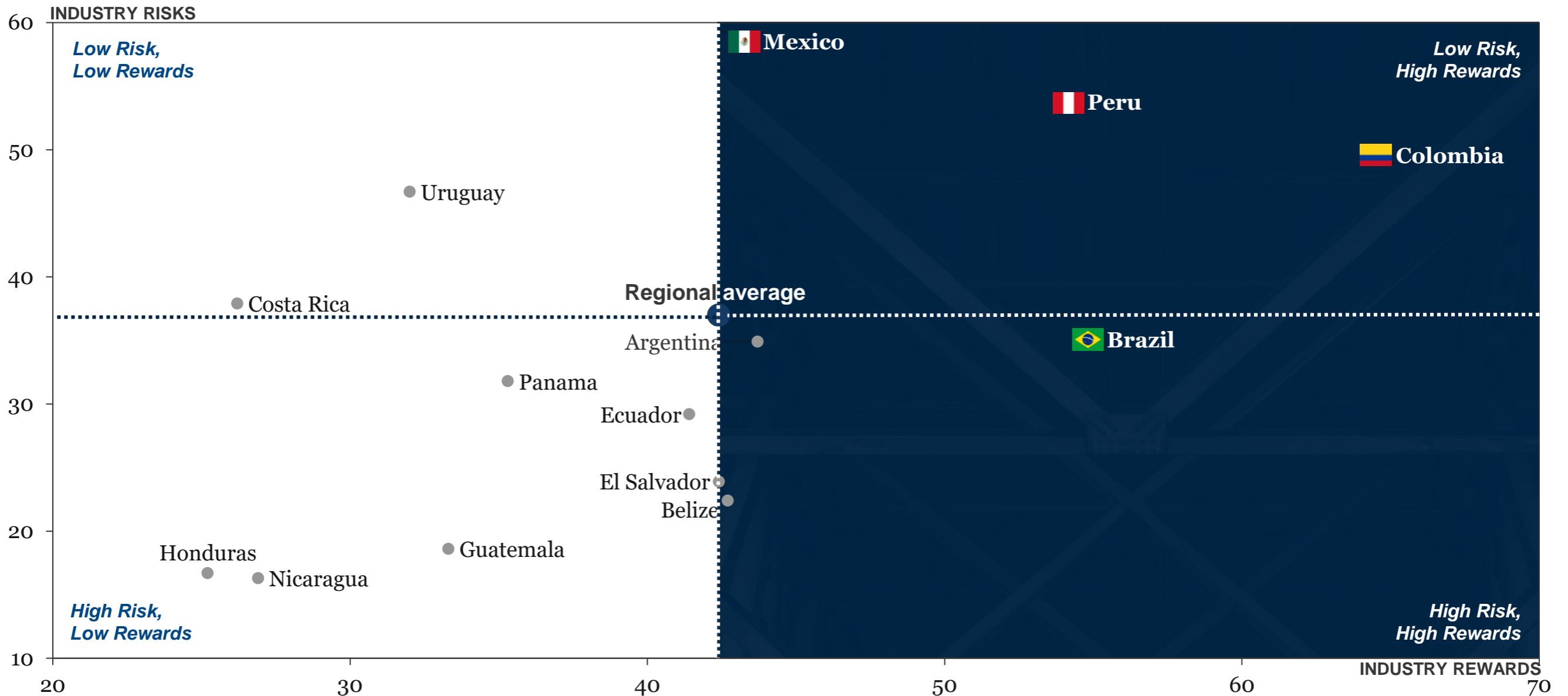


**28 qualified projects**

Potential investment for 51.4 BUSD

# Brazil, Colombia, Mexico and Peru are the most attractive infrastructure markets in the region according to the infrastructure industry risk and rewards

## INDUSTRY RISK & REWARDS MATRIX FOR LATIN AMERICA



Note: Scores out of 100; higher score = lower risk.

# Transport infrastructure (roads, bridges and tunnels) remains as the most relevant sector, Peru being an exception

INFRASTRUCTURE INDUSTRY VALUE 2020, B USD

BREAKDOWN BY SUBSECTORS (%)



**TRANSPORTATION** AIRPORTS RAILWAYS PORTS ROADS, BRIDGES & TUNNELS

**ENERGY & UTILITIES** OIL & GAS WATER POWER PLANTS AND GRIDS



# Based on their market position and their interest for the Swedish offer, 22 EPC contractors show the most potential

## EPC POTENTIAL MATRIX FOR SWEDISH COMPANIES






































# Medium scale local and global EPC contractors have the greatest potential to use Swedish financing for projects in Latin America followed by large local contractors

More potential for Sweden,  
Experienced with export credit

Less potential for Sweden,  
Not experienced with export credit

	MEDIUM-SIZED LOCAL CONTRACTORS	MEDIUM-SIZED GLOBAL CONTRACTORS	LARGE LOCAL CONTRACTORS	MEDIUM-SIZED GLOBAL CONTRACTORS	SMALL-SIZED LOCAL CONTRACTORS	LARGE GLOBAL CONTRACTORS
Turnover	> 100 M USD < 500 M USD	> 100 M USD < 500 M USD	> 500 M USD	> 500 M USD	< 100 M USD	B USD +++
Identified EPC contractors	16 10 5 2	101 Multinationals	8 1 1	61 Multinationals	15 11 3	17 Multinationals
Example EPC contractors	VLI Cosapi ODINSA	Enel Br Mota-Engil Mx COMSA Co	Arteris Carso Aenza	Sacyr Co Ecordovias Br Arteris Br	Grupo Mexico KMA Construcciones ICA	China Harbour Engineering Co Engie Br Acciona Mx
Experience with export credit	Companies with decent market position and credit rating who want to use ECA financing to expand on local market	Primarily want to use ECA to pitch weaker project owners in developing countries	Primarily provide financing to projects as concessionaires, not much experience with ECA	Have experience with ECA on international markets rather than developing countries	Companies with weaker market position lacking credit rating or capabilities to take on larger debt	Large, foreign companies tend to use financing from their home countries
Swedish solutions usage	Medium/High 	Medium 	Medium/High 	Medium 	Medium/Low 	Low 

# More than 28 quality projects associated with shortlisted contractors – many of them are high-profile undertakings with a demand for premium solutions

Countries	Targeted infrastructure projects				
	Identified projects	Total investment	Sectors	EPC contractors and funding	
				Ownership	Source of funding
 <b>Brazil</b>	8	12.7 BUSD	    	 <b>Domestic, private</b> EPC contractors	 <b>PPPs drive infrastructure</b> investments
 <b>Mexico</b>	6	13,702 BUSD	    	   <b>Domestic and foreign</b> EPC contractors	  <b>State and PPPs drive</b> infrastructure investments
 <b>Colombia</b>	6	17.5 BUSD	   	 <b>Domestic, private</b> EPC contractors	 <b>PPPs drive infrastructure</b> investments
 <b>Peru</b>	8	9.7 BUSD	   	   <b>Domestic and foreign</b> EPC contractors	 <b>PPPs drive infrastructure</b> investments

TRANSPORTATION



AIRPORTS



RAILWAYS



PORTS



ROADS, BRIDGES & TUNNELS

ENERGY & UTILITIES



OIL & GAS



WATER



POWER PLANTS AND GRIDS

## Four key takeaways to keep in mind when engaging EPC contractors for Swedish companies

**FOCUS ON HIGH-TECHNOLOGY  
PROJECTS WHERE  
COMPETITIVE ADVANTAGE IS  
THE HIGHEST**

**TARGET MEDIUM-TO-LARGE  
CONTRACTORS TO MAINTAIN  
AND GROW SWEDISH  
CONTENT**

**DEPLOY MULTI-STAKEHOLDER  
APPROACH IN EARLY PROJECT  
PHASE TO GAIN INFLUENCE**

**EDUCATE STAKEHOLDERS ON  
SWEDISH ECA FINANCING**



Projects requiring advanced solutions where leading Swedish suppliers can play an “anchoring” role



Focus on larger contractors in Brazil and Mexico and medium contractors in all countries, prioritize experience with ECA financing and sustainability processes



Create a unique project ecosystem linked with Sweden through dialogue EPC contractor, local bank and project owner

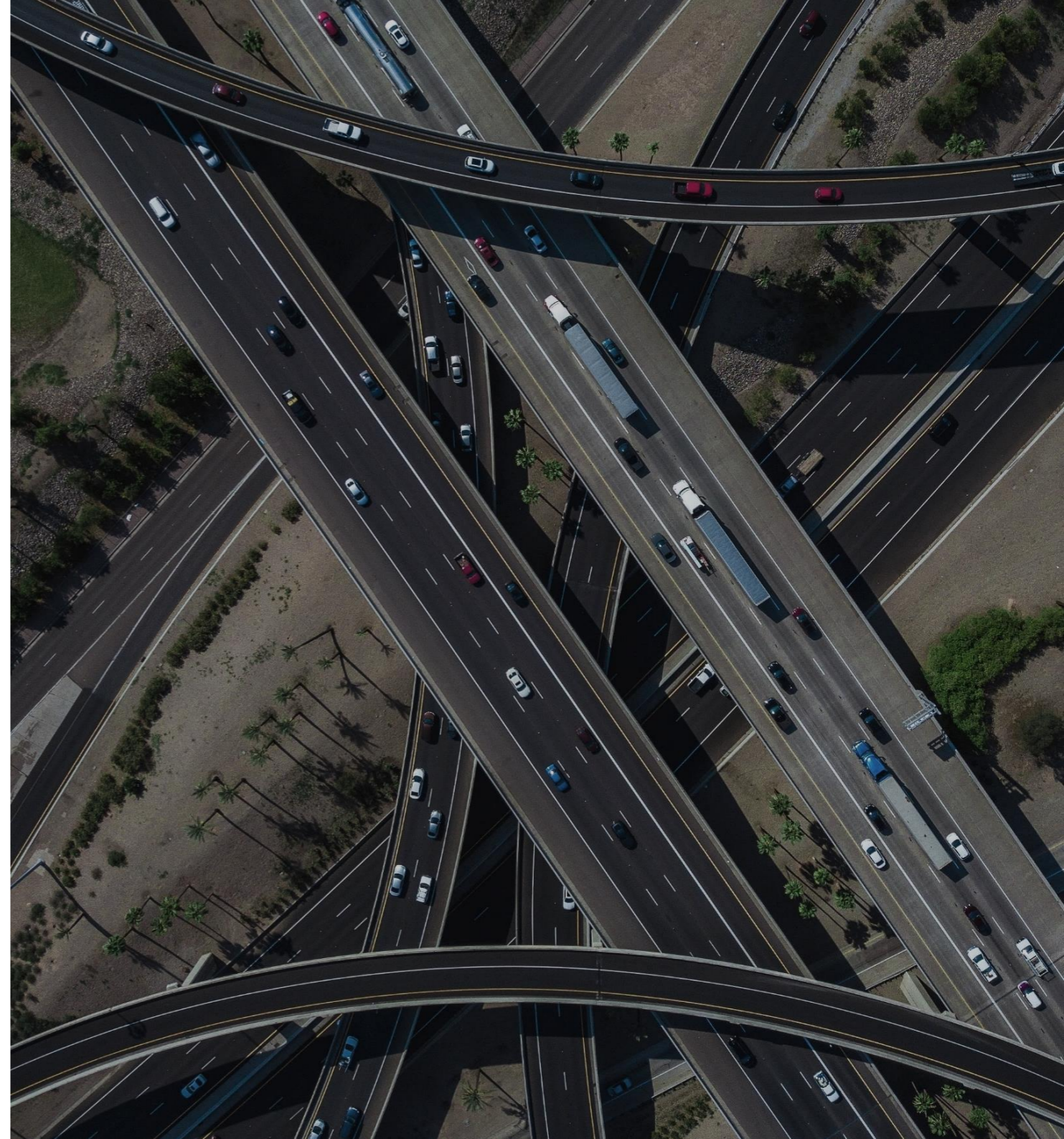


Guide contractors on how to achieve content requirement and how to counter bids with competing Swedish financing solutions

# AGENDA

---

- Introduction to Business Sweden's EPC program and the Swedish Export Credit Offering
- Business Sweden's EPC study in Latin America
- **Planned activities during 2021**
- Next steps
- Q&A



An aerial photograph of a city highway interchange, likely in Brazil, featuring multiple levels of concrete overpasses and ramps. The highway is filled with cars and a bus. In the background, a dense urban skyline with numerous high-rise apartment buildings is visible under a hazy, overcast sky. The foreground is dominated by lush green trees and vegetation.

# BRAZIL



TRANSPORT INFRASTRUCTURE 

## EXPANSION OF THE MUNICIPAL BRT SYSTEM IN CURITIBA, PARANÁ

**94**  
**M. USD**  
investment  
2020 – 2025

Modernization of the urban bus transport infrastructure of Curitiba municipality, part of a greater smart city plan involving other solutions with connectivity and green development

# BRAZIL OVERVIEW

## 3 takeaways

1

### *Market and sector opportunities*

- *Market in recovery after an economic recession and corruption scandals*
- *Stronger medium-sized players and international EPCs*
- *Federal privatization plan includes +150 projects, +50 billion USD in investments*

2

### *Market challenges for Swedish companies*

- *Local content requirements in projects financed by public banks*
- *Higher import taxes than in other Latin markets*
- *Devaluation of local currency hindering imports*

3

### *Conclusions on identified EPCs and suggested approach for 2021*

- *Traditional players still relevant, but larger investments from foreign EPCs – i.e. Enel, Engie*
- *Privatization plans and new regulations to stimulate investments*
- *New corporation demands towards digitalization and sustainability*



A wide-angle, low-angle shot of a busy city street, likely in Mexico City, looking down a long, narrow thoroughfare. The street is filled with a diverse crowd of people walking in both directions. On the left, there are multi-story buildings with classic architectural details like balconies and ornate window frames. A sign for 'Linea' is visible on the left side. On the right, there are modern glass-fronted buildings. In the far distance, a tall, iconic skyscraper with a pointed top, the Torre Latinoamericana, rises above the other buildings. The word 'MEXICO' is overlaid in large, white, bold, sans-serif capital letters in the center of the image. The overall lighting is somewhat dim, suggesting an overcast day or late afternoon.

# MEXICO



RAILROAD INFRASTRUCTURE 

**INTEROCEANIC CORRIDOR  
MEXICO – CANADA CORRIDOR**

**4.3**  
**B. USD**  
investment  
2020 – 2026

Railroad sector to be the most developed in Mexico for the following years. Swedish companies can offer among their solutions construction equipment, IT connectivity and electric stations.

# MEXICO OVERVIEW

## 3 takeaways

1

### *Market and sector opportunities*

- *Current projects focus on develop the Southeast region of the country*
- *Railroad and Energy projects represent over 90% of the current investments*
- *Energy sector: Refinery of Dos Bocas is the most relevant*

2

### *Market challenges for Swedish companies*

- *Electric law uncertainty: It's approval hasn't been settled yet*
- *Influence by the United States*
- *Public projects = Slower negotiations and decision making*

3

### *Conclusions on identified EPCs and suggested approach for 2021*

- *EPCs in largest public projects in Mexico: Carso, Mota-Engil, ICA*
- *Interest to collaborate with ECAs*
- *In occasions, infrastructure credits are more attractive than export credits due to lower interests*
- *Approach in 2 different levels: management and implementation*

An aerial photograph of Bogotá, Colombia, taken at dusk. The central focus is the Cathedral of the Holy Spirit, a large, ornate building with a prominent dome. In the foreground, a modern tram is visible on an elevated track, moving across the frame. The city is filled with various buildings, and the background shows a range of mountains under a cloudy sky. The word "COLOMBIA" is overlaid in large, white, bold letters across the center of the image.

# COLOMBIA

EL DORADO II,  
CARTAGENA AIRPORT,  
COFFEE AIRPORT

**5.2**

**B. USD**

investment

2020 – 2026

Swedish companies can offer a wide variety of products and services; from paving, security, energy and control systems to providing special vehicles for airports. EPCs have interest in what Sweden can offer



# COLOMBIA OVERVIEW

## 3 takeaways

1

### *Market and sector opportunities*

- *Focus on transport infrastructure, green energy and sanitation*
- *Road infrastructure program – 34 BUSD for 16 projects*

2

### *Market challenges for Swedish companies*

- *Swedish pricing, particularly against Chinese EPCs*
- *Local EPCs have little to no experience with export credit*

3

### *Conclusions on identified EPCs and suggested approach for 2021*

- *Leverage on Swedish promotion concepts – Smart City*
- *EPC contractors prefer sponsor (project owner) financing*
- *Leverage on EPCs with cultural fit and interest for new, sustainable technologies*



# PERU



RAILROAD INFRASTRUCTURE 

## HUANCAYO – HUANCAVELICA RAILROAD

**263**  
**M. USD**  
investment  
2021 -2051

Maintenance, extension, modernization and operation of one of the highest altitude railway lines in the world. Swedish companies can contribute with construction and transport machinery and environmental expertise



# PERU OVERVIEW

## 3 takeaways

1

### *Market and sector opportunities*

- *Over 1,500 MUSD in transport projects*
- *Water supply and a wastewater treatment in the pipeline for more than 500 MUSD*
- *The growing mining Sector expects almost 8 BUSD in projects*

2

### *Market challenges for Swedish companies*

- *Major political risks*
- *Corruption in both public and private sectors*
- *Little experience, but high interest, on export credit financing*

3

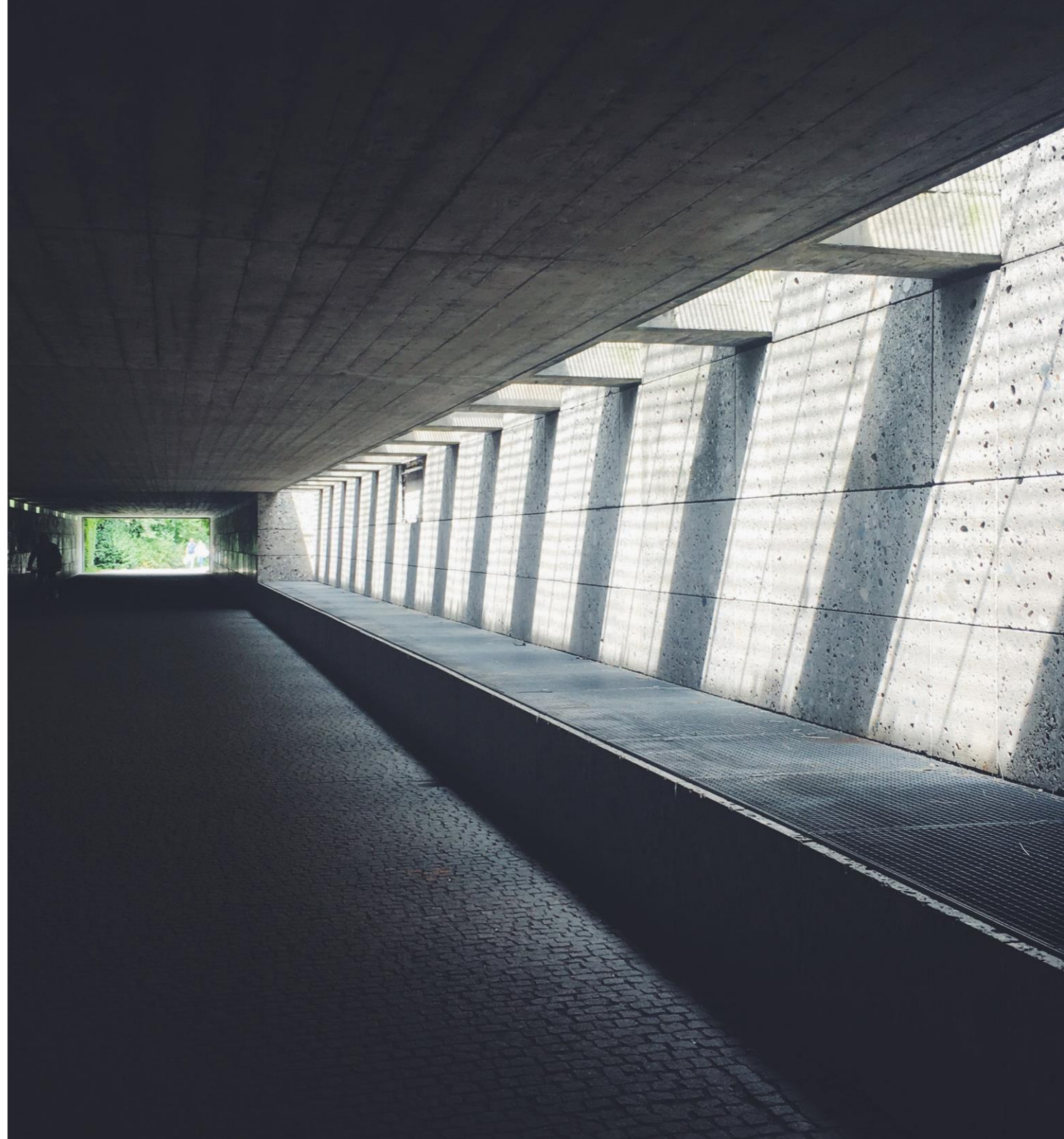
### *Conclusions on identified EPCs and suggested approach for 2021*

- *Mota-Engil Peru is the strongest international company*
- *Aenza and Cosapi major local EPCs*
- *Individual approach to each company's financial and sourcing managers is key*

# AGENDA

---

- Introduction to Business Sweden's EPC program and the Swedish Export Credit Offering
- Business Sweden's EPC study in Latin America
- Planned activities during 2021
- **Next steps**
- Q&A



## THE 2021 EPC ALLIANCE TO SUPPORT SWEDISH EXPORTS

Identify and qualify large infrastructure projects abroad

Matchmake EPC players with Swedish suppliers

AAA-rated export financing solutions from Sweden

## TEAM SWEDEN WINS 3 OUT OF 10 “DEALS OF THE YEAR”

2 out of 3 from EPC Program





2021 Latin America

## Swedish EPC

# Program & Construction Summit

Next steps



### IDENTIFY PROJECTS

- Targeting existing and potential projects
- Identify potential EPC's



### TARGET EPCs

- Shape interaction with potential customers
- Present your solutions



### NETWORKING EVENT- CONSTRUCTION SUMMIT

- Digital B2B meetings
- Online matchmaking



### PURSUE SELECTED DEALS

- Support in the EPC engagement
- Maximize the Swedish value in projects



### Accelerate Swedish participation on targeted projects

- Projects financed by matchmaking Swedish sustainable solutions with targeted EPC contractors
- Research and activities to engage projects and map Swedish technologies, innovations and solutions



### Positioning and communication

- Online communication platform to engage with key stakeholders
- Participation from Team Sweden to support engagement with project owners and EPC's with financing



Which countries and projects in Latin America should be the focus?

Which EPC contractor you'd like to interact with?

Interested?

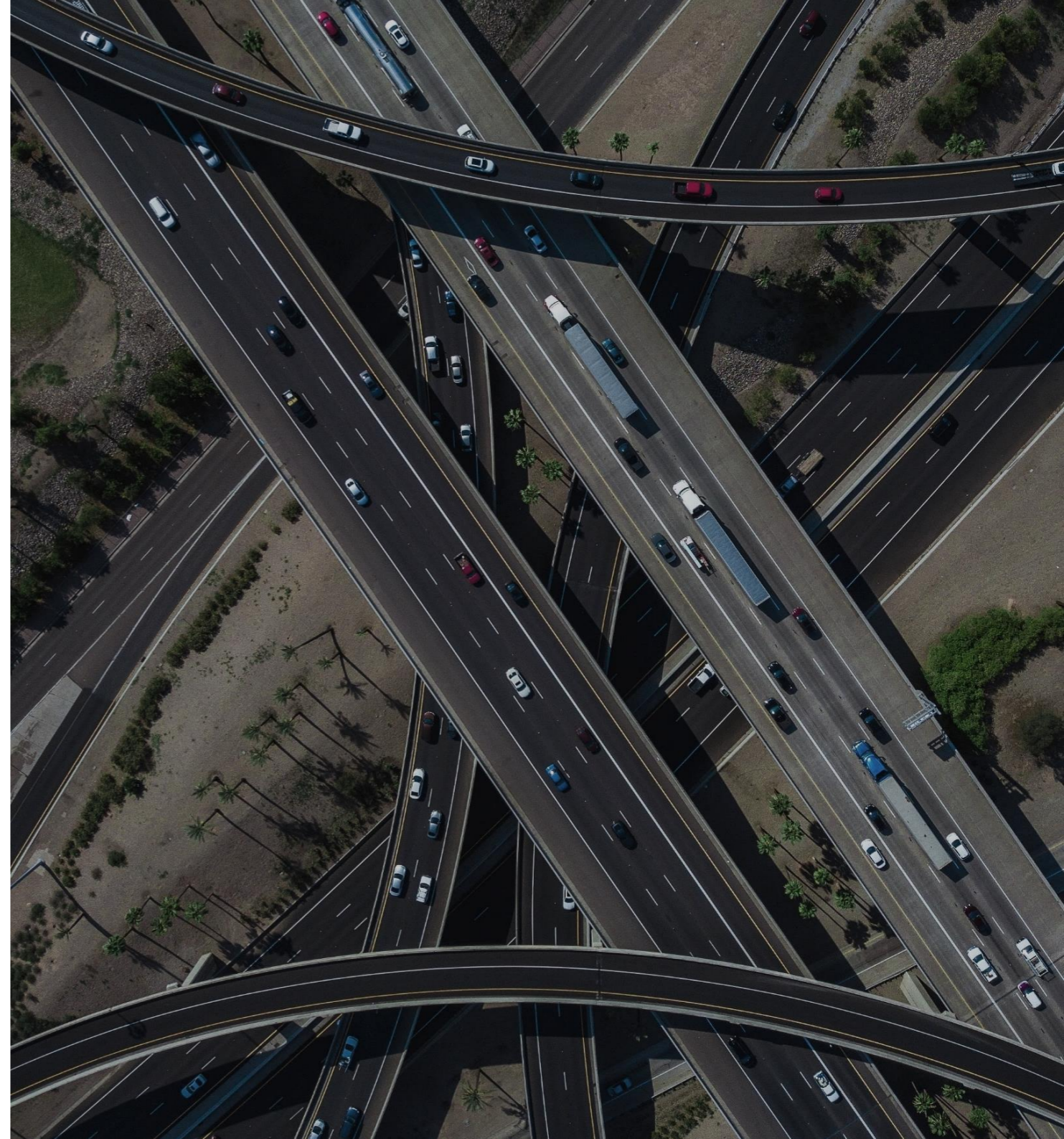
Send an e-mail to:  
yazmin.maya @business-sweden.se

hansolof.rauman@business-sweden.se madelen.stromberg@business-sweden

# AGENDA

---

- Introduction to Business Sweden's EPC program and the Swedish Export Credit Offering
- Business Sweden's EPC study in Latin America
- Planned activities during 2021
- Next steps
- **Q&A**



A black mug with coffee, three paper clips, a pencil, and an eraser on a white surface.

## Q&A

Please write your questions in the  
commentary field in the chat!

## Poll results

**THANK YOU FOR ATTENDING!**

Swedfund  Sweden  
Sverige

**SEK**



**ekn**

