

AMENDMENTS TO THE LAW OF CONCESSION OF PUERTO LA UNIÓN

Recently, the Legislative Assembly amended the Law on Concession of the Multipurpose Port Terminal specialized in Containers, Phase I, of the Central American Union Port. This reform seeks to strengthen the procedure and the bases or minimum conditions for granting the concession of the Central American Union Port, located in the municipality of La Unión, department of La Unión, to initiate, in accordance with market conditions, the public bidding process that allows granting a private operator, the administration, operation, design and development of said infrastructure, which was built between April 2005 and December 2008.

Currently, the development of international maritime transport requires having competitive ports to take advantage of the strategies that the main players in the industry are implementing. In order to have a greater participation in international trade, El Salvador, due to its geographical location, has the opportunity to become an important center for the collection, consolidation and distribution of the cargo for the Central American Region, as well as the possibility of becoming an important logistics platform and international services.

With these reforms the Autonomous Port Executive Commission (CEPA acronym in Spanish) participation stands out, being this institution in charge to carry out all the procedures established in the mentioned law, the review and bases establishments of the bidding as well as the contracts to be held after the tender. Another important aspect is that article three is repealed, which used to establish the excluded areas of bidding since the participants will now be able to bid for the Central American Union Port and other specific areas within it such as sea claim areas, buildings and parking lots, and maritime access infrastructure and the development of areas for expansion on land, leaving only the extra port areas excluded. At the same time, another of the important reforms refers to the extension for twenty more years of the concession term, now established for fifty years. A series of definitions is added and certain amounts of previously established investments are abolished, which will now be at the discretion of CEPA through the bidding rules.

All these reforms are carried out in order to have the participation of a port operator specialized in containers, with the necessary knowledge, experience, resources and international presence to fully exploit the business opportunities in the region.

For more information on this matter, please do not hesitate to contact us.



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