

CEPA El Salvador

ON TIME AND ON TRACK
FOR GREAT THINGS





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RESEARCH BY *Fernando Ruiz*



It's been a little over five years since Business Excellence first visited CEPA, El Salvador's port, airports and railways authority. In the time which has passed, the economy has continued on its upward trajectory, recording consistent annual GDP growth of over 2%. Recent political disharmony aside, the Central American republic continues to prosper.

The same also goes for CEPA. When we last visited, the organization was coming out of a tumultuous period in which it had seen

12 leaders come and go over the preceding 20 years. It had also amassed debts in excess of \$100 million. Thankfully, steps were put in place to address the organization's outstanding issues under then President Alberto Arene, and the work continues to this day under current President Federico Anliker.

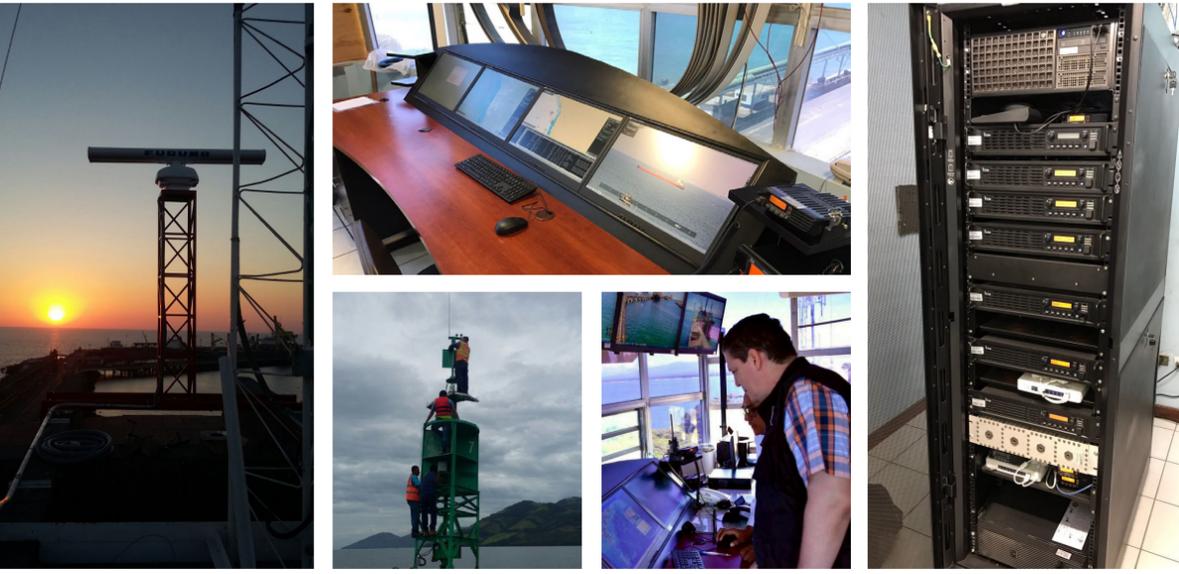
Mr. Anliker's appointment in mid-2019 is just one of the exciting changes that have occurred at CEPA in the intervening period since our last focus. As the paragraphs which follow will show, in less than half a decade

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the organization has undergone a series of changes that amount to impressive progress in such a short period of time.

Airport Expansion

In July 2018, work began on the expansion of Monseñor Óscar Arnulfo Romero international airport, El Salvador's principal airport. Budgeted at \$66 million, the first phase of the expansion involves the construction of a terminal of three floors covering over 21,000 square metres and taking in five new boarding

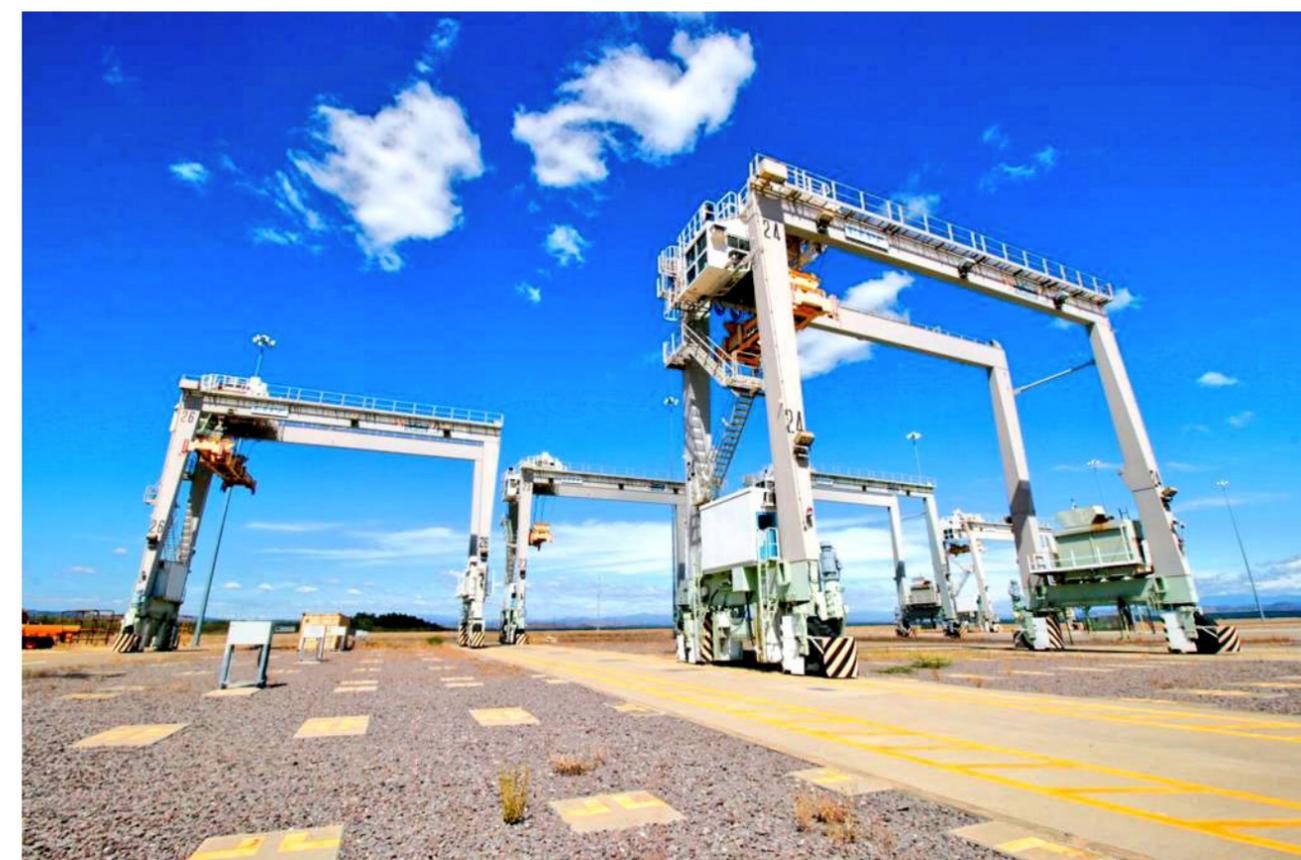


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gates and waiting areas, the airport's first VIP lounge, a new arrivals area and a range of commercial outlets.

The project runs in conjunction with a plan to triple the airport's cargo capacity over the next two decades. The airport currently handles around 26,000 tonnes of cargo annually and the current plan aims to bring this to over 70,000 tonnes. All of this is being carried out under the watchful eye of CEPA, which launched a tender in September 2019 and is currently in the process of sorting through these tender offers.

The latest vote of confidence in the airport came at the end of January 2020 when US passenger airline Spirit Airlines announced it was creating a new route to Baltimore in Maryland. This news capped a highly positive month for CEPA, as its main airport at San Salvador was named as the second most punctual airport in the world for 2019.

On track

The country's railway system is also in line for an exciting expansion. For decades, the

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idea has been mooted of a railway that links all of the Central American republics with the United States. Nowhere stronger was this idea felt than in El Salvador. Indeed, over the past couple of years, it has become the country's flagship infrastructure project.

Taking the name, the Pacific Railway, the new line would be used for passengers and cargo. Feasibility studies for the project are already underway and consultation has begun with Cabei, the Central American funding authority, and the South Korean railway operator Korail, which has been drafted in as a technical adviser to the project. The feasibility study also includes neighboring Central American countries, including Guatemala to the North and Nicaragua to the South, underlining the scale of the project's ambitions.

The planned railway would link all of the country's port infrastructure with rail, as well as connecting them all to Monseñor Oscar Arnulfo Romero international airport. In addition, travel times would fall significantly - with initial estimates suggesting that the journey from north to south in the country falling by 90 minutes. By linking with neighbouring countries such as Honduras, it could also cut the journey time to Miami, creating competition for the Panama Canal in the process.

Ship to Shore

It appears that every area of CEPA's operations is being revamped and that extends too to its ports. CEPA is developing a strategy with

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the JICA (Japan International Cooperation Agency) to expand the capacity of the port at Acajutla. One of the aims of this feasibility study is to see which services the port should provide - logistics only or perhaps tourism and fishing too. There's also the issue of connecting the port with other major ports in Central America.

In 2019, the port was expanded by 30% after an investment of \$13.2 million, which included the commissioning of two new cranes. The expansion included 21,000 square metres of new logistics area. The updating of the port also means that the dispatch performance of

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containers at Acajutla is 40% more efficient than before the work was undertaken.

Partners and suppliers

With operations across so many forms of transport infrastructure, it's inevitable that CEPA counts on the collaboration of a diverse group of companies to help it deliver on its mandate. The considerable ongoing construction works being undertaken by CEPA are taken care of by the largest construction firm in El Salvador, Tobar, the largest engineering firm, Cosapi, and Mexican firm

Caabsa Constructora, responsible for phase one of the airport expansion.



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Much of the prefabricated work for the airport project was conducted by Termoencogibles, Cosapi and Globalcom Communications El Salvador and Siemens S.A., a regular contributor to logistics providers that Business Excellence repeatedly finds endorsed by profiled companies. Finally, local firms General de Equipos and Matec Logistica are both partners for CEPA in various aspects of logistics around its airport and port terminals.

Bringing a vision to reality

Any one of the airport, port or rail aspects of CEPA's mandate on its own would be a hefty challenge for most organizations. The fact that it has been able to carry out its duties in all three is all the more eye opening. The projects which have been delivered, those which are underway and those which are still at the drawing board are testament to the scale of the work which CEPA is tasked with and delivers.

The first decade and a half of the 21st century created challenges for CEPA. But a strengthening economy, harmonious relations with its Central American neighbours and a new, internationally experienced managed team put CEPA on an excellent footing for the years ahead. **BE**

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