

International legal action may be sought in cancelled Mexico City airport project

Some of the businesses involved in construction of the now defunct airport expansion project for Mexico City are considering whether to take their case to international arbitration.

The government of Mexican President Andrés Manuel López Obrador cancelled plans to continue with the partially built US\$13 billion airport for the capital city after an October referendum when voters nixed the airport plan. López Obrador took office in December.

Mexico Bar Association President José Mario de la Garza said in a just-published article in the *Revista de Aribtraje de la Comunidad Iberoamericana*, that international arbitration might be an option. He told the magazine some Mexican attorneys have already been consulted.

The Mexico City airport project was nixed in favor of making improvements to an already existing airport in Santa Lucia. According to the article, the Mexican government is offering financial compensation to those companies whose contracts were cancelled, but the companies must now decide whether to accept the proposal.

The companies involved include ICA, Grupo Carso, Grupo Hermes, Grupo Empresarial Angeles, Constructora y Edificadora GIA + A, Parsons Corporation, Acciona, FCC, Sacyr or Aldesa, according to the magazine.

López Obrador said in November 2018 that he had reached an agreement with the contractors, indicating that many could be involved with the Santa Lucia airport project instead.

Construction at the site of the Mexico City airport was officially suspended on January 3, although some work did continue to preserve what had already been started.

The announcement that the airport project would be scrapped hit Mexican financial projects hard and eventually the government struck a deal with bondholders who had bought US\$6 billion to fund the construction, buying back US\$1.8 billion in bonds to prevent a default, according to news reports.