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Oman Land Transport Infrastructure Conference
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Chairman's opening remarks

Dear delegates.

I am honoured to be your chairman and guide today for the Rail Focus Day of the 2013 Oman Land Transport Infrastructure Summit. I am most grateful to our excellent speakers for giving up their time to be here and to the organisers for making sure this conference works well. My appreciation also to the sponsors for their invaluable support and thank you dear attendees for being here (for the conference would be nothing without you).

Looking from the outside, it is not just the fact of a whole new rail agenda which has developed incredibly fast over the past few years in this part of the world that is so interesting. Nor even the impressive level of planned investment, both in the private and the public sector. But also that the effect of this strategic shift has been to create a whole new level of cooperation between GCC states in the way that they develop their railway systems and operate them. It took Europe close to a century to work out that a cross-border cooperation, both on a political and a practical level, was essential both in relation to passenger and freight traffic. It has taken policy makers in the Gulf States just a handful of years. In neither region, for different reasons, is the integration complete.

In Europe, there is strong political cooperation, but there are enormous legacy issues in putting this into a practical context. In the Gulf, the political will is broadly there and overall the strategy is agreed. Here, the obstacle to practical integration is quite the opposite compared to Europe. There are no legacy issues because there are only very limited stretches of railways, particularly outside of the urban areas, which are currently operating. Like the first stage of Etihad Rail, the GCC Railway Authority should be in operation within 12 months, and the GCC has created a highly effective mechanism for Gulf states to approach these enormous projects hand-in-hand. As a result, we expect some significant rail transportation systems, including km 2,200+ Gulf rail project linking Kuwait to Oman, to be operational well before the end of this decade.

That the GCC states are correct in moving forward with the vision of an interconnected rail system is beyond doubt, surely. The \$100 bn + investments committed will not only lay the groundwork for more intensive cooperation and communication between Gulf states and their respective populations, especially for the business community, but it will open the way to a major economic transformation in this area. Bahrain Undersecretary of Land Transportation and Post, Her Excellency Mrs. Mariam Ahmed Jumaan, recently correctly stated that “Investing in joint ventures between the GCC Member States, especially the railway project, serves to be an important goal in facilitating the movement of goods and passengers between the countries and in contributing positively to their economic growth and development and further creation of jobs for the GCC Nationals.” There's the key objective, eloquently and succinctly stated.

Here, the 1061 km \$15 bn Oman Rail project is also powering ahead. As many of you know, the first phase of the project includes a 242km section from Sohar Port to Al Misfah in Muscat, an 8km spur line to Sohar Railway Yard and a 20km link from Al Misfah to Muscat Central Station, as well as a 486km line from Muscat to Duqm Port and an 84km link from Sinaw to Ibra. A 136km track from Sohar to Al Ain with a 27km spur to Buraimi and a 58km track from Sohar to Khatmat Malaha are also part of the first phase of the project.

We learnt last month that 5 detailed technical bids for the project management contract are in. The winner of the PMC contract will be responsible for the entire execution of the project and is also expected to work with the Omani government after the rollout and launch of the network. The selected consortium will be responsible for the procurement of rolling stock, reviewing the contract process, supervision of contract management and construction, as well as project management services.



HE Ahmad Bin Mohammad Al Futaisi, the Omani Transport and Communications minister recently described the project as one big, ambitious and complete network linking key cities in the Sultanate as well as Oman to its GCC partners. Again it will be essential to have local Omanis involved both in the planning and implementation phases.

Perhaps less well recognised is the fact that what some are calling the Gulf rail revolution will also lead to an enthusiasm for the railways which will not only affect this region, but will also create new opportunities for investors, builders and operators in the rail industry outside of this region. These will indeed be historic years for the railway world.

But no one said it was going to be easy. We are going to have to confront major geographical, logistical and operational issues in the coming years. The simple objective of building the rail network will create some tremendous issues. Financing and cost effective implementation could also be problematic. The organisational challenges, both for the projects and for the rail authorities, and the way that the private and public sector work together, will be immense. But I am confident that the political engagement and commitment of resources will be providing a marvellous heritage for our great grandchildren.

We have with us today some remarkable speakers who will be giving us their valuable insights as to how this dream will surely become a reality. We are privileged to have with us key decision makers and advisers to the GCC Rail project. We also have speakers who will give us privileged insights into Etihad Rail and the Qatar rail projects and we will also be able to explore some of the essential practical issues involved in delivering these visionary ideas. I hope and expect this to be a day when we roll up our sleeves and look at the practical issues. So I can promise you stimulating presentations and discussions and a fascinating day ahead.