

Ethiopia launches construction of massive railway network

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September 25, 2010 (ADDIS ABABA) - Ethiopia has launched the construction of a 5,000 Km railway complex which is aims to link the capital, Addis Ababa, to various regions of the country, Ethiopian Railway Corporation (ERC) disclosed on Friday.

Officially launching the major railroad project, stretching out in eight directions across the country, Getachew Betru, Director General of ERC, said that the project which will be constructed in two phases.

The first phase of construction will be the construction of five railway tracks, which will create job opportunities for over 300,000 citizens nationwide, and will cost the nation an estimated 6 billion Birr (US\$336 million) annually. In addition, the Addis Ababa light train project will open employment opportunity to 5,000 citizens.

Up on completion, the railway system - to replace the limited train transport service in the country - will boost the country's trade flow, says ERC Board Chairman, Hailemariam Desalegn.

"The new railway network would help a timely stream of goods across the nation and the swift transaction will help traders save time, energy and also it will reduce transport costs," Desalegn said.

He added that, when functional, the railway system would, "enable the nation to transport 6 million tones of freight which in the past has only been impossible by truck."

The corporation said that 18 Ethiopian consultant groups and CRGC, a Chinese company, will take part in the construction of the railway project.

It is not yet clear if the project expenses will fully be covered by the Ethiopian government coffers, however sources said that the project has long been on the books.

In May this year, China has granted Ethiopia a loan of more than US\$100 million to help to pay for the construction of the railway line.

Ethiopia expects to be classified by the World Bank as lower middle income level by 2015 under the recently launched development and transformation plan (GTP) [www.sudantribune.com/spip.php?article36263] - a new strategy aimed to create an ambitious 15% growth in the Ethiopian economy over the next five years.

The Railway project is part of the country's five-year transformation plan, designed by Prime Minister Meles Zenawi's government along with the unpredicted expansion of infrastructure, and a boost to 10,000MW of country's power production from the current, which stands at about 2,000MW.

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