

Transport: the key to the future

By ALAA FAHMY

MINISTER OF TRANSPORT, EGYPT



ALAA FAHMY has more than 30 years experience working in the electronics, telecommunications and information technology sectors, having held key Government positions, as well as having worked in the private sector. In 2000 Mr Fahmy became General Manager of private telecoms company Nile On Nile. Three years later, he was appointed to the post of Executive President of the National Telecommunications Regulatory Authority. In 2006 Alaa Fahmy took over as Chairman of the Egyptian National Postal Organisation (ENPO), and in January 2010, he was appointed Minister of Transport.

Infrastructure has proven to be a safe haven at times of economic peril. Investment in transport has been a vital part of the stimulus packages to reform and grow economies beset by the economic crisis. With this in mind, the Egyptian government has pledged to continue its broad range of reforms, and is committed to overcoming all hurdles in the quest to improve the transport sector.

The Ministry of Transport is at the forefront of this task, vigorously embracing reform, guided by a long-term vision, and undeterred by the magnitude of the challenge. In moving forward we are mindful of the shortcomings of previous experiences, learning lessons, and drawing conclusions, prudently addressing areas of vulnerability, and consolidating our strengths. Transparency, tenacity, and perseverance are among the pillars upon which our efforts rest.

To achieve this end we are mindful of providing an affordable, reliable, efficient and safe service to our citizens. We have embarked on an ambitious programme to implement the national transport development strategy, simultaneously targeting all the sectors falling under the supervision of the Ministry of Transport: railways; maritime; roads and bridges; and inland waterways, respectively. In this regard, we deem it necessary to harness the relevant transport legislation to match international standards. Necessary measures are being taken to expedite the process of establishing the relevant legislative platform, developing comprehensive regulatory bodies in the process to separate planning, regulation, ownership and operation.

The maritime sector reflects our commitment to reform and enhanced competitiveness. In recent years the sector has witnessed paced, yet measured reform. Implementing Build Operate Transfer (BOT) projects and promoting the concept of public-private ownership is essential to sustain what we have achieved thus far. On a similar note, a comprehensive national transport plan between now and 2027 is underway. Road corridors and ring roads are two major components in relieving congestion and addressing the requirements of development across the nation.

The ailing railway system is undergoing a major overhaul aimed at reviving a crucial sector that could make a significant contribution to support Egypt's growth ambitions. Creating a high-performance railway system remains a huge challenge in our quest to create an open and a competitive market.

We are also looking at how to improve our inland

waterways. River terminal development and fleet expansion is a two-tier exercise underway as part of efforts to explore the potential of an under-utilised, yet efficient means of transport. We believe that the sector has the potential to take Egypt's economy forward, providing Egyptian industries with integrated transportation services. **E**

Transport Sector Development Plan

The Transport Sector Development Plan, which covers the years to 2017, includes measures to promote public passenger transport and encourage a shift of cargo transport from road to railways and inland waterways; it envisages government investments of hundreds of millions of dollars. In addition, the government has for many years pursued a policy of gradual liberalisation and privatisation of the transport sector.

Road is the dominant mode of internal transport in both passenger and freight operations. For railways, the policy goal is a revitalisation of the sector and the development of better service quality by Egyptian National Railways (ENR), which is state-owned and highly subsidised. While rail has a relatively high share of the domestic passenger market, its share of the freight market is very low (only 8 per cent of the total tonnes/km capacity). The rail system delivered 76.1 billion (bn) passenger/km in 2003-04; while freight was only 4.7 bn tonnes/km. ENR is presently undertaking significant investment in order to modernise and upgrade the railways and extend its network.

Egypt's inland waterways, the River Nile and canals, are severely under-utilised for transport. Primarily designed as an irrigation system, in 1995 the inland waterways carried approximately 3.6 million tonnes of freight, which represented only 3.3 per cent of the total tonnes/km transported.

The energy consumption of freight transportation is another area with rapid growth. What characterises Egypt's freight system is that it is dominated by road transport, with a 90 per cent share of all freight, while the opportunities for more energy-efficient rail and inland waterway transport are clearly underutilised; the transport demand is concentrated on a few transport corridors starting from or ending in Cairo; and the transport patterns are influenced by the imbalance between exports and imports.