

# Kenya seeks company to build railway

Kenya kicked off the process of building a 500km high-speed standard gauge railway line on Monday (22 July), by putting out a tender for consultancy services to oversee the design and construction of the project.



The railway line is part of the proposed 820km track from the coastal city of Mombasa to the lake side city of Kisumu. It is due to be completed in the next three years.

The first phase of the project will be the Mombasa to Nairobi track, according to the tender document put out by state agency Kenya Railways Corporation.

"Kenya Railways Corporation (KRC) will engage an engineering, procurement and construction contractor to deliver a turnkey project for the civil works, track works and procurement and installation of facilities, locomotives and rolling stock," the tender document says.

The planned railway line is one of the flagship projects for the new administration of President Uhuru Kenyatta. His government has already allocated US\$260m to the project.

Additional financing will come from the newly introduced Railway Development Levy of 1,5% on all imported goods, in order to raise an additional US\$176m.

The government has also exempted import duty on imports of items used to facilitate railway operations.

## Improve transport infrastructure

Tenders will be opened on 29 August, the KRC said.

"This project, when completed in three years, will improve turnaround time and reduce the cost of freight from Mombasa to Kisumu, by as much as 79% from about US\$1,648 to US\$353 per 20 foot container," said Cabinet Secretary for the National Treasury Henry Rotich.

The current railway track, the Kenya-Uganda Railway has failed to serve the two countries effectively because of years of under-investment and neglect. It is also slow with a maximum train speed of 40km/h.

It is run by the Rift Valley Railway, a consortium of investment companies from Egypt, Kenya and Brazil under a 25 year concession, but its performance has remained below expectations, said cabinet secretary for transport and infrastructure, Michael Kamau.

According to Kenyan authorities the current railway line carries about 2.4m tons of cargo a year against its capacity for 7m tons a year. This means that most of the 16m tons of cargo handled at the Port of Mombasa is transported by road, a major factor that contributes to traffic congestion along the Mombasa-Kisumu-Kampala-Kigali route and affects the quality of roads.

The Kenyan initiative will complement the East Africa Community (EAC) regional railway initiative that will be overseen by the East Africa Railway Authority.

The authority will exclusively focus on implementation of the East African Railway Master Plan that was completed in 2009. The aim of the plan is to have the EAC fully inter-linked by a railway system in the next decade.

Source: Business Day via I-Net Bridge

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