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Media Release

COLLABORATION AND INNOVATION KEY TO BRIDGING $5 TRILLION INFRASTRUCTURE GAP OF ONE BELT ONE ROAD COUNTRIES

Eurasian trading blocs would benefit from exploring innovative forms of cooperation to ensure OBOR success says DP World Group Chairman and CEO at Astana Economic Forum

Dubai, United Arab Emirates, 1 June 2016: DP World Group Chairman and CEO Sultan Ahmed Bin Sulayem urged governments of One Belt One Road (OBOR) countries to explore innovative ways of working together as trading blocs to ensure the long term success of the One Belt One Road (OBOR) initiative.

After participating in a panel discussion exploring Europe-Asia infrastructure connectivity at the Astana Economic Forum in Kazakhstan last week, Mr Bin Sulayem said trading blocs such as the Eurasian Economic Union, the Shanghai Cooperation Organization, the South Asian Association for Regional Cooperation (SAARC), the Organisation of Islamic Cooperation, and other European cooperative organisations need to focus on the provision of basic infrastructure and the networking of transport and logistics for nations to realise the economic benefits.

Only by doing this would firm partnerships attract investors to bridge the estimated USD 5 trillion infrastructure gap of OBOR countries. He suggested that less bureaucracy and cross border cooperation with more hard and soft infrastructure is needed to promote seamless trade movement to achieve the goals of the OBOR plan.

Mr Bin Sulayem met the Prime Minister of Kazakhstan, Karim Massimov at the Forum and shared the panel session with Askar Mamin, President of Kazakhstan Temir Zholy (KTZ), the national railway company of Kazakhstan and other government and railway experts from around the world.

He said the European, Central Asian and Middle Eastern states' transportation grid, communications networks, energy resources and electricity systems are key to developing wealth and the OBOR corridor can only prosper when human resources, logistics and trade flows have been enabled by provision of integrated infrastructure.

These trading blocs have the capacity to bring about change and to ensure engagement and equal partnerships with China, complementing national efforts to increase collaboration through public private partnerships (PPPs) and other models.

DP World Group Chairman and CEO, Sultan Ahmed Bin Sulayem, said: "Commentators estimate that OBOR countries need another USD 5 trillion for infrastructure development from 2016 to 2020*. One way to fund it is by trading blocs finding innovative ways of working together with a focus on infrastructure provision, developing the financial markets, mitigating risks and eliminating red tape to attract investors.

"At DP World, we have global experience of enabling trade. We have 77 marine and inland terminal across six continents – all with governments and other stakeholders because we are stronger together in realising new trade routes and ensuring global connectivity. This means using multi-modal transport options by road, rail, air and sea linked to free zones, marine and inland container terminals in locations where customers want them to be and where there is demand.

"All of this is then backed by soft infrastructure and digital technologies that enable trade to happen and increase efficiencies. Our flagship Jebel Ali port and Jebel Ali Free Zone (Jafza) are leading trade enabling examples featuring connected transport modes and reducing costs for business. The facilities are linked through 'smart' technologies that deliver faster, safer and more efficient services, including the Dubai Trade electronic portal, which serves as a one-stop shop for customs, clearance and all related services."

The Organisation for Economic Cooperation and Development (OECD) recently highlighted changes in the composition of freight to 2050**. Trade in developing economies will grow around 1.5 times quicker than in developed economies. Inland connections will grow strongly, with freight volumes in intra-Asian trade multiplying by nearly seven times between 2010 and 2050. Yet these projections are based on the assumption that there is no significant infrastructure bottleneck to constrain growth – something that lack of regional cooperation could foster.

Hinterland connections in particular will face the largest capacity challenges. These will be strained in Asia and other parts of the world where estimated traffic growth is highest and the limited availability of surface freight infrastructure is impacting the level of trade. The need to expand capacity is particularly large for infrastructure close to ports or main consumption and production centres and this type of infrastructure will need to almost triple in Asia and Africa by 2050 to provide the performance levels seen in 2010.

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