

ECONOMY

On the move

The Gulf needs innovative transport systems in order to industrialise

A well-designed transportation infrastructure is a crucial element for the industrialisation and economic development of countries. The seamless integration of different transportation modes is of utmost importance; not only to access a country but to move goods and people within that country.

The transportation infrastructure of the Gulf countries currently concentrates on international logistics hubs which provide an excellent base, including associated services for transiting goods and passengers, and for exporting natural resources. They effectively export transportation and logistics services by channeling goods, cargo and passengers from foreign countries through their airports and deep sea ports.

The idea of generating high volumes of transit traffic is not new. It reflects the Gulf's long trading history as a link between the East and the West. In the context of industrialisation, the new challenge is to provide domestic traffic infrastructure sufficient for creating industrial hubs for the assembly of products, and to further develop these assembly hubs into industrial manufacturing clusters with value-adding activities. Doing so would effectively implement the successful strategies of Singapore, Taiwan and Hong Kong.

Without a well designed transportation system,

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economic diversification in the Gulf is threatened: industrialised manufacturing relies heavily on integrated value chains, requiring transportation networks capable of delivering large quantities of raw materials and semi-finished goods to production facilities, and to move assembled products back to the country's access points. Inability to provide such infrastructure has significant adverse effects on production flows and product quality, which compromises the reliability of production facilities, potentially disqualifying a particular country as manufacturing location. Therefore, the significance of a well-designed transportation policy and appropriate domestic traffic infrastructure cannot be underestimated.

A strategy for mobility and transportation must define how countries individually – and the GCC as a region collectively – deal with transporting people and goods to, from and within their area, essentially with an intermodal traffic concept.

The international traffic infrastructure such as airports and sea ports is already in place. The priority must now shift to developing sufficient domestic traffic infrastructure and connecting it to the international gateways.

This includes 'low effort-high impact' solutions to strengthen existing trans-

portation infrastructure, such as separate bus/taxi lanes, modern buses, car-park routing systems, road tolls, and advanced customs clearance procedures.

Interestingly, none of the GCC countries has so far seriously included the waterways in their short to medium-haul transportation plans, despite their maritime traditions: Benefiting from calm waters and flat lands, hovercrafts, high speed-ferries, water taxis and seaplanes could be important parts of the mobility strategy. In essence, the strategy must best use the particular setting and strengths of the Gulf countries and perfectly combine different transportation modes.

Besides providing sustainable traffic infrastructure, a comprehensive strategy for mobility could also support industrialization by creating plants and assembly facilities to produce the systems needed for that strategy – as electric vehicles on land or sea perfectly illustrate.

Taking electric cars as an example, a government would provide incentives for private sector electric transportation such as taxis and buses within its transportation policy – for example,

exemptions from tolls, specific traffic lanes and other privileges.

Combining this with provisions for the public sector, for example making electric vehicles mandatory for governmental agencies, helps provide critical initial mass to jump-start a new industry.

At the same time, the government also creates a business park for electric cars within its industrial development policy to induce companies active in this field to develop electric taxis or buses on-site, perhaps along with renewable energy solutions.

This example perfectly illustrates how interrelated the Gulf countries' transportation infrastructure and industrial development ambitions are. The long-term benefits of an integrated approach for the economic development and the employment situation are enormous – all it takes is the will to get started. ■

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