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H. E. ABDULLAH AL MASOOD
A CHAT WITH THE MAN BEHIND THE LEGEND

Towards a Strategy for Mobility & Transportation

INNOVATIVE CONCEPTS AND CROSS-LINKING DIFFERENT MODES OF TRANSPORT CAN SOLVE THE GCC'S TRANSPORTATION PROBLEMS.

A well designed transportation infrastructure is a crucial element of the successful industrialization and development of any country. This holds particularly true in the highly globalized world of today, where value chains of companies easily span several continents. Any company intending to compete successfully on a regional or global level relies heavily on seamlessly integrated modes of transport. Similarly, to industrialize itself, a country must base its economic development plan on a proper transportation infrastructure, not only for external access but in particular to move goods and people within the country.

The transportation infrastructure in the Gulf countries is currently geared substantially towards the concept of an international logistic mega-hub. The main priority is to create an excellent framework along with associated services for the transit of goods and passengers and export of the countries' natural resources. In effect, this means that transportation

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and logistics services will be exported by channeling goods, cargo and passengers from foreign countries through these mega-hubs. Dubai for example will commission its new airport in the near future, capable of handling 120 million passengers per year and Emirates airline has now ordered a total of 90 Airbus A380 aircrafts to utilize this. Other Gulf countries have similar strategies focusing on airports, deep sea ports and related logistic facilities to transit cargo and passengers.

The idea of generating high volumes of transit traffic is neither new nor innovative, as it reflects on the Gulf countries' century-old tradition of serving as stations along the trade routes from East to West. In the context of industrialization, the challenge for them is to draft a policy that provides sufficient domestic traffic infrastructure to create industrial

hubs for the assembly of products as a first step and to expand these hubs into industrial manufacturing clusters in order to develop high value-adding activities. Successful examples for this approach are Singapore, Taiwan and Hong Kong.

The main concern regarding the transportation infrastructure is not how much time is wasted in traffic jams during rush hour every day, but the more serious and potentially threatening challenge of a sustainable economic growth in the GCC. Industrialized manufacturing relies heavily on integrated value chains and requires transportation networks capable of delivering large quantities of raw materials and semi-finished goods just-in-time to the production facilities and on moving the assembled products back to the country's access points. Inability to provide such levels of infrastructure

will have significant adverse effects on production flows and product quality. This may compromise the reliability of production facilities and may therefore ultimately aid the disqualification of a country as a manufacturing location. In other words, the significance of a well-designed transportation policy and an appropriate domestic traffic infrastructure cannot be underestimated.

A comprehensive policy must provide an answer to how the countries individually and GCC as a region, collectively deal with the transportation of persons and goods to and from as well as within their area. Such a Strategy for Mobility and Transportation essentially must be an intermodal traffic concept; combining various modes of transport and access points in an efficient manner. The international traffic infrastructures such as airports and sea ports have already been taken care of. Now the priority must be to develop sufficient domestic infrastructure and to link this into an intermodal system, connecting it to the existing international gateways. This includes



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'low effort-high impact' solutions that strengthen existing infrastructure, such as separate bus and taxi lanes, modern and comfortable buses and car-park routing systems. Additional and perhaps more classical elements are park-and-ride facilities, road toll concepts and incentives for car sharing. Interestingly enough, none of the GCC countries so far seriously included the waterways in their short- to medium-haul transportation plans – despite their deep rooted maritime traditions. Concepts such as hovercraft ferries, high speed-ferries, water taxis and even seaplanes could play an important role in the overall strategy, benefiting from calm waters and flat lands. In essence, the mobility and transportation strategy must make best use of the particular setting, strengths and objectives of each Gulf country and combine the individual elements perfectly.

Besides the explicit goal of providing sustainable traffic infrastructure for years to come, the transportation policy also contributes to bringing industrialization plans to life. In more general terms, the transportation policy can support the industrial development policy through creating assembly facilities for systems used to implement the transportation strategy. Electric vehicles, such as cars, buses or boats, perfectly illustrate this. From

a technological point of view, electric vehicles (on land or sea) are ready for everyday use, much like conventional vehicles – but the physical hub for commercialization and assembly is yet to emerge. It is worth noting that industrialized countries have no competitive advantage with regard to electric vehicles as their capabilities are mainly geared towards conventional combustion engines. So far, none of the developing countries, except China, have realized that being the first to actively include electric vehicles in the traffic infrastructure strategy also means being first in creating an industry to produce such vehicles. Considering that many of the industrialized countries are busy managing the fall-out due to the economic crisis, the opportunity is particularly attractive at the moment.

Using electric cars as an example, the interaction between traffic infrastructure policy and industry policy can be illustrated as follows: Within its transportation infrastructure policy, a government provides specific incentives to the private sector electric transportation such as taxis and buses by way of exemptions from tolls or introducing privileges like specific traffic lanes. Provisions for the public sector such as mandatory fit-out of government agencies with electric vehicles are even

more effective because they help in providing the critical initial mass to jump-start the new industry. At the same time, the government creates, within the framework of its industrial development policy, a business park dedicated to electric cars thereby inducing companies active in the field to enter the country's market and develop electric taxis or buses, perhaps even along the line of renewable energy solutions. Overall, this approach not only solves some of the challenges regarding transportation capacity but also creates a new industry in the particular country, with the prospect of generating export potential. Countries capable of such integrated planning are playing in the 'Champions League' of economic development.

This exemplifies the sophisticated economic implications of a domestic traffic infrastructure policy which integrates different modes of transport effectively and which ties into the overall industrial development policy of the Gulf countries. In effect, such a synchronized effort potentially offers significant economic benefit to the first mover – which could very well be the GCC. ■



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