WORLD NEWS

SOMALILAND

US$ 440 m port deal

Global ports operator DP World has signed an agreement to develop a new commercial port at Berbera, in the Federal Republic of Somaliland.

The Dubai-based firm will invest up to US$ 442 million for a 65% stake in the first phase of the project, which will include a 400 m quay and a 250,000 m2 container yard, as well as gantry cranes and reach stackers. The government of the breakaway republic will fund the remainder of the project.

The agreement stipulates that DP World will run the port for a minimum 30-year period.

The republic’s government says the port will be a regional hub, to improve the economy of the country which has the fourth-lowest GDP per capita in the world.

DP World chairman, Sultan Ahmed Bin Sulayem, said, “Investment in this natural deep-water port will attract more shipping lines to East Africa and its modernisation will act as a catalyst for the growth of the country and the region’s economy.”

BRAZIL

Camargo Corrêa for sale

Camargo Corrêa, one of the largest construction companies in Brazil, is up for sale, with Chinese construction giant CCCG reportedly interested in buying the offered 100% stake.

The information was disclosed in the Brazilian business press this week. Sources at Camargo Corrêa were cited, but no names were given. The sources claim there is definite interest in the purchase from CCCG.

Camargo Corrêa group has suffered since its conviction for criminal activities connected with the construction of the Abreu e Lima refinery, owned by Petrobras. As a result of the police investigation, a number of the company’s board members were arrested, and subsequent lawsuits have destabilised the company financially.

While CCCG is the frontrunner in the proposed sale, it is reported that French and Spanish firms have also shown an interest in the family-owned company.

LAOS

China Rail in Laos link

China Railway Group (CRG) has signed a RMB 8.1 billion (US$ 1.2 billion) agreement to build the first three sections of the Beijing-Vientiane Railway Project.

When completed the 414 km line will run from Beihai, on Laos’ northern border with China, to the country’s capital, Vientiane, on the border with Thailand in the south.

The single-track electrified mixed traffic line will be suitable for 160 km/h passenger and 120 km/h freight services, and the line will include 31 viaducts.

The 50-month project will be undertaken by three subsidiaries of CRG; it follows the awarding last year of a RMB 2.5 billion (US$ 344 million) rail project in Laos, to another of its subsidiary companies.

Chenyi Lu, a senior analyst at credit rating firm Moody’s, said the deal was “credit positive,” adding, “The award demonstrates the group’s strong capabilities in cutting-edge technologies in railway, bridge and tunnel construction to win large-scale and complex projects overseas.”