

Egypt signs MoU with S.Korean Hyundai Rotem for localizing train industry

Egypt's Ministry of Transportation, the Ministry of Planning, and the National Egyptian Railway Industries Company signed a Memorandum of Understanding (MoU) with South Korean Hyundai Rotem on Wednesday to localize the train industry and transfer the South Korean technology.

The MoU, which came as a result of a discussion between Egyptian President Abdel Fattah Al-Sisi and Chairperson and CEO of Hyundai Rotem Yong-Bae Lee, will facilitate the cooperation between Hyundai Rotem and NERIC to help Egypt localize the railway industry.

The Minister of Transport, Kamel El-Wazir confirmed that this signature comes within the framework of the political leadership's directives to localize the railway industry, especially the manufacture of mobile units and produce them with high quality locally, to provide new trains for the various subway lines and electric traction during the next six years.

This is done in cooperation with some Egyptian companies to settle this industry in Egypt.

"We are proud to start today the first real manufacturing steps for the moving units of the metro and the means of electric traction with a local manufacturing percentage, as President El-Sisi directed the localization rate for the local industry up to 25% within two years and 50% of the localization after four (4) years and then up to 75. % over 6 years," El-Wazir said.

El-Wazir explained that this signature represents a great qualitative leap in the field of localizing the railway industry in Egypt, especially with the volume of national projects that the state is implementing in the field of modernization and development of means of transport in the subway and electric traction, indicating that this cooperation.

"It enables the localization of the manufacture of mobile units of all kinds to secure the requirements of the Egyptian state in this regard, and increase the ability to export regionally and internationally, pointing out that when the company begins manufacturing, the priority will be to export outside Egypt, especially to Africa," he added.

In a related context, El-Wazir asserted that the contract between Hyundai and SEMAF to supply 32 new air-conditioned trains for the third line of the metro includes local manufacturing by 25% for 10 trains.

Dr. Hala El-Said, Minister of Planning and Economic Development, said during her speech that the signing of this memorandum is a serious step to localize the train car industry, which represents an

important step for the development of the Egyptian industry and direct implementation of the structural reforms program announced by the Egyptian government this week.

El-Said explained that this step does not represent only a process of localization, but a deepening of that industry, which is related to the transfer of advanced technology and with the best global partners in this labor-intensive and technology-intensive industry, which needs many production inputs that work to move many nutritious industries that create more job opportunities.

El-Said added that the cooperation between Hyundai Rotem and Nerek represents a very important alliance that includes a representative from the Egyptian government represented by the Egypt Sovereign Fund and the Suez Canal Economic Authority with a coalition of large national companies from Egyptian companies.

El-Said emphasized that it represents an important message expressing the Egyptian state's encouragement and support for the private sector and its presence in a larger area in the national economy.

El-Said pointed out that the government launched the National Program for Structural Reforms, which focuses on deepening and localizing the industry and preparing the environment for the private sector, explaining that this protocol represents a clear and vivid model for activating two main components of this program.

El-Said emphasized that the projects related to the major industries and industries through which countries can achieve developmental leaps and create an added value.

The signing ceremony was attended by Minister of Transport Kamel El-Wazir, Minister of Planning and Economic Development Hala El-Said, South Korean Ambassador to Egypt Hong Jin-Wook, and chairman of the National Authority for Tunnels Essam Wali.

On Tuesday, President Abdel Fatah al-Sisi received CEO of Hyundai Rotem Lee Young-Bae, discussing cooperation opportunities in the fields of green hydrogen production, and powering trains with new and renewable energy.

The meeting tackled the localization of the manufacturing of trains as well as signaling, communications, control, and driving systems in Egypt.

In that context, the president affirmed that South Korea is a development partner and that the government looks forward to establishing a strategic partnership with the company in many industrial sectors, particularly heavy industries that are labor-intensive but still use advanced technology.

President Sisi reiterated that "the localization of industries and technology transfer is a priority to Egypt in international partnerships and that they constitute a preferential factor when making deals," the presidency's statement reads.

The president showcased that the country currently possesses all means that allow increasing the local component in any product, and that it is a good base to export to Africa and other states in the region.

The CEO of Hyundai Rotem said that the company is launching factories in Egypt for manufacturing metro cars, signaling systems, and control and driving equipment as well as offering railway engineering services.