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## Investors to build first ever private railway in Indonesia

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The Jakarta Post reported that a group of investors will soon begin building the first ever private railway worth USD 1 billion in Indonesia as a key part of the planned development of a massive USD 5 billion integrated industrial facility in East Kalimantan.

Under the project agreement, MEC Infra will invest up to USD 1 billion in constructing the railway line linking the mine site at Muara Wahau to Bengalon on the coast. MEC's mine and railway are central to the development of a complex of integrated industrial facilities. Over the next five years, the project is expected to create 5,000 new jobs in the province.

The project's readiness was announced at a meeting between Indonesian President Mr Susilo Bambang Yudhoyono and the crown prince and deputy ruler of the Emirate of Ras Al Khaimah Mr Saud Bin Saqr Al Qasimi.

The two were joined by Ms Gita Wirjawan chairman of Indonesia's National Investment Coordinating Board, Mr Madhu Koneru group CEO of MEC Holdings, Mr Hari Sankaran MD & CEO of Infrastructure Leasing and Financial Services Limited and Mr Allen Alexander chairman, president & CEO of SavageCANAC Corporation.

MEC Coal and MEC Infra, two JVs of MEC Holdings and Ras Al Khaimah Investment Authority, will develop a 130 kilometer railway line to facilitate the transport of raw materials and finished products in and out of East Kutai regency in East Kalimantan.

Ms Gita said that MEC Infra had been able to purchase and clear the land for the entire corridor within just a few months.

Mr Yudhoyono said that "This undertaking will create multiple benefits for the development of the local economy in East Kalimantan. It sets a positive tone for future investments from the Middle East."

Mr Saud said that "This type of public private, Middle Eastern Indonesian initiative is a fantastic example of what can be accomplished when the fundamentals make sense for all parties involved. This project will help meet the development needs of East Kalimantan communities, while also serving to meet the energy challenges in Asia."

MEC's Mr Koneru said that the project would help transform East Kalimantan into a model for the future of Indonesia by providing a strong platform for growth, helping Indonesia to attract further investments.

(Sourced from [www.thejakartapost.com](http://www.thejakartapost.com))

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