
Saudi Arabia cancels tender awarded to RZD to build rail line

Thursday, 22 May, 2008

RIA Novosti reported that Saudi Arabia has cancelled an USD 800 million tender won by Russian Railways to build a rail line in the country, for political reasons.

Mr Vladimir Yakunin president of Russian Railways said "This was not a problem relating to technology or RZD. It is a problem in international relations."

RZD was to build a line from Al Zabirah to the King Khalid international airport in central Saudi Arabia, to make up over one fifth of the North and South rail line in the Mideast state which will have a total route of 2,400 kilometer.

The North and South project was launched in Saudi Arabia in 2005 to develop phosphate and bauxite deposits in the country's north and reduce the economy's dependence on oil exports. The entire project was expected to cost over USD 2 billion and was expected to be finished in 2010-2011.

For more news visit at www.steelguru.com