

**A PUBLIC PRIVATE PARTNERSHIP**



Railways are expensive and complicated. Most of the railways in the USA, France, Canada, and South America have been built by private companies, operating under a form of Public Private Partnership (PPP) or "concession".

Most recently, this method was used to build the Alice Springs - Darwin railway in Australia. South Australia farmers had long dreamed of completing a railway across the continent to the port of Darwin, for faster and cheaper access to the

markets of east Asia. The first 824km had been built in the 1970s, from Tarcoola to Alice Springs. In 1999, a 50 year concession was awarded to a private-sector consortium which built 1,420km of new railway in four years. Government contributed the existing line to Alice Springs, and about half the capital cost. The line is operating profitably and carrying more than 4 million tonnes per year. Four new mines have also been developed along the route.

# NIGERIA

## NORTH - SOUTH EASTERN RAILWAY (NSER)



**A TRANS-SAHARA RAILWAY?**

Trans-continental railways in America and Asia opened the heartlands for development. Before the railway, rich farming areas like Kansas and Saskatchewan were remote from markets and traded little with the rest of the world.

The Nigeria North - South Eastern Railway could be extend across Niger to link with the railway now being built south 1,000km from the Mediterranean to Sabha in southern Libya. This trans-Sahara railway could link the productive farmlands and peoples of Nigeria, Niger, Chad and Cameroon with the markets of Europe, and the main global shipping routes along the Mediterranean. The line could also become a land-bridge, offering a faster route between Europe and southern Africa, with containers trans-shipped through Calabar.

An international treaty would be required to secure free trade along the railway, between ports on the Mediterranean and Calabar. Free Trade Zones could also be developed along the railway.





**A RAILWAY FOR EASTERN NIGERIA**

Eastern Nigeria is a region of great potential. It has abundant natural resources, a benign climate, and a large, educated and industrious population. However it is isolated from world markets. The Port of Calabar has been allowed to silt up, while roads to the interior are poorly maintained.

In 2009, the state of Adamawa, acting on behalf also of the states of Borno, Benue, Taraba and Cross River, commissioned railway consultants First Class Partnerships, together with AMZ Consultants and law firms UUBO and Wragge & Co, to prepare a Pre-Feasibility Study for a new railway serving the hinterland of eastern Nigeria.

The Nigerian North - South Eastern Railway will cut transport costs by 75% or more. Farmers will be able to import fertilizer and export produce. With improved transport, the region could attract manufacturing and mining. Together with the dredging of Calabar Port, which should be completed in 2011, the five States will at last be connected into world markets.

The new railway will run more than 1,400 kilometers from Calabar to Maiduguri. It will have a capacity of 20 million tonnes per year, and cost almost \$3 billion dollars. It could be completed 4 years after financing is secured.

The new railway will be built to modern railway standards, suitable for use by heavy haul freight trains, double stack container trains, and even intercity passenger trains running at 160 km/h.

CAPITAL COST	MILLION US \$
Property	20
Subgrade, cutting and filling	256
Base course and capping	227
Drainage	307
Bridgeworks	650
Trackwork	385
Signaling and communications	67
Ancillary buildings	40
Engineering, Project Management, Equipment, Locomotives, Wagons	350
Development Costs	125
Passenger Equipment	50
Commissioning and startup	20
<b>TOTAL</b>	<b>2,897</b>

	CHINA	USA	EASTERN NIGERIA
Arable Area (square km)	1,446,123	1,474,001	72,504
Rail cargo per year (millions tonnes)	2,693	2,141	Potential 20 -30

**CALABAR - EASTERN NIGERIA'S OWN SEAPORT**

Calabar is one of Nigeria's oldest seaports, however it has fallen into disuse because the channel is badly silted. The Port of Calabar has now been concessioned and the Federal Government has agreed to commence dredging the shipping channel later in 2010 for 9m draft. This will allow use of the port by a wide range of bulk carriers. Further dredging may be required for use by Panamax and New Panamax container ships.

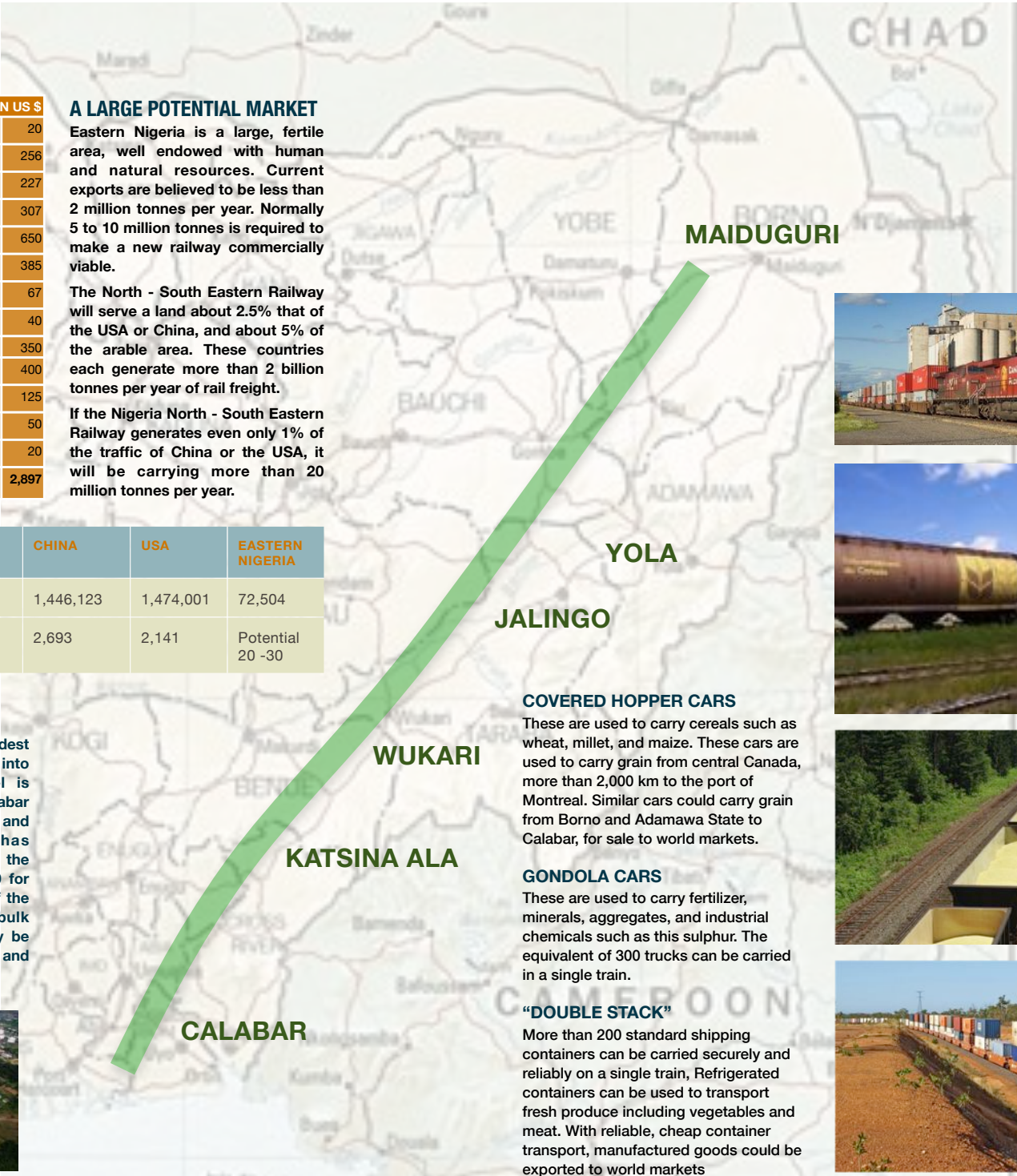


**A LARGE POTENTIAL MARKET**

Eastern Nigeria is a large, fertile area, well endowed with human and natural resources. Current exports are believed to be less than 2 million tonnes per year. Normally 5 to 10 million tonnes is required to make a new railway commercially viable.

The North - South Eastern Railway will serve a land about 2.5% that of the USA or China, and about 5% of the arable area. These countries each generate more than 2 billion tonnes per year of rail freight.

If the Nigeria North - South Eastern Railway generates even only 1% of the traffic of China or the USA, it will be carrying more than 20 million tonnes per year.



**COVERED HOPPER CARS**

These are used to carry cereals such as wheat, millet, and maize. These cars are used to carry grain from central Canada, more than 2,000 km to the port of Montreal. Similar cars could carry grain from Borno and Adamawa State to Calabar, for sale to world markets.



**GONDOLA CARS**

These are used to carry fertilizer, minerals, aggregates, and industrial chemicals such as this sulphur. The equivalent of 300 trucks can be carried in a single train.



**"DOUBLE STACK"**

More than 200 standard shipping containers can be carried securely and reliably on a single train. Refrigerated containers can be used to transport fresh produce including vegetables and meat. With reliable, cheap container transport, manufactured goods could be exported to world markets

