

Etihad Rail signs AED 1.990 billion financing agreement

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Etihad Rail and First Abu Dhabi Bank have signed a financing agreement worth AED 1.990 billion.

The agreement comes as part of the UAE National Railways Programme, the largest land transport system of its kind in the UAE, where First Abu Dhabi Bank will be the certified lead arranger for the loan as part of the agreement.

The agreement was signed by Shadi Malak, Chief Executive Officer of Etihad Rail, and Hana Al Rostamani, group Chief Executive Officer at First Abu Dhabi Bank.

His Highness Sheikh Theyab bin Mohamed bin Zayed Al Nahyan, chairman of the Abu Dhabi Crown Prince's Court and Chairman of Etihad Rail, said: "Through this agreement with First Abu Dhabi Bank, we at Etihad Rail look forward to enhancing cooperation, uniting efforts, and working together towards realising the vision of the UAE in accordance with the goals of the UAE National Railways Programme, which was launched under the Projects of the 50 to establish the basis for a new stage of sustainable economic growth for the country."

His Excellency Sheikh Mohamed Bin Saif Bin Mohamed Al Nahyan, Vice Chairman of FAB's board of directors, said: "As we look to the next 50 years of our nation's journey, the UAE continues to lead the region in setting a bold and progressive vision for the future. FAB is integral to that journey and committed to driving economic growth and improving the quality of life for citizens and residents. Through our support for the Etihad Rail project, we are reinforcing the UAE's position as a global and regional transport and logistics hub, leveraging our strategic geographic location to improve and reinforce our links with the rest of the world."

Etihad Rail's passenger services will be the first of its kind, connecting the cities and regions of the UAE. The project is one of the three strategic projects of the National Railways Programme, which was launched by the UAE government in December 2021. The programme forms the largest land transport system in the UAE, which is set to outline the future of the railway sector in the coming years, in addition to providing freight rail and integrated transportation services.

Shadi Malak, CEO of Etihad Rail, said: "Through this agreement, we will move full steam ahead with our mission to provide passenger railway services, which will bolster public transport system in the UAE and the wider region. Etihad Rail is an essential component of the Gulf Cooperation Council (GCC) rail network, and this agreement brings us one step closer towards realising our strategic goals of strengthening the UAE's reputation as a regional and global transport hub."

Hana Al Rostamani, group Chief Executive Officer at First Abu Dhabi Bank, said: "Etihad Rail is proof of the sense of vision and purpose that makes the UAE distinct. By connecting the United Arab Emirates through a fully integrated rail network, Etihad Rail will bring significant economic and social benefits to the businesses and communities it serves, empowering future growth and providing opportunities for all. FAB is proud to support Etihad Rail in fulfilling this important project which will drive forward economic development for our nation."

With the launch of the railway passenger services, the passenger trains will strengthen connectivity between the UAE by connecting 11 cities and locations in the country from Al Sila to Fujairah. Travelling at a speed of 200 kmph, with a capacity of 400 passengers per train, the number of passengers is expected to increase to reach more than 36.5 million passengers annually across the country by 2030. Passengers will be able to commute between Abu Dhabi to Dubai in 50 minutes, between Abu Dhabi and Fujairah in 100 minutes, between Dubai and Fujairah in 50 minutes, and between Abu Dhabi and Al Ruwais in 70 minutes.

Etihad Rail is forging ahead towards completing Stage Two of the UAE National Rail Network. Stage One of the Network has been operational since 2016. The project is progressing at an accelerated pace with 70% of the project being completed in less than 24 months, despite the challenges of the pandemic. Etihad Rail has cooperated with 180 entities and issued more than 40 thousand official papers.

The project involves more than 27,000 experts, specialists, and workers operating at more than 3,000 construction sites across the UAE, putting in 76 million work hours so far using more than 6,000 vehicles and pieces of equipment.