



משרד התחבורה
והבטיחות בדרכים



מדינת ישראל

State of Israel

Ministry of Transport And Road Safety

Mr. Gideon Siterman –
Director General



Our Vision

The Ministry is responsible for the planning, development and regularization of fully integrated transport infrastructure and systems, with strict adherence to safety; advancing mobility and logistics services contributing to Israel's economic growth and social well-being.



Main Transport Policy Objectives

- Development of integrated transport systems.
- Market responsive mechanism:
 - *The regulation of main sectors: public transport and railways, seaports, civil aviation.*
 - *Ministry of Transport focusing on defining policy/objectives and monitoring/supervision – outsourcing of implementation, operation and maintenance activities.*
 - *Privatization of services.*
- Greater involvement of private sector – PPP projects.
- Regional integration of transport systems.



Israeli Economic and Transportation Indicators 1990-2006



Indicators	1990	2006	Growth Rate, % (1990-2006)
GENERAL			
Population (Millions)	4.7	7.1	51%
GDP (Index)	100	193	93%
TRANSPORT			
Number of Vehicles (Millions)	1.07	2.1	93%
Cargo at Ports (Millions of tons)	18	36.3	102%
Passengers - International Flights (Millions)	3.6	8.8	144%
Containers (Thousands Teu)	507	1,766	248%

SAFETY POLICY - MAJOR PRIORITIES FOR THE 2007/08

WORK PLAN

- FORMING COMPREHENSIVE AND INTEGRATED PLANS FOR ALL TRANSPORT SECTORS, WITH EMPHASIS ON SAFETY;**
- UPDATING AND IMPLEMENTING MULTI-YEAR PLANS FOR TRANSPORT INFRASTRUCTURE DEVELOPMENT;**
- BRINGING THE PERIPHERAL COMMUNITIES CLOSER TO THE CENTRAL REGION;**
- RE-EXAMINING AND IMPLEMENTING AN UPDATED AVIATION POLICY FOR THE STATE OF ISRAEL;**
- RECEIVING APPROVAL AND PROMOTING A MASTER PLAN FOR ISRAEL'S PORTS FOR IMPLEMENTATION BY THE YEAR 2055.**
- IMPLEMENTING STRUCTURAL CHANGES IN THE TRANSPORT SECTOR;**
- REDUCING TIME SCHEDULES FOR CARRYING OUT ASSIGNMENTS AND REDUCING BUREAUCRACY.**

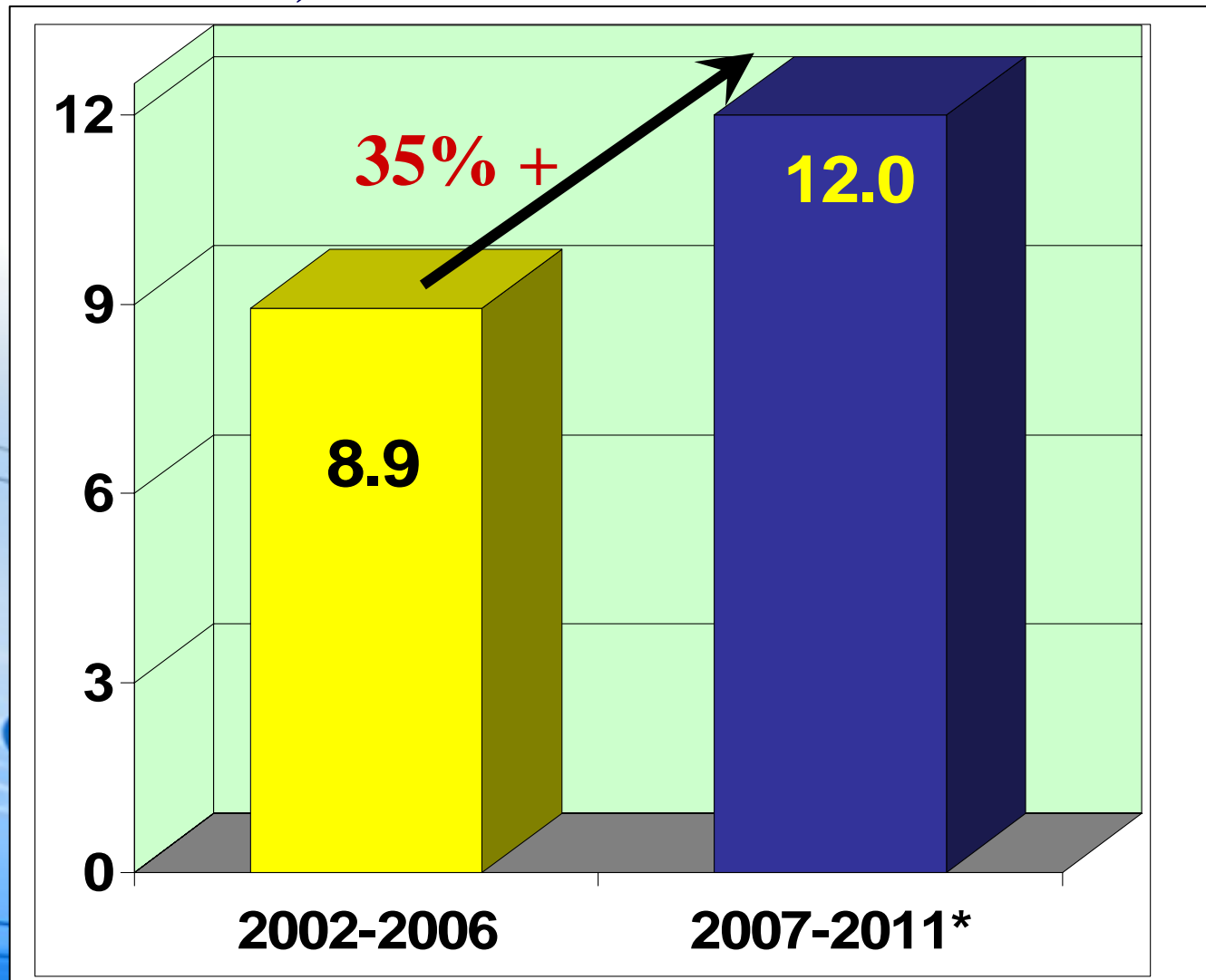
OBJECTIVES OF THE MINISTRY'S DEVELOPMENT PLAN

- INCREASING TRANSPORT INFRASTRUCTURE INVESTMENT SHARE IN THE GDP FROM 1.2% IN 2006 TO 2% IN 2011.**
- PLANNING AND DEVELOPING INTEGRATED TRANSPORT SYSTEMS.**
- DETERMINING A MULTI-YEAR 2007-2011 INVESTMENT PROGRAM FOR URBAN AREAS, WITH ADJUSTMENT OF THE MINISTRY'S INTERNAL PRIORITIES – TRANSFERRING BUDGET SOURCES FROM INTERURBAN AREAS TO URBAN AREAS.**

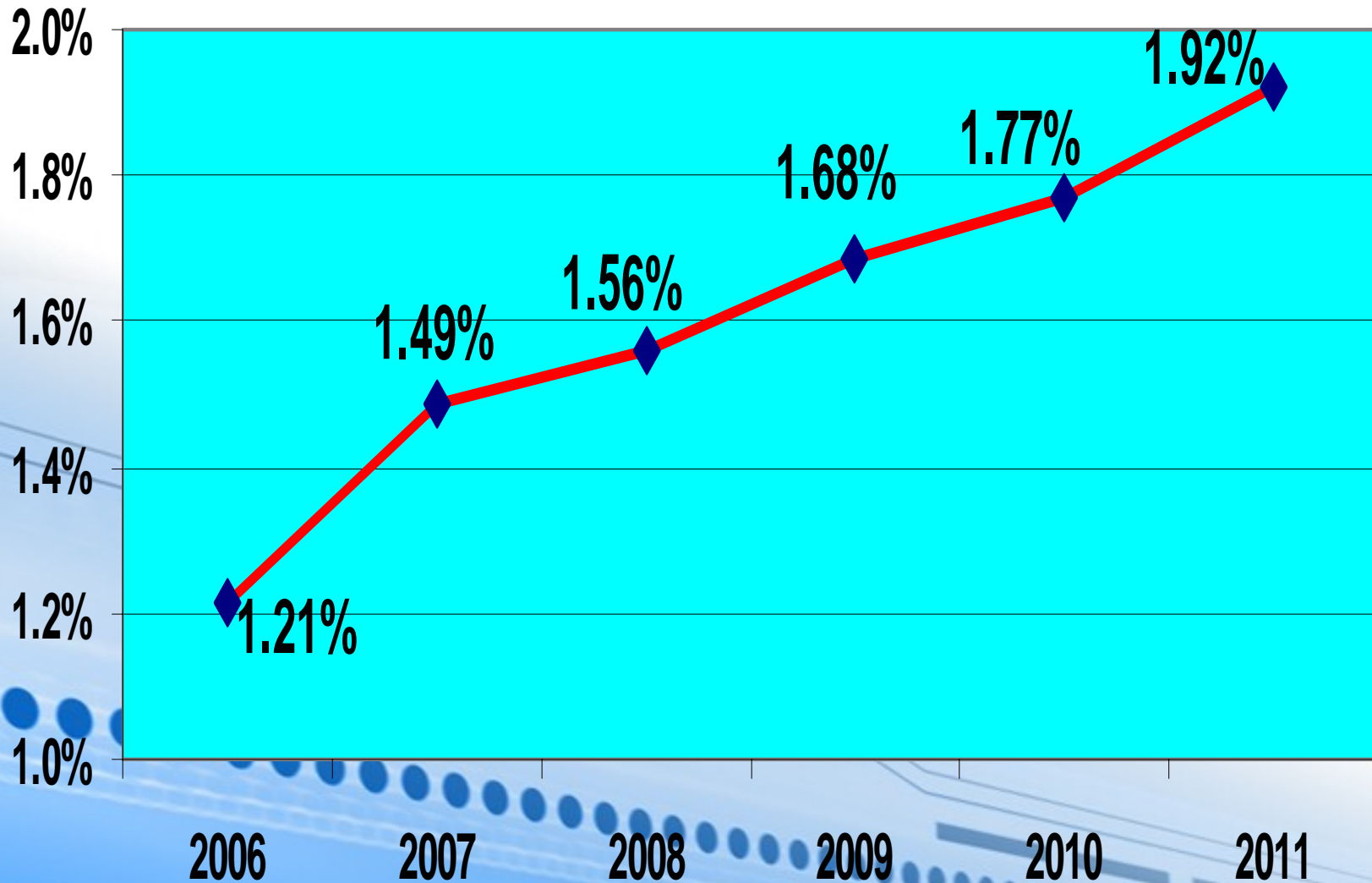


Israel - Investment in Transport Infrastructure Development

(Billions of Dollars)



Investment in Transport Sector as a percentage of GDP



* - All transport branches, include Private Sector, European average – 1%



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ISRAEL'S EXPERIENCE IN ADVANCING PPP PROJECTS

What is PPP?

- ➡ It is all about Partnership...
- ➡ A Partnership that utilizes the benefits of Public and Private sectors.
- ➡ A Partnership that wisely allocates risks between parties who better mitigate those risks.
- ➡ A long term, leveraged, project finance activity.
- ➡ Benefits in terms of quality, management and creativity for network development, in the past were not sufficiently appreciated.



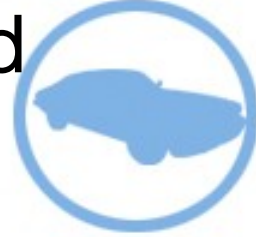
PPP Today

- ➡ Today, PPP is becoming an integral part of international Economic Public Policy.
- ➡ PPP is being implemented in the USA, Canada, Asia, Eastern and Western Europe and in the Middle East.



Our Vision

- **Investments in infrastructure** enhances economic growth
- **Private sector's involvement** can improve level of government's supplied services
- **Optimizing risk allocation between the public and the private sectors** can contribute to public wealth



Israel - Industries under Focus

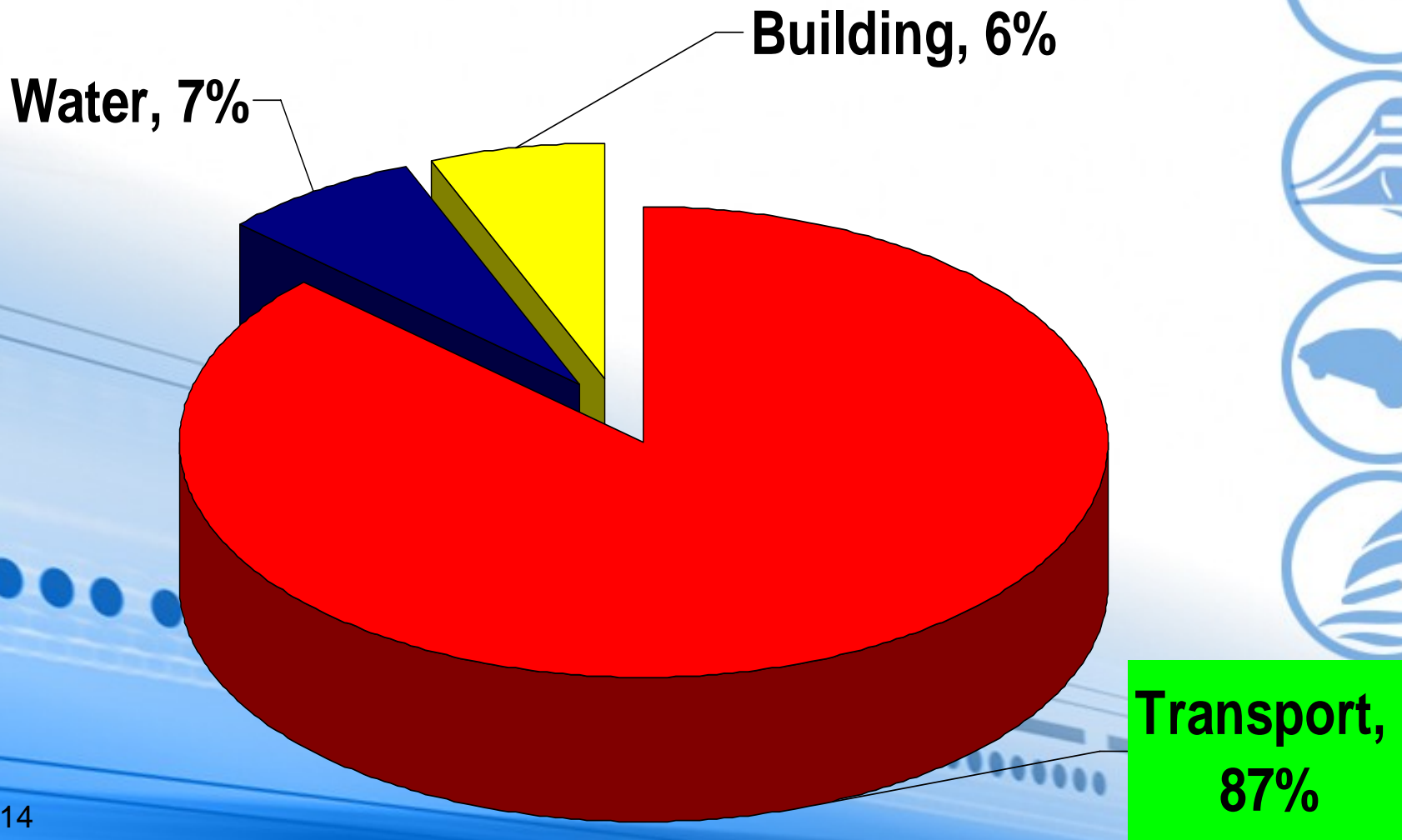
The government has decided to focus primarily on the following industries:

- Rail/Mass Transit Systems
- Highways
- Ports
- Water desalination and sewage treatment
- Buildings
- Energy



Israel – Total Investment in PPP

Total Investment - Approx. \$7 Billion



Israel – Total Investment in PPP

✓ Transport – \$6,100 Million:

- First LRT Line in Tel-Aviv
- First LRT Line in Jerusalem
- Cross Israel Highway, sections 12-17
- Cross Israel Highway, section 18
- Carmel Tunnels
- Highway 431
- Highway 531
- Road 22 – Krayot Bypass
- Fast Lane to Tel-Aviv

✓ Water – \$500 Million:

- Desalination plants – Ashkelon, Hadera, Palmachim

✓ Building – \$400 Million:

- Prison facility (Beer-Sheva)
- Energy center, Government Complex Parking Lot, Knesset building extension, the Government Complex
- Health – 2 hotels for new mothers, welfare center
- 3 Law courts (Herzliya, Tel Aviv, Petah Tikva)



SUGGESTED TRANSPORT RELATED PPP PROJECTS

- Purpose – to promote further PPP project implementation during 2007-2015
- 12 additional projects covering all transport sectors – land, sea, air
- Total investment – over \$4 billion (in addition to previous/implemented projects at an investment of \$6.1 billion)



2008 WORK PLAN

MAJOR PROJECTS



2008 WORK PLAN - MAJOR PROJECTS

- ✓ **ADVANCING POLICY TO ENCOURAGE USE OF PUBLIC TRANSPORT;**
- ✓ **DETERMINING AND IMPLEMENTING AN OUTLINE FOR CONTINUING THE PROCESS OF PUBLIC TRANSPORT PRIVATIZATION;**
- ✓ **PREPARING AN INTEGRATIVE PLANNING PROGRAM FOR LAND TRANSPORT;**
- ✓ **IMPLEMENTING RECOMMENDATIONS FOR ADVANCING NEW PROJECTS INVOLVING THE PRIVATE SECTOR;**
- ✓ **STRUCTURAL CHANGES IN THE LICENSING DEPARTMENT;**
- ✓ **REGULARIZING A SYSTEM FOR MONITORING AND CONTROL OF ISRAEL RAILWAYS.**



Israel - Investment in Transport Infrastructure Development For 2008

(Millions of Dollars)

Branch	Budget Proposal 2008
Ministry of Transport Budget - Land Transport Infrastructure Development	1,291
Railway Infrastructure - Israel Railways Company	376
Aviation Infrastructure - Airports Authority	75
Marine Infrastructure - Port Companies	168
Total Transport Infrastructure Investments	1,909





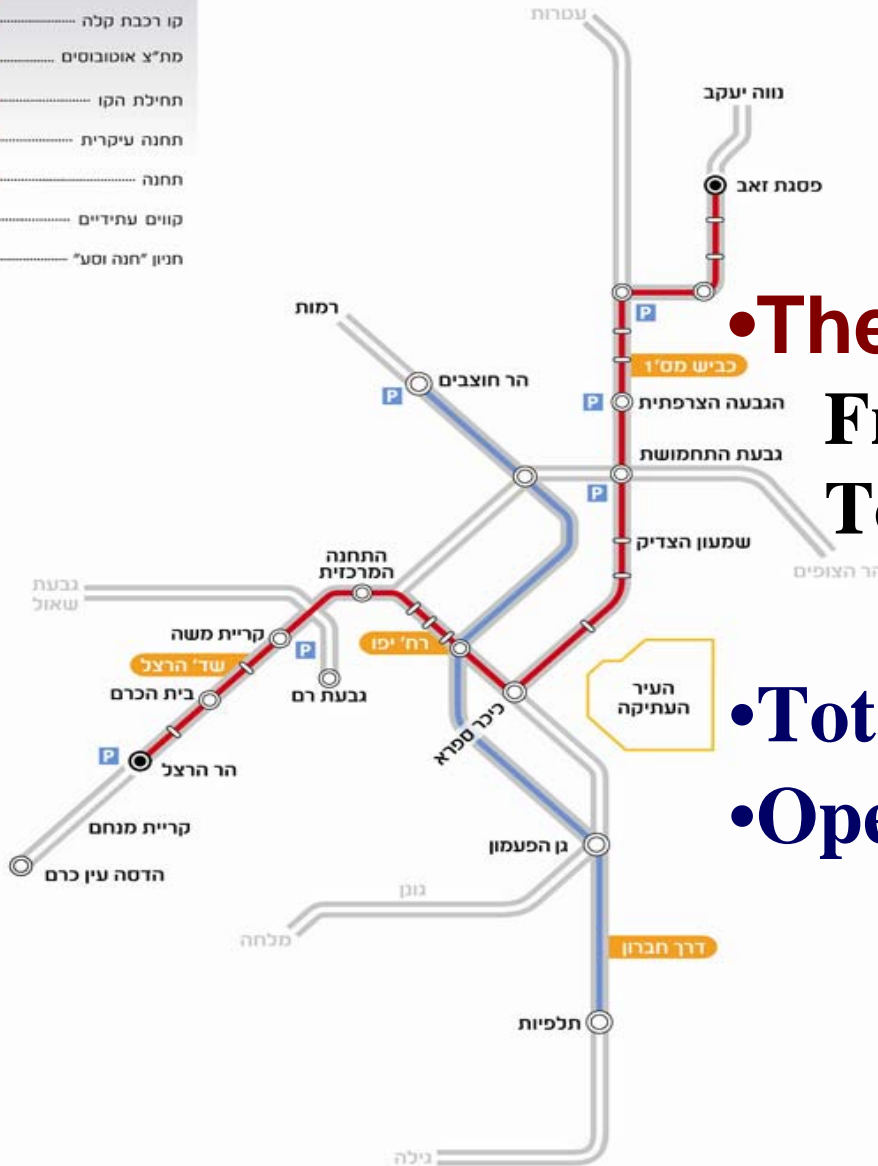
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Main Projects 2007-2011 - Examples

Jerusalem Mass Transit System Project



Jerusalem Mass Transit System Project



• **The First Line- 15 km:**
From Mount Herzl
To Pisgat Ze'ev

- **Total Cost – 800 Million \$**
- **Operating – 2010**



Tel Aviv Mass Transit System Project



Stage 1 – The “Red” Line



הופכים את הדרך בשבילך

Stage 1 – The “Red” Line



- **Passengers forecasts** - 100-120 million per year are expected to use the Red Line by the year 2020.
- **Length:** 22 km., 10 km. of which - below grade in a tunnel.
- **Route:** Bat Yam - Tel-Aviv Jafo - Ramat Gan - Petah Tikva.
- **33 Station:** 23 stops at grade level & 10 underground stations.
- **Expected Operation** – 2012/13.
- **The Concessionaire was chosen – MTS International Group** (Israeli, Chinese, German, Portugal companies).
- **Overall estimated cost – 2 Billion Dollars.**

Public Private Partnership

Road 431



Public Private Partnership - Road 431

- **20 km. Highway, include 12 Interchanges:**
Modi`in – Road 6 – Ayalon Highway
- **Overall estimated cost – 600 Million Dollars.**
- **7/2005 – concession agreement**
- **Opening for traffic – 2008/09**



Projects 2007-2011 – Main Examples

✚ Extension of Toll Highway No. 6 – PPP Project

✚ Overall estimated cost – **250 Million Dollars.**

✚ Fast Train to Jerusalem

✚ Overall estimated cost – **1.2 Billion Dollars.**

✚ Krayot Bypass - Highway, BOT Project

✚ Overall estimated cost – **500 Million Dollars.**

✚ Carmel Port in Haifa, “HaYovel” Seaport in Ashdod (completion works)

✚ New airport in Eilat zone

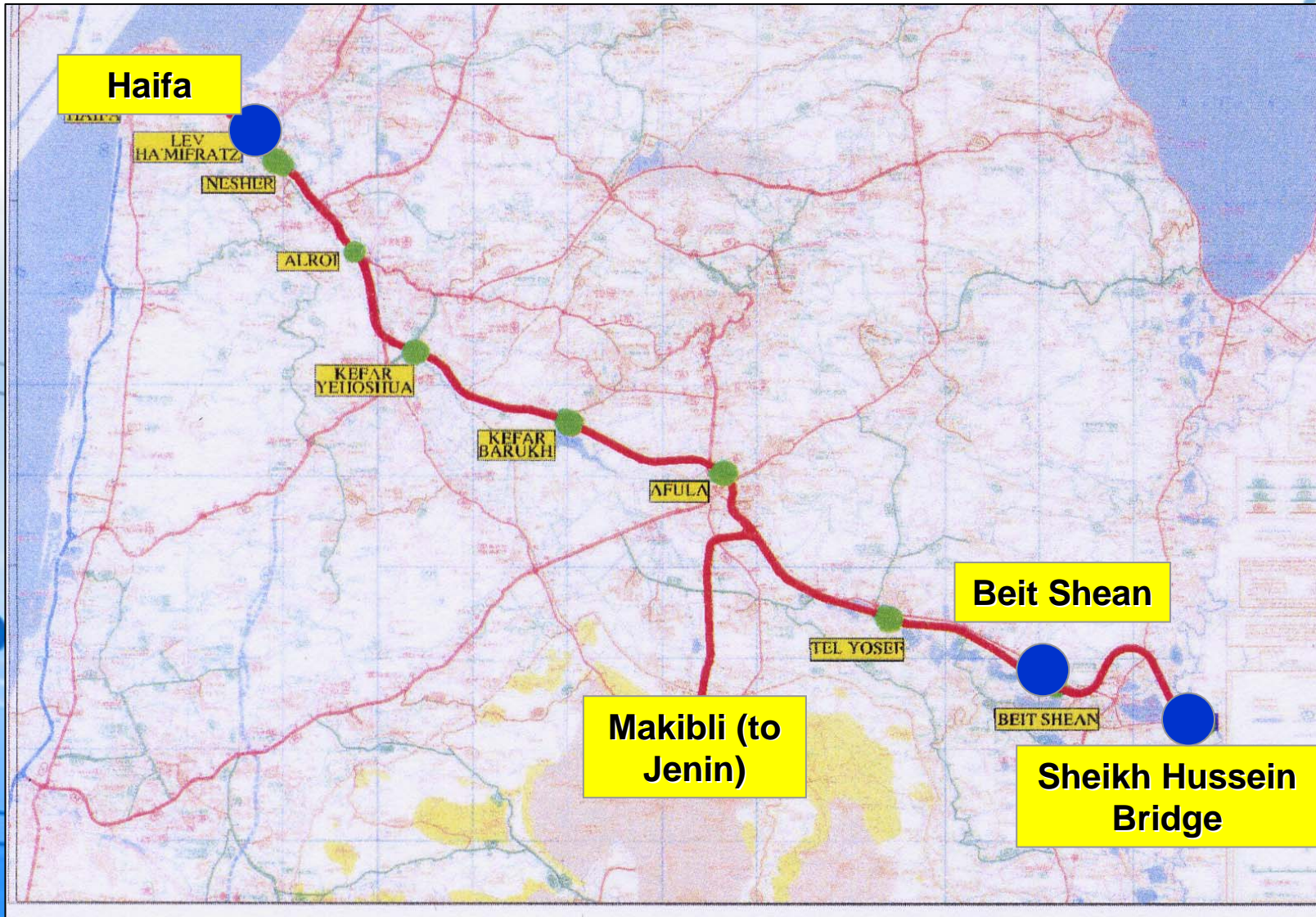




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Ha-Emek Railway Regional Multimodal Project

Ha-Emek Railway Regional Multimodal Project



Ha-Emek Railway

Regional Multimodal Project

- The **Ha-Emek Railway** project connecting Europe and East Mediterranean was recognized as a high priority project by the conference of Ministers in Marrakech.
- A Double Track Rail Connection from the port of Haifa through Israel and eastwards to Jordan – **proposed through International Financial Support**;
- Linking to the Palestinian Authority – the “Jenin Extension”.
- An Initial Estimated Additional Cost – **approx. 300 Million Euro.**