

Venezuela, China seal \$7.5 bn railway deal

Caracas, July 31 (EFE) Venezuela and China signed a \$7.5 billion agreement Thursday that includes the construction of a 468-km railway in the country with Chinese support, officials said.

Public Works Minister Diosdado Cabello told reporters that the railway - which will run from the town of Tinaco, in the northwestern state of Cojedes, to Anaco, a city in the northeastern state of Anzoategui - is the biggest project Venezuela is undertaking outside of the oil industry.

Cabello said the railway will run parallel to the coast at an average distance of about 140 km from the Caribbean Sea.

The railway, which will take just over three years to complete, will consist of 10 stations and link the states of Cojedes, Aragua, Guarico and Anzoategui.

Cabello said the railway will help farmers in central Venezuela's agrarian belt, who currently have to depend on trucks to transport their harvest.

The minister also said that as part of the deal the first rail construction company in Latin America will be installed in Venezuela using 'Venezuelan iron and Chinese technology'.

Factories to build train wagons, sleeper cars, switches and rail-welding equipment also will be set up, all with Chinese technological support.

A series of joint ventures will be set up for the technology transfers, with Venezuela having a 60 percent stake and state-owned China Railway Engineering Corporation a 40 percent stake.

The agreement was signed by the president of the Autonomous Railway Institute of Venezuela, Franklin Perez, and the vice president of the Chinese consortium, Bai Zhong Ren.

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