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Will the Suez Canal Ship Crisis Renew Push for Israeli Red-Med Rail Link?



by Sharon Wrobel

FEATURE



A general view shows seagulls in Ashdod port, as a storm approaches Israel's shores, Jan. 4, 2018. Photo: Reuters / Amir Cohen / File.

Israel has long sought to connect the Red Sea with the Mediterranean using a railway line between the Southern port of Eilat and the port of Ashdod, for cargo freight and passenger services. But the so-called “Red-Med” corridor project has faced funding and political challenges, while its economic feasibility has been in doubt since it was first approved by Israel’s cabinet in 2012.

The giant container ship that blocked Egypt’s Suez Canal — a vital artery connecting the two seas — for almost a week, costing global trade an estimated \$10 billion, revives the question of whether Israeli infrastructure proposals for alternative trading routes might lure international investors.

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Back in 2012, Israel's Prime Minister Benjamin Netanyahu promised, "We have the ability to create an alternative transportation route that bypasses the Suez Canal — this is an insurance policy. Israel must become a continental land crossing route and create great power interests. The railway line and Israel's natural gas resources can forge strong links in the economic, energy and industrial fields."

Former Israeli Ambassador to the US Michael Oren, who served under Netanyahu, now believes that the blockage in the Suez Canal supports the urgency for finally building an Ashdod-Eilat high-speed freight railway, connecting the West with the East overland through Israel. Oren believes such an alternative route would mean "no more stuck freighters, no more shipping jams, or delays in international trade," he told *The Algemeiner*.

In the past, Israel had placed its bets on [China to invest](#) in the 217-mile Red-Med freight rail link.

"The Suez Canal incident shows that an alternative is needed as in reality it could happen again," said Ilan Maor, a former Israeli consul-general in Shanghai who is now the managing partner of consultancy firm Sheng BDO, and president of the Israel-China and Hong Kong Chamber of Commerce. "This situation does bring back at least the possibility of talks about Israel's Red-Med rail project. The major challenge for the rail project has been the enormous cost and logistics which is estimated at around \$10 to \$12 billion, which is too big on Israel. If I had to put my money on who could take this project, it would be China as the country has the resources and the train system experience."

But the prospect of such a partnership has also drawn criticism regarding Chinese [efforts to expand its influence in Israel](#) and the region, against the backdrop of the great power rivalry between the US and China.

"The fact that the Red-Med project has not taken off with China is good news," said Arthur Herman, a senior fellow at the Hudson Institute. "If Israel would like to

press ahead with the rail project it should do it for the right reasons with a safe and reliable partner, which could be Japan.”

The US has in the past raised concerns about Israeli cooperation with China, including key strategic security infrastructure projects, out of fear that Beijing could gain access to proprietary technologies and present security risks. These have included plans to upgrade and manage Israel’s port of Haifa, and 5G telecommunications infrastructure projects won by Chinese companies, including Huawei. Last year, Hong Kong-based CK Hutchison Holdings lost a bid to build Israel’s Sorek B desalination plant after then-US Secretary of State Mike Pompeo reiterated Washington’s concerns during a whirlwind visit to the country.

“A railway alternative to the Suez Canal between the Red and the Mediterranean seas is not politically and economically viable,” commented Dr. Oded Eran, a senior researcher at the Tel Aviv Institute for National Security Studies and former Israel ambassador to Jordan and the European Union. “Egypt will view it as competing with its major sources of income. Given the bilateral and regional cooperation between the two states in matters of security and on natural gas there is obviously a clear advantage in preserving this state of affairs.”

Eran pointed to additional challenges, including the commercial viability of the project and ecological concerns. “A train can carry [only] small quantities of containers or liquids (oil and LNG) compared to the freight crossing the [Suez] canal and cannot be justified economically. Equally important to these two negative arguments is the potential damage to the marine and land environment. The [8.3 mile] long Israeli coast of the Red Sea will be mortgaged [for] a port seldom used, and the rail infrastructure thus eliminating domestic and foreign tourism.”

“As container ships are becoming larger and faster, the alternative to the Suez Canal will have to be traveling around the African continent,” Eran concluded.

Similarly, Gabriel Mitchell — Director of External Relations at the Mitvim Institute think tank — sees vocal environmental opposition as one of the major sticking points for the construction of the rail project.

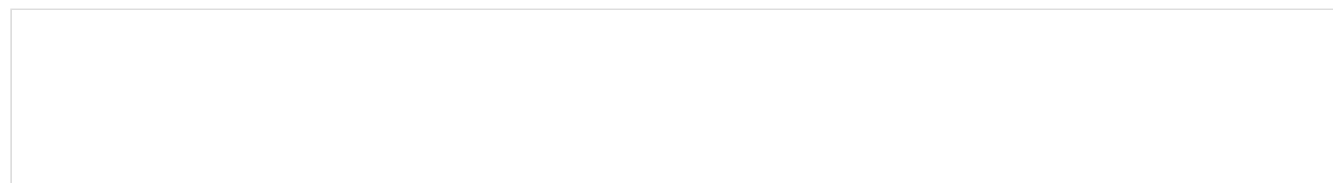
“The Red-Med rail project hasn’t grown legs and faces most of the same challenges as in 2012 and as alternatives will be reviewed following the Suez Canal incident

there will be competition on what is the most affordable and quickest option,” Mitchell said. “Demand and traffic along the Suez Canal are at historic highs and this is only going to increase. Israeli companies might be able to lend a hand in improving the functionality and reliability of the Suez Canal’s operating system to make it more efficient by working together to provide the technology and science.”

A request for comment from Israel’s Transport Ministry was not returned.

Meanwhile, the crisis triggered by the Suez Canal has reportedly prompted other countries — including Iran, Turkey and Egypt itself — to develop new trade routes of their own.

Turkey is now pushing for plans to build the Kanal Istanbul, which would serve as a new global shipping lane to ease traffic on the Bosphorus — one of the world’s busiest maritime passages — by connecting the Black Sea north of Istanbul with the Marmara Sea to the south.



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