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Kazakhstan entrusts the modernisation of its rail industry to KTZ and Alstom-Transmashholding

Kazakhstan Temir Zholy (KTZ), Alstom and Transmashholding (TMH), set up as a joint venture¹, will supply 295 electric locomotives to the Kazakh railway company. The contract was signed in Paris on 27 October 2010 by Philippe Mellier, President of Alstom Transport, Askar Mamin, Chairman of Kazakh Railways and Andrey Andreev, Managing Director of Transmashholding in presence of the President Republic of Kazakhstan, Nursultan Nazarbaev and the President French Republic, Nicolas Sarkozy.

Five months after a tripartite memorandum of cooperation was signed in Almaty², Kazakh Railways confirmed their electric locomotive order for a total of €1.3 billion. Alstom evaluates its share of the contract at approximately €800 million. The contract will take effect on 11 March 2011. This is the first contract won outside of Russia by Alstom and Transmashholding as part of the strategic partnership initiated by the two companies in 2009. It illustrates the joint Alstom-TMH strategy of establishing a lasting presence in Kazakhstan, and more generally on the 1520-mm gauge market.

This order is for a total of 200 double freight (KZ8A) and 95 passenger locomotives (KZ4A). Both models will incorporate Alstom technology (such as the traction system), as well as a number of other components to be manufactured by Alstom-TMH in Russia. The double BoBo freight locomotives are among the most powerful in the world (8800 kW). They will be able to tow up to 9000 tonnes and will be capable of running at 120 km/h. The passenger locomotives will make it possible - for the 1st time in Kazakhstan - to run trainsets at 200 km/h and to reduce the journey time between Almaty and Astana by 3 hours. Both types of locomotive are designed to operate at temperatures as low as -50°C.

Alstom's Belfort plant will deliver the first freight locomotives in 2012, and the first passenger locomotives are slated for delivery in 2014. The following locomotives will then be built in Astana at a factory the construction of which will begin sometime over the next few weeks for completion in 2012. It will be equipped by Alstom and TMH and is expected to reach its annual production capacity of 50 double (100 sections) in 2016. This project should contribute to the development of a true Kazakh rail industry.

This contract will result in the creation of 650 qualified jobs in Kazakhstan. In France, over 120 employees from Alstom's Belfort manufacturing plant will be assigned to the project for a five-year period. Other Alstom sites (Le Creusot, Ornans, Tarbes and Villeurbanne in France, and Charleroi in Belgium) will also contribute around 100 employees to the project. The performance of this contract will have an impact on employment for suppliers (one job at Alstom creates some three jobs for its suppliers).

¹ EKZ: joint company held equally by the Alstom consortium (25%), TMH (25%) and Kazakh Railways (50%).

²Alstom and Transmashholding (TMH) signed a memorandum of cooperation during the Kazakhstan Investment Forum on 3 June 2010 with Kazakh Railways (KTZ) for the production of electric locomotives.

About Alstom Transport

Alstom Transport develops and offers the most complete range of systems, equipment and services on the rail market, with sustainable transport always in mind. Alstom Transport is capable of managing complete transport systems, comprising rolling stock, signalling equipment, maintenance services and infrastructure. It also offers turnkey solutions. In 2009-2010, Alstom Transport recorded sales of €5.8 billion. Alstom Transport is present in over 60 countries and employs some 27,000 people.

About Transmashholding

Transmashholding is Russia's leading railway equipment manufacturer. In particular, it manufactures electric and diesel locomotives, converters, freight and passenger cars, suburban and metro cars, diesel engines for locomotives and diesel generators. TMH posted sales of €1.7 billion in 2009. The company employs over 54,000 workers.

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