Francisco Marín, Chairman and CEO of OHL Construction, highlights the strategic value of Turkey in the internationalization process of the OHL Group


The Chairman and CEO of OHL Construction gave a speech entitled OHL's commitment to infrastructure in Turkey, focusing his presentation on the implantation, development and consolidation of OHL's activity in this country and the presentation of the main features of the Marmaray project. This project, recently awarded to OHL, calls for the development of the rail link between Europe and Asia in Istanbul through an underwater tunnel crossing the Bosphorus Strait, which will allow the transit of high-speed, commuter and freight trains between both continents.

Francisco Marín recalled that OHL began its activity in Turkey in 1999 and that the group now has offices in Ankara and Istanbul, while the latter "is the center of OHL's business operations in Turkey, the Middle East and North Africa". In this regard, he highlighted construction backlog in the area managed from Turkey totals more than €2.1 billion and noted that the OHL's positioning in this country is "long term and permanent."

With respect to projects in the region, the leader of OHL Construction, mentioned the execution of the Eskisehir-Esenken stretch of the Ankara-Istanbul high-speed line, measuring 206 km, "which has been successfully operating since March 2009". The works, with a budget of €655 million, is the first tranche of the existing high-speed railway in Turkey and has become a benchmark as the first country outside of Spain where the Spanish experience in high speed railways has been developed.

Francisco Marín also highlighted other construction projects in Turkey, including the wastewater treatment plant in Konya, delivered in 2009, which serves a population of one million people with a daily output of 200,000 m3.

Marmaray
Centered in Marmaray, Mr. Marín described the project as "the most ambitious infrastructure project in Turkey to date and one of the most emblematic worldwide for its complexity and magnitude." The contract budget amounts to €932.8 million (without VAT), making it one of the largest contracts signed by OHL in all time. OHL is leader, with a 70% interest, of the joint venture formed for this purpose with the Spanish railway signaling company, Dimetronic. The work contracted includes all the design, the complete replacement of two existing tracks and their replacement with three new tracks over 63 km of the 77 km of the project, the renovation and construction of 36 stations, the construction of 130 structures, two operation and control centers, garages and workshops, renovation of all electromechanical systems (power supply, catenary, signaling, telecommunication and ticketing systems) along the 77 km of the project, the commissioning of the project and maintenance for two years.

The contracting agency is the Directorate General of Construction Railways, Ports and Airports (DLH) of the Ministry of Transport of Turkey. The project benefits from the financing of the Council of Europe Development Bank with 80% and the European Investment Bank with the remaining 20%.

The Marmaray project, according to the OHL Construction CEO, "combines the latest railway technology for the preservation of historic monuments. In the execution of the project, among other works, OHL must rehabilitate and preserve historic structures and stations". With respect to timing, it is expected that the first train will cross the Bosporus Strait on October 29, 2013, coinciding with the celebration of the ninetieth anniversary of the modern Republic of Turkey.

Commitment to internationalization
The major success stories garnered by OHL abroad are the fruits of the strategy adopted and published in 2002, a strategy that focuses on staying out of any traditional real estate activity, in anticipation of the current crisis, and a firm commitment to internationalization as a growth driver.

Currently, OHL is present in 30 countries on five continents and 93% of its EBITDA and 90% of its backlog is derived outside of Spain. The policy in place since 2002 has allowed for average annual growth in short-term international construction backlog of around 30%. 