

Gotthard Tunnel: Euler Hermes insures drilling machines, construction companies and trains

HAMBURG/ZURICH - 31 MAY 2016 – Insured by Euler Hermes, the worldwide leader in trade credit insurance, the tunnel drilling machines Sissi, Heidi, Gabi 1 and Gabi 2 laid the foundations for the Swiss Gotthard Tunnel, which officially opens on June 1, 2016. Parent company Allianz was the lead insurer for this major project. The longest railway tunnel in the world at 57 kilometers and with a diameter of 10 meters, it will facilitate faster north-south European freight and passenger transport.

Euler Hermes support included bonds and guarantees of more than €160 million, including surety for the four tunnel drilling machines and the consortium of four leading construction companies from Austria, Germany, Italy and Switzerland. It is also guarantor for the financing of the trains that travel through the Gotthard Tunnel.

“As guarantors for the tunnel drilling machines, our entire team really identified with this exciting project and followed every single milestone,” said Ron van het Hof, CEO of Euler Hermes Germany, Austria and Switzerland. “It all kicked off in November 2002, and ‘Sissi’ achieved the first major milestone in September 2006, breaking through with the expected accuracy. Although Sissi, Heidi and the two Gabis did all the hard work, we were extremely proud to have played a key role in providing insurance.”

For the Gotthard Tunnel project, Euler Hermes benefited from its experience in surety for numerous European infrastructure projects, providing significant guarantees and counter-guarantees for the four-company construction consortium.

“Multiple companies and countries, and the sheer physical scale of the project, made it a complex insurance challenge,” said van het Hof. “But we had the necessary expertise: analyzing the default risk of international companies is in our DNA. Our experience as guarantor of the earlier Zürich-Thalwil Tunnel also proved valuable.”

Gotthard Tunnel trains financed through Euler Hermes bonds

The credit insurer will also be staying with the tunnel after it opens – indirectly at least.

“Our relationship with the Gotthard isn’t over yet– we are also providing financing bonds for the trains that will travel through the tunnel that ‘our’ tunnel drilling machines made possible. It’s all come full circle,” added van het Hof.

“Most people associate Euler Hermes only with traditional trade credit insurance”, said van het Hof. “But that’s only half the story. We are one of the world’s largest project guarantors, especially for construction and infrastructure activity. Our forte is our significant financial capability as part of the Allianz Group and our rating associated with that. Our customers often benefit from having to provide less risk capital than with partners who do not have the same financial strength.”

Images from the construction, including tunnel boring machines and the breakthrough *(copyright AlpTransit Gotthard AG, may be published free of charge provided the copyright holder is mentioned):*
<https://www.alptransit.ch/de/media/fotogalerie/>

Key data for the Gotthard Tunnel

Length:	57km – the world’s longest rail tunnel to date
Construction period:	17 years
Work force:	2,400 workers at its peak
Weight of stone excavated :	28.2 million tonnes
Size of tunnel boring machines “Heidi, Sissi, Gabi1 and Gabi2”:	Length up to 440m , Diameter up to 9.5m
Number of scraper blades per tunnel borer:	58
Motor power:	4,800 PS
Maximum stone temperature:	50°C

Top speeds:

Freight trains:	160km/h
Passenger trains:	250km/h

Main tunnel construction:

75% with tunnel drilling machines
25% with explosives

Insured amount:	CHF 11 billion (EUR 9.9 billion)
Principal insurer:	Allianz

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