

Port operator DP World now firmly in hyperloop business

April 29 2018, by Jon Gambrell



Dubai ruler Sheikh Mohammed bin Rashid Al Maktoum, the Emirates' vice president and prime minister, left, next to Richard Branson watch the Hyperloop One presentation aboard the Queen Elizabeth 2 in Dubai, United Arab Emirates, Sunday, April 29, 2018. DP World's chairman and CEO Sultan Ahmed bin Sulayem said Sunday that Virgin Hyperloop One would launch a freight service called DP World Cargospeed. (AP Photo/Kamran Jebreili)

The Dubai-based port operator DP World put its name Sunday on the

hyperloop technology it has already spent millions of dollars to develop as work continues to make it operational across the grand plans of its designers.

The cargo system being designed alongside possible passenger service by Virgin Hyperloop One will be called the DP World Cargospeed, the port operator's CEO and chairman Sultan Ahmed bin Sulayem told journalists and others gathered for a glitzy announcement alongside billionaire Richard Branson.

But it remains unclear what, exactly, the branding means. At the least, it shows how much money DP World has poured into the company over different funding rounds.

When the [hyperloop](#) will become operational is an open question as Los Angeles-based Virgin Hyperloop One has faced shake-ups in recent months on its board of directors as well.

"Today things are changing. Today our role is not in the port," bin Sulayem said. "Our role is from the time the cargo leaves the factory before it reaches the consumer's door.

A hyperloop is a mode of cargo and people transportation that involves levitating pods powered by electricity and magnetism that hurtle through low-friction pipes at a top speed of 1,220 kph (760 mph). Tesla co-founder Elon Musk first proposed the idea in 2013.



Richard Branson walks to the stage during the Hyperloop One presentation aboard the Queen Elizabeth 2 in Dubai, United Arab Emirates, Sunday, April 29, 2018. DP World's chairman and CEO Sultan Ahmed bin Sulayem said Sunday that Virgin Hyperloop One would launch a freight service called DP World Cargospeed. (AP Photo/Kamran Jebreili)

The idea has been floated around the UAE, a federation of seven sheikhdoms, since similarly glamorous events in 2016. Hyperloop firms hungry for start-up money have pitched the idea to sheikhdoms like skyscraper-studded Dubai that strive to be on the cutting edge of everything.

Dubai ruler Sheikh Mohammed bin Rashid Al Maktoum, who also serves as the Emirates' vice president and prime minister, also made an unannounced appearance at Sunday's event, showing the importance his government puts in the new technology.

"Dubai is on the cutting edge of everything," Branson said.

The launch spared no expense. Models in white jumpsuits and capes stood at every winding turn on the way to board the Queen Elizabeth 2, which only just became a floating hotel after nearly a decade-long dockside wait. Slick graphics bearing an April 29, 2025 date showed pods coming in from a series of tubes and racing past a Dubai skyline featuring a solar panel farm.

However, no one ever offered a date for such a service to begin in Dubai. Officials said they hoped to start construction on a test site in India next year.



DP World's chairman and CEO Sultan Ahmed bin Sulayem talks during the Hyperloop One presentation aboard the Queen Elizabeth 2 in Dubai, United Arab Emirates, Sunday, April 29, 2018. DP World's chairman and CEO Sultan Ahmed bin Sulayem said Sunday that Virgin Hyperloop One would launch a freight service called DP World Cargospeed. (AP Photo/Kamran Jebreili)

Speculation the UAE would have the world's first hyperloop system has been stirring for years. Hyperloop One officials in 2016 then suggested the travel time by hyperloop between Dubai and Abu Dhabi would be only 12 minutes—significantly down from the hour-plus journey it now takes by car between the two cities. However, that would depend on how many stations such a system would have.

Hyperloop TT, another firm based in Los Angeles, announced plans earlier this month to build a test track within a 10-kilometer (6.2-mile) property near Abu Dhabi's border with Dubai. Its partner is the largely state-owned developer Aldar Properties.

However, there's been a sense that the Emirates had been pumping the brakes slightly on the idea. Recently, Dubai's Roads and Transportation Authority issued a statement denying any plans to build a hyperloop track between the emirate's new Al Maktoum International Airport and Abu Dhabi International Airport.

"There is no specific route for operating the hyperloop system in Dubai or between Dubai and other emirates," the RTA said. "The RTA is closely following the developments in this technology and will study several options for determining the route which will be announced in the future."

Branson, who Forbes Magazine estimates has a net worth of \$4.9 billion, became Virgin Hyperloop One's chairman in December.



Richard Branson talks next to Sultan Ahmed bin Sulayem during the Hyperloop One presentation aboard the Queen Elizabeth 2 in Dubai, United Arab Emirates, Sunday, April 29, 2018. DP World's chairman and CEO Sultan Ahmed bin Sulayem said Sunday that Virgin Hyperloop One would launch a freight service called DP World Cargospeed. (AP Photo/Kamran Jebreili)

Hyperloop One's former chairman and co-founder, the venture capitalist Shervin Pishevar, took a leave of absence after facing a series of sexual misconduct allegations, which he denied. There have been others to leave its board in recent weeks as well. Russian billionaire Ziyavudin Magomedov, a board member and early investor, faces unrelated charges accusing him of embezzling money from Russian government infrastructure contracts.

Asked about the boardroom challenges, Branson only said that "the previous chairman has left and I stepped in."

"I'm ready for a new challenge and it's a very exciting new challenge," he said.

As one of the world's largest port operators, DP World has looked at the potential of using hyperloop technology to speed cargo from its Jebel Ali port operation in Dubai to storage areas further out into the surrounding desert to free up space.



Richard Branson, center, talks next to Sultan Ahmed bin Sulayem during the Hyperloop One presentation aboard the Queen Elizabeth 2 in Dubai, United Arab Emirates, Sunday, April 29, 2018. DP World's chairman and CEO Sultan Ahmed bin Sulayem said Sunday that Virgin Hyperloop One would launch a freight service called DP World Cargospeed. (AP Photo/Kamran Jebreili)

Bin Sulayem refused to say how much DP World has spent across three

different funding rounds with Virgin Hyperloop One. However, he did describe the port operator as "the largest investor in hyperloop."

Virgin Hyperloop One in total has raised some \$276 million in funding rounds, according to the business information website crunchbase.com.

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