



Maputo Corridor Logistics Initiative



www.mcli.co.za

“Working together to make the Maputo Corridor first choice for all stakeholders”

“Trabalhando Juntos Para Tornar o Corredor De Maputo Primeira Escolha”



MAPUTO CORRIDOR LOGISTICS INITIATIVE

–BRENDA HORNE – CEO of MCLI

TRANSPORT CORRIDOR CONNECTING SOUTHERN AFRICA REGION

USTRADEHUB 6 SEPTEMBER 2007



PURPOSE OF PRESENTATION

TRANSPORT CORRIDORS; TO INTEGRATE THE REGION

- BACKGROUND & STRUCTURE - THE MAPUTO CORRIDOR
- REHABILITATION AND OPERATION OF THE CORRIDOR TRANSPORT INFRASTRUCTURE ON THE MDC
 - The Road – N4
 - Border Post
 - The Rail - “AWAKENING GIANT”
 - The Port and Terminals – current projects
- MCLI & MDC OFFER TO THE REGION



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OVERVIEW - reduce the cost of doing business – distance is cost

The Maputo Corridor Rail Distances



Polokwane
550 km



**Jo'burg
City Deep**
581 km



**Pretoria
Rosslyn**
560 km



Witbank
450 km



Maputo

	JHB	WITBANK	BELFAST	NELSPRUIT	KOMATIPOORT
Maputo	590	450	358	221	92

COMPARATIVE RAIL DISTANCES

	MAPUTO	DURBAN	RICHARDS BAY
City Deep (SA)	581	714	647
Witbank (SA)	437	819	627
Polokwane (SA)	550	935	802
Gweru (Zimbabwe)	967	1764	1684
Bulawayo (Zimbabwe)	1083	1880	1800
Matsapa (Swaziland)	228	544	371

**DISTANCE IS COST –
COMPARATIVE
DISTANCES – ROAD
AND RAIL
ALL THE POTENTIAL
TO BE AN ECONOMIC
TRANSPORT
CORRIDOR**





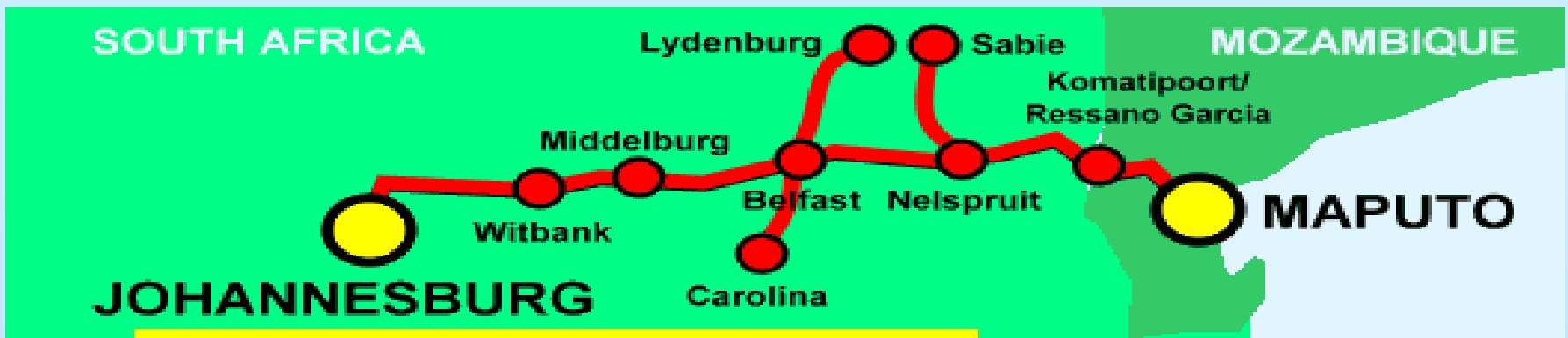
THE HISTORY AND STRUCTURES OF THE MAPUTO CORRIDOR

- **Joint Committees under RMGs**
 - Operate as part of the RMGs
 - Bilateral road transport agreements
 - One mode only
 - Perceived to be ineffective
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ECONOMIC IMPACT OF THE CORRIDOR





	Major Infrastructure /Plant Investment Values	Contract SMME	Contract Value SAR	Jobs Perm, Temp Casual	People Trained
N4 Toll Road	US\$ 250 MIL R2 B spent- R3B next 25yrs	702	SAR 304 M	6220	20,260
Port of Maputo & Terminals 2007 investment plans	US\$ 46 MIL of US\$ 70 MIL US\$ 15 MIL Further \$273M			2,000 & indirect (1 job impacts 8 people) 450-\$1.755M PA 1,800 indirect \$4.680M PA	450 full time staff trained in ops & safety/sec
Rail	US\$ 12 MIL Initial CFM > 50 Locos \$30m Rolling Stock 970 wagons \$30M	IMPACT OF MDC – TO DATE > \$5B - INVESTMENTS			
Energy	US\$ 100 Mil				
Mozal	US\$ 2 BIL	200	USD 100 M	9,000 1,000 perm	
Temane Gas pipeline to SA SASOL 1,000KM	US\$ 1 BIL \$498M royalties & taxes over 25 years MORE THAN \$3 BNTTEST			3,000 during construction 1,000 Moz's	\$3M training budget

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Mature SDP Example: The Maputo Development Corridor

MINTEK – NEPAD 2007

Coal-based Power Station
2 transmission lines to
Matola completed

Joburg-Maputo Highway
PPP- BOT completed

Port of Matola/Maputo
Upgrades, PPP

GAUTENG

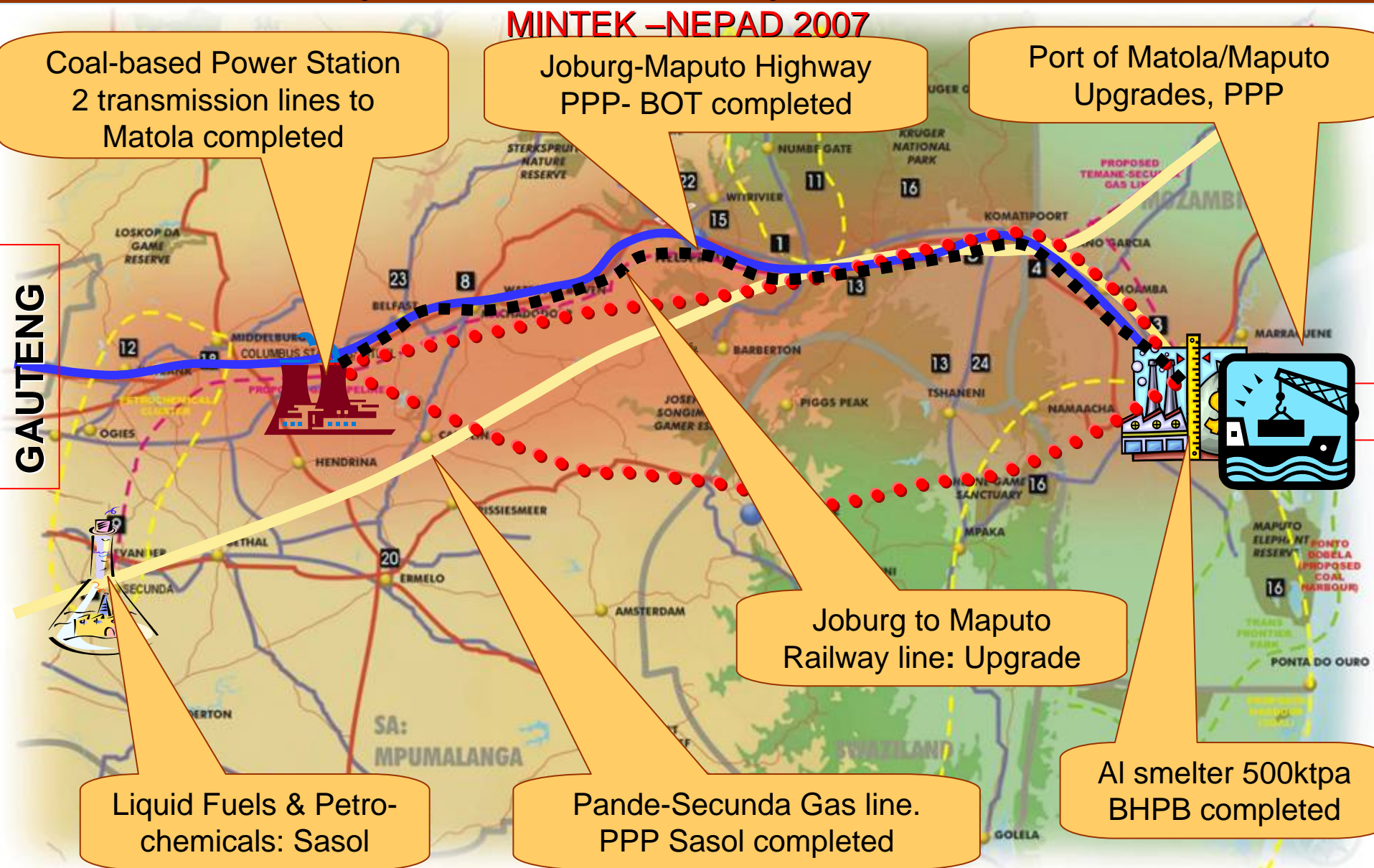


Liquid Fuels & Petro-
chemicals: Sasol

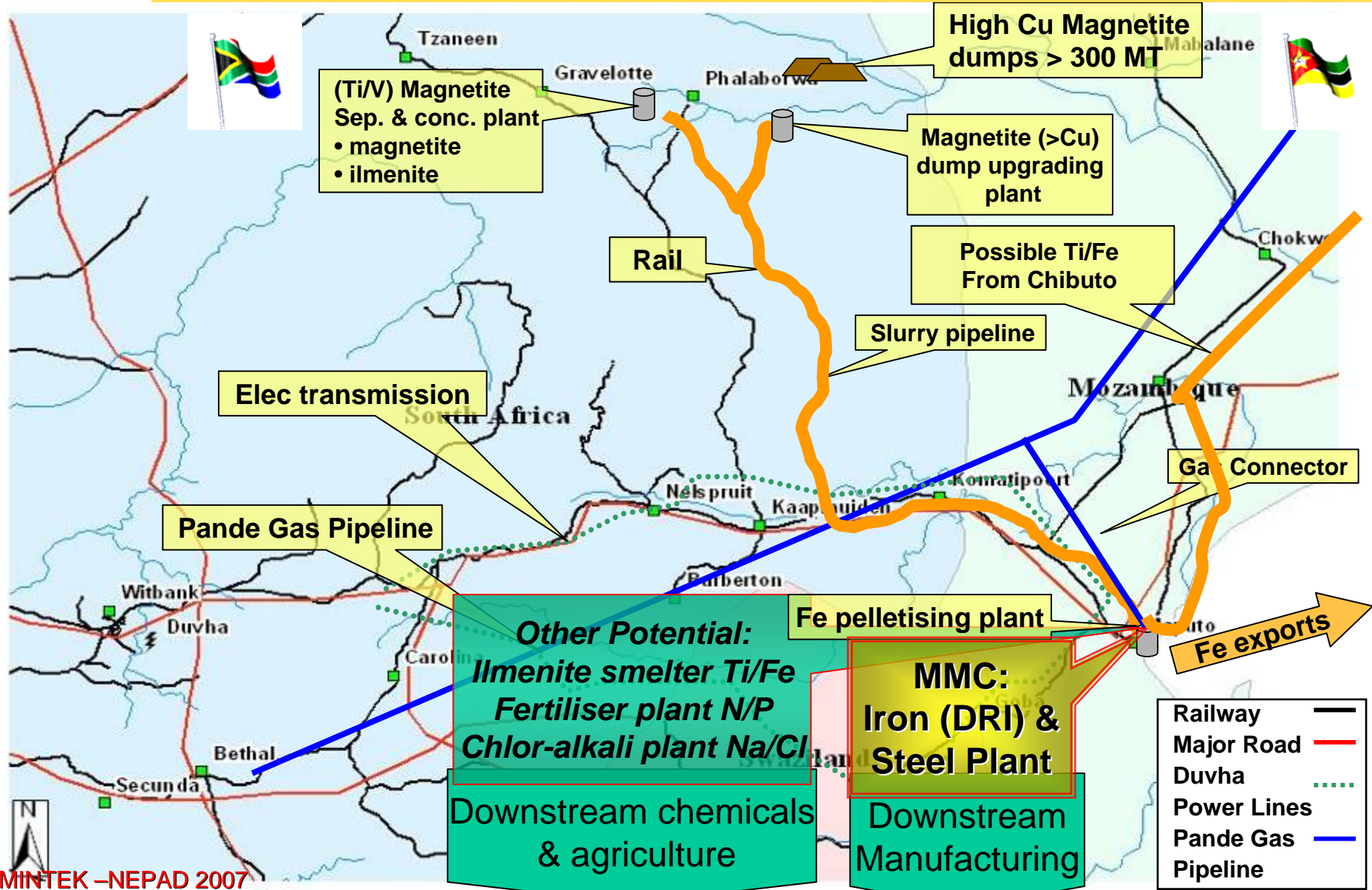
Pande-Secunda Gas line.
PPP Sasol completed

Joburg to Maputo
Railway line: Upgrade

Al smelter 500ktpa
BHPB completed



MDC phase II: Maputo Metallurgical Complex





REHABILITATION OF INFRASTRUCTURE N4 - ROAD



- 1997 a 30 year concession granted to TRAC 563 KM
 - "Double" PPP (Two governments involved)
 - PPP's used to contribute to infrastructure using private fund and to relieve the burden on tax-based revenues.
- TRAC has obligations to:
 - Finance
 - Design
 - Construct
 - Maintain **STATUS**
 - **Road from Ressano Garcia border to Maputo is new. Traveling time greatly reduced.**
 - **TRAC obliged to continuously maintain the road.**
 - **Spent R2 Billion on the road to date**
 - **Planned to spend at least another R3 Billion over next 25years**
 - **Continuous adding of lanes & resurfacing**
 - **Nelspruit Ring road**
 - **Moving the Machado Toll Plaza**
 - **Testing - Vitas camera system**
 - **Testing dedicated toll lanes at Maputo Toll Plaza**
 - **Electronic toll collection will be considered in future.**
- **The project has been successful in all aspects, namely :**
 - **As a constructed road**
 - **Involvement in Social Development in both RSA and Mozambique**
 - **In stimulating and being a catalyst for economic development**
 - **Volume increase of 5-7% p.a. - freight – 10%**



The functioning of the Border Post has a major impact on the road traffic

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• BORDER POST LEBOMBO/RESSANO GARCIA

ROAD TRAFFIC ON MAPUTO CORRIDOR ON N4 - PASSENGERS

Easter 2007 > Easter 2005 +130% = 166K to 382K

December 2006 > 466K December 2005 = 330K to 466K

113,500 on the 23rd of December 2006 (56,K previous record).

Home Affairs - 80% increase in passengers since April 2005 when visas were abolished

All this via the N4 ! - 23 December 06 (from highest to lowest):

Middleburg Toll Plaza - 30 389 - Nkomazi Toll Plaza - 14 717

ROAD TRAFFIC ON MAPUTO CORRIDOR ON N4 - FREIGHT

• 1 September 2006 – commercial cargo clearing hours extended to 22:00 almost zero to 6-700K tonne pa since mid-2002. The traffic is largely SA exports.

• 13 August 2007 – hours extended to midnight (18hours)

24hr border opening is essential in order to enable road transport to complete the round-trip between JHB-Maputo within 24hrs.

LEBOMBO RESANNO GARCIA JOINT ONE STOP BORDER

• 28 June 2006 - bi-lateral meeting between the Presidents of SA and Mozambique – announced commitment for “one-stop-border”

• DFID works with SARS & MOZRS – SA – BCOCC

• R600 Million Rand

• 23 May 2007 – MCLI AGM – Joint presentation of SA & Mozambique Revenue Services

3 Location One stop border post – Completed 2009

• Commercial cargo clearing – Mozambique KM4

• Passenger clearing – re-build -current border post

• Rail



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RAIL ON THE MAPUTO CORRIDOR

- 2006 - , 1.7m tonne transit cargo from SA, ie. 4.5-5 trains per 24 hrs
- line has design capacity for 9m tpa, ie. 16-18 trains per 24hrs.
- CFM upgrade programme on the Moz section of the line (92kms from the border to the port)
- 20 tonne axle loads and throughput of approx 13m tonne pa (2010-11).

Now excellent cooperation between CFM and Spoornet

- Rehabilitation to be completed Dec 2007

CFM rebuilds rolling stock ahead of growing demand for railway transport from the region to the port of Maputo.

- 150 wagons rehabilitated in-house
- 820 will be rebuilt by a specialized foreign contractor to be selected through a public tender - US\$ 30 M.
- Rehabilitate more than fifty locomotives US\$ 30 M



PORT CONCESSIONAIRE – INVESTED \$50 OF \$70M STRATEGY FOR MAPUTO/DOBELA PORT

12 MAJOR PORT DEVELOPMENT PROJECTS - \$273MILLION

1. EXPANSION OF CONTAINER TERMINAL
2. EXPANSION OF COAL/MAGNETITE TERMINAL
3. BUILD NEW CAR TERMINAL
4. NEW FRESH PRODUCE WAREHOUSE
5. TRANSIT SHED T2 (BAGGED RICE AND STEEL)
6. TRANSIT SHED T3 (MULTI-PURPOSE BULK TERMINAL)
7. TRANSIT SHED T4 (FERTILIZER TERMINAL)
8. BULK LIQUIDS TERMINAL
9. GRANITE TERMINAL
10. EXTENSION OF THE MPT CITRUS TERMINAL
11. EXTENSION OF THE STAM BULK SUGAR TERMINAL
12. UPGRADE AND IMPROVE MAPUTO PORT ACCESS TO POST PANAMAX PLUS TYPE OF VESSELS

ECONOMIC IMPACT

- 11,45m TONS ADDITIONAL RAIL FREIGHT
- 56,700 ADDITIONAL ROAD TRIPS PA
- \$9.4M ADDITIONAL LIGHT DUES PA
- \$10M RECLAIMED PORT LAND
- \$11M ADDITIONAL VARIABLE CONCESSION FEE TO STATE PA
- 450 NEW PORT JOBS – \$1.755M PA
- 1,800 INDIRECT JOBS - \$4.680M PA

ALL AFFECTED BY MANDATED INSPECTION FEE



BUILD NEW CRUDE OIL TERMINAL AT PONTA DOBELA
BUILD NEW OIL PIPE LINE DOBELA TO MATOLA REFINERY
BUILD NEW IRON ORE AND HEAVY SANDS TERMINAL



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The formation & structure of MCLI

MCLI – a multilateral; multi-stakeholder institutional framework to integrate; coordinate; communicate and facilitate on the Maputo Corridor

- MCLI was incorporated as a SECT. 21, (not for profit) organisation, during March 2004 as a membership organization, with members drawn from freight logistics stakeholders of both South Africa, Mozambique and Swaziland, focused on the promotion and further development of the Maputo Corridor, as a contribution to the aims and objectives of the SDI - Maputo Development Corridor – launched in 1996 – 110 Members
- MCLI promotes greater utilization of the Corridor by current and future investors and users to ensure that the remaining constraints are resolved and the Maputo Corridor becomes

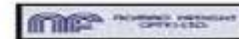
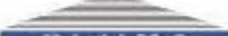
“the first choice for the Corridor region’s stakeholders”

Freight Logistics creates an enabling environment for trade and investment!

MCLI is now in PPP with SA DoT to roll out the NFLS as secretariat with Mozambique and Swaziland Ministries of transport joining the board of MCLI

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EXECUTIVE COMPUTER SERVICES

THULANE GEORGE TRANSPORT

DUMA STEEL

GEARIES, EQUIPMENT & SUPPLIES FORUM

NAVAL SERVICES

FABCOS

RONIL LDA MCCI

SPOORNET

BLUE CLOUD

DEDP

DELTA EMD

NAFCOC

CORRIDOR SANDS

PETROLINE

SAMREC

SOUTHERN

SWAZILAND



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CORRIDOR'S OFFER TO ORGANISATIONS IN THE REGION AND TO THE REGION

- Reliable supply chain for imports and exports to and from Mozambique, Swaziland and South Africa
- Reliable and growing supply chain for transit cargo with the port of Maputo as an ideal gateway to the East
- Cost effective, reliable, efficient transport corridor creates enabling environment for further investment and trade development
- Our congestion at the border post bears witness of the successful regional integration – where people move there is economic activity!
- Initial rehabilitation of port is now leading to further \$273M Investment
- Initial success of Mozal – lead to phase 2 and phase 3
- The Corridor and MCLI very much seen with the WBCG as role models for Corridor development in the region
- The current status of the corridor with MCLI as Institutional framework is resulting in:
 - social development and employment opportunities and increase participation of historically disadvantaged communities
 - investment in the potential of the Corridor area and in added opportunities that infrastructure rehabilitation creates
 - sustainability by developing policy, strategies and frameworks that ensure holistic, participatory and environmentally sustainable approaches to development

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INITIAL AIMS OF THE MAPUTO DEVELOPMENT CORRIDOR STRATEGY





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Thank You



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