

**ADDRESS BY THE CHAIRMAN OF THE
MAPUTO CORRIDOR LOGISTICS INITIATIVE,
DR MATHEWS PHOSA
TO THE WORKSHOP OF THE BI-NATIONAL WORKING GROUP ON THE
IMPLEMENTATION OF THE
ONE STOP BORDER POST
MAPUTO, 19TH JULY 2007**

- His Excellency the Minister of Finance in Mozambique, Mr Manuel Chang,
- Her Excellency the South African High Commissioner to Mozambique, Mrs Thandi Lujabe-Rankoe,
- President of the Mozambican Revenue Authority, Mr Rosário Fernandes,
- Director General and Commissioner for Customs in Mozambique, Dr Domingos Tivane,
- Mozambican Director General Director of Internal Control, Dr Danilo Nala,
- Chairman of the Mozambican Confederation of Trade Associations, Mr Salimo Abdula,
- The Commissioner of the South African Revenue Service, Mr Pravin Gordhan,
- The Deputy Chief of Operations of the South African Revenue Service, Mr Leonard Radebe,
- Chairperson of the Border Control Operations Coordinating Committee in South Africa, Mr Gene Ravele,
- Legal Project Owner of the Border Control Operations Coordinating Committee in South Africa, Dr. Giorgio Radesich,
- Members of the Public and Private Sector represented here,
- Honoured Guests, ladies and gentlemen.

Since the democratic elections in 1994, the governments of South Africa and Mozambique have promoted the revival of the Maputo Development Corridor by means of bilateral policies and substantial public and private sector investments, all of which have been designed to stimulate sustainable growth and development in the region.

The Maputo Corridor Logistics Initiative (MCLI) was incorporated as a non-profit Section 21 Company, during March 2004, and its members were drawn from freight logistics stakeholders in South Africa, Mozambique and Swaziland. The focus of the initiative was on the promotion and further development of the Maputo Corridor so that it becomes the first choice for the region's stakeholders, because the private sector firmly believes that efficient freight logistics creates an enabling environment for further trade and investment!

MCLI is now also in a Public Private Partnership with the South African Department of Transport, acting as secretariat for the Mpumalanga Freight Logistics Forum (MFLF), to roll out the National Freight Logistics Strategy in the Mpumalanga Province. This strategy focuses on corridor development and continental integration with the corridor initiatives of neighbouring provinces and countries. It goes without saying that the Lebombo/Ressano Garcia border post is at the top of the MFLF agenda.

We are all proud of what has been achieved since our heads of state mandated the concept of the Maputo Development Corridor. The significant incremental increase in passengers crossing the border post, especially over the holiday periods, since the 2005

abolition of visas for Mozambique and South African citizens for stays of less than 30 days, is a clear sign of regional integration, and we know that when people move there is economic activity!

During 2006 the Port of Maputo had its highest throughput for the past 27 years at 6.6 million tonnes. A further 12 investment projects totalling \$273 million are to be implemented over the next three years. These include new car, liquid bulk, fertilizer, citrus and granite terminals, as well as expansion to the coal, citrus and container terminals, warehouses and sheds, and further dredging to handle post panamax size vessels. The economic implications of these 12 projects is an additional 11,45 million tons of freight, 56,700 road trips, \$9.4 million additional light dues, \$10 million reclaimed port land, \$11 million variable concession fees to the state, 450 new port jobs with an investment of \$1.755 million and 1,800 indirect jobs which will cost \$4.680 million per annum. Significant progress indeed! Not only is the Maputo Corridor seen by other African Countries as a role model for regional integration, following on large scale infrastructure rehabilitation, but the eyes of the world are focussed on the success we are achieving here at the Southern tip of Africa, and in this regard we have been invited to showcase the initiative on numerous occasions and on a variety of platforms.

But ladies and gentlemen, experience has taught us that despite all of the investment and anchor projects in the early phases of the projects, the *greatest constraint on our corridor was the lack of engagement between investors, users, service providers and the public sector to ensure an efficient border crossing with a 24-hour, one-stop border post. We have learnt that extensive private sector investment in infrastructure in the road, port and terminals, without matching levels of focus and investment on the border post from an infrastructure, process, system and people capacity point of view, will never realise the full potential of the initiative.*

We know that our corridor is unlocking the landlocked regions of Mpumalanga, Gauteng, Limpopo Province as well as Swaziland and that it has a distinct distance advantage to its closest port. In this regard, the Maputo Development Corridor is a true enabler of further economic activity. Comprising road, rail, border posts, port and terminal facilities, the Corridor runs through the most highly industrialised and productive regions of Southern Africa. Johannesburg and Pretoria are on the western end of the Corridor's axis with large concentrations of manufacturing, processing, mining and smelting industries. The corridor passes through vast industrial and primary production areas containing steel mills, petrochemical plants, quarries, mines, and smelters, through plantations of forests, sugar cane, bananas and citrus to the eastern end of Mozambique. Ninety-two kilometres beyond the Lebombo/Ressano Garcia frontier are the Mozambican deep-water ports of Maputo and Matola, which have traditionally provided the nearest facilities for the importers and exporters of this region. However, freight corridors must have distance as well as economic advantage to ensure their full optimisation and support for further economic development and it should be our ultimate goal to ensure that the Maputo

Development Corridor becomes an economic corridor of first choice for the region's stakeholders.

The remarkable progress already made on the road, rail, port and terminal infrastructure and operational systems is perhaps a reflection of the spirit of cooperation that is in evidence here again today, as we work towards the implementation of a one stop border post as well as joint border controls on our corridor. We firmly believe that it will greatly contribute to reducing the transport costs and the cost of doing business, while at the same time enhancing security and further economic benefits for the region.

Passengers and freight are equally important irrespective of the mode of transport and we believe it is the human right of each and every user of a port of entry to be treated with the same dignity, respect and good service as what we offer our users at Oliver Tambo International Airport. It is not dignified for mothers with babies on their backs to be dropped off at Komatipoort station on their way to Maputo and then to have to make their way up the mountain to the border post, be part of the huge congestion there, only then to have to make their way back to Ressano Garcia to be transported to Maputo. It does not make any sense business-wise either, for truck drivers who cross the border daily, to have to spend hours in queues, while waiting to have their passports stamped.

Yes, a 24-hour, one-stop border post would also prevent people from trying to catch up on lost time once they get back on the roads. It's a real problem. You could end up dead... like the preacher and the taxi driver who were involved in a head on collision and killed. Both went to heaven and were shown their rewards for their earthly endeavours. To the priest's disappointment he's given the keys to a small shed in a vegetable patch, while the taxi driver is given a huge mansion on a massive estate. "What's going on?" says the priest. "I devoted my whole life to the church and all I get is a shed?" "We pay depending on performance" says St Peter. "When you preached, people fell asleep, but when the taxi driver drove, people prayed like crazy!"

The latent possibilities for tourism in the region between Mpumalanga, Maputo and Swaziland are huge. Tourism has most certainly not reached its full potential, and offers excellent business opportunity and potential. However, holiday makers cannot afford to spend hours of their well deserved leave time trying to cross borders, neither is it fair on migrant workers servicing both countries to spend valuable down time waiting in queues at a border post, not to mention the importance of time to business travellers.

It is very clear from the many classes of border post users that extensive joint planning needs to be in place to ensure that our new infrastructure, integrated standard operating procedures and legal frameworks are appropriate and meaningful to the private sector, social partners and governments alike.

All of this talk about borders and legalities reminds me of the story about the border between heaven and hell, which comprised a very high, but very old fence – as you can

imagine! Most frustratingly the people from hell kept on breaking the fence and because hell was below, every now and again one of heaven's occupants would fall through the fence into hell and St Peter would have to go down there and retrieve the poor person from Satan's clutches. And since the hellions were the guilty party, St Peter would demand that they repair the fence. On this occasion though, Satan simply ignored St Peter, despite repeated requests to fix the fence. Eventually in sheer frustration St Peter stormed off to the Devil and said: 'Look, I've been really reasonable. You promised to fix the fence months ago and nothing has been done despite repeated requests. Well I've had enough. Either you fix the fence immediately or I will get a lawyer and sue you and all of hell!'

"And where are you going to find a lawyer?" said Satan with a smirk.

MCLI would like to applaud our two governments for this current process of stakeholder engagement that is aimed at confirming our collective understanding of the one-stop border post concept. We will work towards consensus on the terms of reference for the drafting of the national one-stop border related legislation for both our countries, and towards confirming consensus on the terms of reference for the Standard Operating Procedures to be implemented by both South Africa and Mozambique border control agencies.

Ladies and gentleman we have here with us today the daily users of the border post from both our countries and I am of the firm belief they will participate actively over the next two days in ensuring that we achieve our objectives and provide our corridor with a world class one stop border post and joint controls.

We are moving yet closer to final realisation of the strategic objectives of the initial Spatial Development Initiative, namely to rehabilitate, in partnership with private sector, the primary infrastructure network along the corridor. This will lead to maximised investment in the Corridor area, and to the creation of opportunities through the infrastructure rehabilitation. A further benefit will be the maximisation of social development and employment opportunities and increased participation of historically disadvantaged communities along the corridor. We are on the right track. Let us put our hearts and minds and full energy into this process. We all have a responsibility to ensure that we are ready for the 2010 Soccer World Cup and all of the opportunities that it will offer this region beyond 2010. The 24-hour one-stop border post is one of the most strategic points in realising regional integration, and maximising the potential of the Maputo Development Corridor.

Ladies and gentlemen, I wish you successful deliberations. I trust that this workshop will be a huge success, especially since we are working towards a common goal - the development of our people and this Southern most tip of our continent.

I thank you.

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