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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

### MINUTES OF THE THIRD ANNUAL GENERAL MEETING OF THE MAPUTO CORRIDOR LOGISTICS INITIATIVE HELD ON WEDNESDAY THE 23<sup>RD</sup> OF MAY 2007 AT THE POLANA HOTEL, MAPUTO

#### 1. Call to Order

Brenda Horne welcomed all present to the third Annual General Meeting of the Maputo Corridor Logistics Initiative. She extended a special word of welcome to the dignitaries present.

#### 2. Welcome Address

Her Excellency Mrs Thandi Lujabe-Rankoe, South African High Commissioner to Mozambique, delivered a welcoming address who emphasized the importance of regional integration in addressing economic growth, emphasizing that regional integration programmes should assist in assuring the eradication of poverty and the creation of an environment for economic growth and development. She also noted the importance of close relationships with other countries in Africa and especially with Mozambique and Swaziland and commended MCLI's efforts which she said had contributed to strengthening Africa's place in the world through strategic, balanced and responsible partnerships and pointed out the success of strong private sector participation to ensure the success of the Maputo Corridor. The full address is attached as Appendix 1 of these minutes.

#### 3. US Trade Hub Film

The US Trade Hub Film on corridors was shown to the meeting, outlining the impact of the SAD 500 document in achieving efficiencies in the movement of cargo on corridors in the SADC region.

#### 4. Keynote Address

His Excellency the Minister of Transport and Communications in Mozambique, Mr Antonio Mungambe, presented the keynote address to the meeting. He referred to the Maputo Corridor Logistics Initiative as an instrument for cooperation and integration in the SADC region and lauded progress made on the removal of barriers on the Maputo Corridor referring to the extended operating hours at the border post and the increased volume of traffic and investment on the corridor. He paid tribute to the visionaries who

ten years ago recognized the crucial role that the Port of Maputo would play with regard to the socio economic development of the region, becoming what he referred to as a symbol of regional integration in Southern Africa. He also highlighted the role that the N4 toll road and the rehabilitation of the Ressano Garcia railway line have played as catalysts of economic development in the region. Referring to the scanner issue, he acknowledged current processes underway to address the matter and expressed the hope that a solution would soon be found. He encouraged the various role players in both the public and private sector to continue to keep the dialogue open on issues affecting this corridor, particularly those presenting barriers to investment, and to work together to create an environment favourable for economic growth. The full address is attached as Appendix 2 to these minutes

## **5. Updates on the Corridor**

### **5.1 Road**

Hannes van Wyk of TRAC outlined the consistent growth in traffic on the N4 of between 5 and 7% per annum since 1998, with truck traffic increasing in recent years at 10% per annum. He reported that the concession contract would see TRAC design, construct, and upgrade, rehabilitate, operate and maintain the N4 for a 30 year period i.e. from 1997 to 2027. He summarized the current construction work being done, referring to the resurfacing near Machadodorp having recently been completed, with the major work on the N4 being the widening of the road from Wonderfontein to Belfast which will provide an additional lane in both directions in a project which will take 26 months. Although not part of the original concession, TRAC has agreed to develop a 23km ring road north of Nelspruit which is to be completed by 2009. In terms of toll plaza operations, Van Wyk noted that efforts were being made to prevent corruption and indicated that TRAC would be testing the Vitas camera system at the Maputo Toll Plaza, enabling TRAC to improve its efforts to prevent corruption. Mr van Wyk's presentation is attached as Appendix 3 to these minutes.

### **5.2 Rail**

David Gomes, Commercial Director of Mozambican Ports and Railways (CFM), referred to the continued strengthening of the working relationship between CFM and Spoornet on the operation of the line from Ressano Garcia to Maputo which has seen steady and consistent growth in both coal and magnetite movement to the port, as well as an increase in general cargo trains. He reported that short term growth on the corridor would see an increase in fuel, containers, steel, ferrochrome, sulphur, vermiculite, granite, sugar, citrus and cars moving along this route. He reported that projections were that CFM would increase coal from the current 23 to 35 trains per week, and magnetite from 12 to 14 trains per week. He noted the additional benefits of the completion of the rehabilitation of the line which would enable 20 ton axle loads, and the running of longer and heavier trains as a result of introducing air brake operations and additional capacity. Mr Gomes's presentation is attached as Appendix 4 to these minutes.

### **5.3 Border Post**

Dr Danilo Nala of the Mozambican Revenue Service, and convener of the bilateral committee dealing with the one stop border post initiative, gave a presentation on progress made with regard to the implementation of this project. He pointed out the legal complexities of delivering a facility which would ensure that all the relevant departments of both countries could be accommodated to operate efficiently and provide a service to users, and indicated that the relevant legal processes are close to being finalized when they are signed off at the next Heads of State meeting. He reported that the one stop border principle will be applied in three locations, one for commercial freight, one for passengers and one for rail. He reported that the current border post would be upgraded and refurbished to process passengers and tourists jointly by the two countries, while goods trucks would be processed at Kilometer 4 just beyond the Ressano Garcia border post. He pointed out that the bilateral teams have been set up and will finalise the working groups before their next meeting around mid June 2007, and that the Department of Public Works is currently looking at the terms of reference for the launch of the tender for the design of the project, which will be also be launched by mid June 2007. He noted that infrastructure was only one element of a complex project and emphasised that by August 2009, the border post should be working efficiently.

### **5.4 Port and Terminals**

Dick Moore of the Maputo Port Development Company reported on the steady growth in tonnages through Port Maputo, and the increase in shipping lines calling to the port. He reported on the new bulk liquids terminal which is under construction, and which is planned to deal with the significant increase in demand for fuels and bio fuels, and the ferrochrome terminal and a car terminal, projects amounting to an investment of some \$273 million, but which are on hold until the resolution of the scanner issue. He pointed out that the port's annual growth rate of 12 – 16% per annum from 2003 had slowed to 2% as a result of the introduction of the scanner at the port, but expressed the hope that negotiations would resolve the issue to allow the port to operate a world class security system and maintain its competitiveness.

## **6 Formal Business of the Annual General Meeting**

### **6.3 Attendance Register and Apologies**

Brenda Horne indicated that an attendance register had been circulated, and that a quorum of members was present for the meeting. The attendance register is attached as Appendix 5 and the Apologies as Appendix 6 to the minutes.

### **6.4 Chairman's Report**

In his report to the meeting, MCLI's South African Chairman, Dr Mathews Phosa, undertook to continue to drive the improvements and efficiencies on the Maputo Development corridor. He indicated that the efforts of MCLI were not going to slow down

and would continue to be driven with considerable energy. He pointed out that inefficiency on the corridor could not be supported and assured the meeting that MCLI and its partners would continue to promote the highest standards of efficiency on the Maputo Corridor, and the highest standards of performance at the port. He made an appeal for the border posts to be open 24 hours a day to ensure that the efficiency of the corridor is achieved, and he appealed to the private sector to increase the volumes on rail between Gauteng and Maputo and between Swaziland and Maputo. He reported that the momentum on the Maputo Corridor was stimulating the economic growth of the whole corridor. He emphasized that all stakeholders on the corridor should ensure that the momentum that had been created should be sustained for the benefit of the people of the region. He also pointed out the need for Swaziland to participate more actively on the corridor and within the MCLI and noted that Swaziland was an important partner and had a key role to play in the economic growth of the region. Dr Phosa's address is attached as Appendix 7 of these minutes.

## **6.5 Presentation of Audited Financial Statements and Budget for 2007**

Mr Henri Pieters of PricewaterhouseCoopers presented the audited financial statements, budget and cash flow statement of the MCLI, indicating that good governance procedures and sound financial controls had ensured sound management of funds within the organization, for which he commended the CEO, Ms Brenda Horne. The audited financial statements were unanimously approved by the meeting. This presentation is attached as Appendix 8 to these minutes.

## **6.6 Appointment of Auditors and Remuneration**

The meeting unanimously approved the appointment of PricewaterhouseCoopers as auditors for MCLI.

## **7. Special Business**

### **7.1 Acceptance of Budget**

The budget as presented was unanimously approved by the meeting.

### **7.2 Approval of Revised Constitution**

The revised constitution had been circulated to members for comment prior to the Annual General Meeting, and inputs received had been dealt with, without substantial material changes to the meaning and interpretation of the constitution. The meeting approved the revision of the constitution which is attached as Appendix 9 of these minutes.

## **8. Closure**

Brenda Horne thanked all for their attendance of the Annual General Meeting and invited guests to join her for dinner.

**SIGNED AND APPROVED:**

**Chairman :** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Appendices:**

Appendix 1 : Welcome Address : SA High Commissioner to Mozambique, Mrs Thandi Lujabe-Rankoe

Appendix 2 : Keynote Address : Minister of Transport and Communications in Mozambique, Mr Antonio Munguambe.

Appendix 3 : Presentation by Mr Hannes van Wyk of TRAC

Appendix 4 : Presentation by Mr David Gomes of CFM

Appendix 5 : Attendance Register

Appendix 6 : Apologies

Appendix 7 : Chairman's Report, Dr Mathews Phosa

Appendix 8 : Audited financial statements, budget and cash flow statement

Appendix 9 : Revised Constitution of the MCLI