

**Remarks at the Maputo Corridor Logistics Initiative 6th Annual General Meeting
and Open Network Event, Wednesday, 29th September 2010**

BY Dr. GIDEON MAHLALELA

Your Excellency, the Right Hon. prime Minister of the Republic of Mozambique,
Mr. Aires Ali.

My mentor Distinguished Dr. Mathews Phosa, MCLI Chairperson

Representative for the Minister of Public Works & Transport in Swaziland Mr.
Napoleon Ntendzinde

Distinguished CEO of MCLI Ms Brenda Horne

Colleagues in the railway fraternity and, I would like to recognize my counterparts
Engineer Rosario Mualeia, even though he is not here today and Mr. Tau Morwe

Captains of Industry from Swaziland, Mozambique and South Africa

Ladies and Gentlemen

Mozambique, South Africa and Swaziland are rich. It is only its people who
are **poor and hungry**. Let me put an image of an inhabitant standing in the
middle of the Komati River crying for help. When he was asked what type
of help he wanted he replied, **I Am Thirsty**.

In our region we are indeed thirsty while we are standing in the middle of
the river. We are indeed hungry while we have available fertile lands.

Director of the programme ,If I were given a second chance to be born
again, I would not choose to be born in Africa but in Europe, not as a
human being but as a cow, since the cow gets 3U\$D subsidy a day and the
poor in the Region leave below a 1 U\$D a day.

However with the Maputo corridor and its benefits I have hope that I can
be prepared to be born again in the Region, In Swaziland, Mozambique or
South Africa as a human being. **Brenda** the corridor is giving us **hope for the
improvement of our standard of living**.

Coming to transport issues, the bottled water in your tables has the cost of
transport in excess of **30%**. **Do we actually drink water or transport?**

Cost of transport has direct bearing on food and other goods basically in 3 areas:

(1) Accessibility

(2) Affordability

(3) Availability

- Transport infrastructure is the key in accessing food from farms as well as minerals to markets. Food must be affordable to the consumer; unfortunately, the cost of transport has dramatically increased the cost of food.

In a land locked country like Swaziland the landed cost of transport is high and expensive than the rest of the world and is twice the cost of Asia.

Lack of transport services and infrastructure can be a contributing factor to creating an isolated environment characterized by poor communications and lack of links with broader society.

The essential aspect of multi definition of poverty is to the extent of which sectors like – health, education, agriculture extensions, water, roads, railways and environment can be used in poverty reduction strategies to address the needs of the **poor - the Maputo corridor is doing just that.**

Transport must therefore be considered in relation to other sectors if its impact on poverty and hunger is to be fully understood.

Environment:

Environmental concerns are on the global agenda. Several environmental challenges can generally be reduced by stronger focus on the Railways as a mode of transport with critical mass.

Rapid urbanization may seriously strain the existing transport systems and contribute to our pollution and global green house gas emissions.

Railway systems are known to be among the most cost effective, energy and space efficient and environmentally friendly. With rail infrastructure you do not need a six lane road to release congestion, two lanes is more than adequate to carry the same traffic by rail. You do not need so much land for the Railway compared to road transport.

Environmental conditions will influence future prospects and shift among modes of transport and rail transport must use the competitive edge.

The issues of **Inter connectivity** in the triad (3 countries) and addressing missing links is a must.

As far as **Inter-operability** within the triad, we are lucky that we have the same gauge thus it is easy to use standard equipment as well. As we look to the long term view of our railways we need to work together when we introduce, say, broad gauge.

We need to look at **complementary services**, e.g. customs, border crossing, financing of assets and we need new model of financing our Infrastructure, especially in financing rolling stock(locomotives and wagons). The World Bank is open to financing the construction of line and **not** rolling stock. Rail business needs the Permanent Way as well as rolling stock to be complete.

The world has almost unlimited problems but quite limited resources. Free trade is one of the best solutions to world problems.

Economic integration in our three countries will benefit the cross border railway transportation due for instance more homogeneous and seamless border procedures and more committed co-operation.

The Maputo corridor can quicken the pace of economic development by attracting investments and facilitating access to markets for abundant resources on the Triad. The investment promotion units in our countries must market the Maputo corridor as an investment destination.

For the river to run smoothly it needs some tributaries and Swaziland has identified the western Link connecting with Lothair.

This is already identified as a SARA project and the three Railways are in a process to deposit instruments to SADC secretariat as well as seeking political will to be demonstrated by our governments. The feeder corridors like the Goba Corridor

which we intend to extend to Lothair and this will cover the people of Ermelo and Swaziland who feel they were bypassed by the Maputo Corridor.

Programme Director I am happy that **TFR, SR and CFM** are sharing maintenance programmes. If there is maintenance in the corridor the window is also used by the contiguous railway. For the smooth flow of traffic it makes economic sense to have the whole corridor maintained at the same time.

Access to funding must also be discussed between the connecting Railways. The best example was the Goba corridor where the two countries (Swaziland and Mozambique) approached the Italian government for funding and the funding was for the Corridor instead of the individual railways.

Corridor management groups under the auspices of SADC protocol are strong in the Goba corridor which is a feeder to the Maputo Corridor as well as the Ressano Garcia route. What we need to do in the Corridor is to **over promise and over deliver** to be able to attract more traffic, keeping the status quo will not increase the market share and will not make the corridor a facilitator of investments.

SARA has a regional marketing policy and this must be activated so that we speed up on tariff quotation in the corridor.

In conclusion I would like to say job well done Brenda and your Board for managing the corridor.

Thank you