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**WORKING TOGETHER TO MAKE THE MAPUTO CORRIDOR FIRST CHOICE FOR ALL STAKEHOLDERS**  
**TRABALHANDO JUNTOS PARA TORNAR O CORREDOR DE MAPUTO a PRIMERA ESCOLHA**

## **Maputo Corridor Logistics Initiative**

### **REPORT TO THE SOUTHERN AFRICA GLOBAL COMPETITIVENESS HUB ON THE ANNUAL GENERAL MEETING OF THE MAPUTO CORRIDOR LOGISTICS INITIATIVE MAPUTO RAILWAY STATION – WEDNESDAY 29 SEPTEMBER 2010**

#### **INTRODUCTION**

The Annual General Meeting (AGM) of the Maputo Corridor Logistics Initiative has become an important event for the organisation, its members and stakeholders. This is due largely to the high level of political support given to the events and to the high profile of business organisations participating in the meeting. In addition, it is a crucial opportunity for all sectors and interest groups on the corridor and within the freight and logistics sector to meet at one venue to network and be updated on the progress made on the corridor.

#### **THE 2010 ANNUAL GENERAL MEETING AND OPEN NETWORK EVENT**

This year's event was held at the Maputo Railway Station and was chiefly supported and sponsored by the Maputo Corridor Rail partners, namely CFM, Transnet Freight Rail and Swaziland Railway. This was an important milestone for MCLI as it was the first time in the 7 year existence of MCLI that the three rail partners have collectively and publically pledged their support for MCLI and have acknowledged its crucial role on the corridor. The participation of Swaziland Railway and the public profile given by its CEO, along with the Mozambican and South African rail partners was very well received by the stakeholders and much value was gained from the collective insights of the three Chief Executive Officers who addressed the meeting.

The event itself was extremely well attended, with 14 countries represented at the meeting and 480 delegates registered for the event, and an additional 100 guests registered on arrival who had not registered through MCLI's formal registration process. The attendance register is attached as Annexure 1. This register does not include the non-registered guests.

The event programme included an exhibition prior to the AGM proceedings followed by the Annual General Meeting itself and concluded with a meal and networking. The exhibition formed a crucial element of MCLI's role as a facilitator of cross border trade and investment with exhibitors drawn from South Africa, Mozambique and Swaziland, and feedback received has indicated that very positive contacts were made and networks for potential business established at the event.

The program for the event is attached as Annexure 2.

## **Mr Gideon Mahlalela: CEO of Swaziland Railway**

The programme opened with words of welcome and introduction from the three rail partners. Mr Gideon Mahlalela, CEO of Swaziland Railway focussed on the role of the Maputo Corridor in economic development and growth of cross border trade, and emphasised the crucial role which MCLI plays in this regard. He commended MCLI for its role in marketing the Corridor as an investment destination and for its role as a corridor management institution within the framework of SADC transport policy. He also addressed the issue of the high costs of transport in Africa, and indicated that the role of transport service providers, and rail in particular, was to ensure accessibility, affordability and availability. He said that one of the most significant hopes of the Maputo Corridor was the hope that it gave in terms of poverty reduction strategies. He added that a complementarity of services was needed to increase the efficiency of rail, and added that new models of financing infrastructure were being sought to ensure the long term sustainability of rail and its competitiveness in the future. He added that the space and environmental benefits of rail would become central factors in the future and that strategies for growth would have to take note of these two issues.

Mr Mahlalela indicated that rail should “over promise and over deliver” if it is to transform its current status quo and become a facilitator of economic growth and investment. He closed his address by congratulating MCLI on its excellent work of managing the corridor.

## **Tau Morwe: Acting Chief Executive of Transnet Freight Rail**

Mr Morwe gave an overview of the R100 billion investment envisaged by Transnet in the next five years and suggested that very little of that would come to the Maputo Corridor. He expressed the hope that in the future, development within Southern Africa would be undertaken with a clear understanding of the regional context and he urged MCLI to lobby for some of that funding to be channelled to the Maputo Corridor.

He added that this was the first time that Transnet Freight Rail (TFR) has come on board with the other rail partners which, he said, showed the commitment of the organisation to working with CFM and Swaziland Railway to ensure continued growth. He referred to the fact that the three organisations were jointly working on various interventions to ensure increased regional trade and emphasised that rail could create significant opportunities for entrepreneurs and for job creation. He concluded his remarks by confirming that TFR and Transnet were committed to playing an important role on the corridor and that the work of MCLI would be to demand that some of the R100 billion investment makes its way to the Maputo Corridor.

## **Eng Miguel Guebuza – CFM**

Eng. Guebuza addressed the meeting on behalf of the Chairman of CFM, Eng. Rosario Mualeia. He was outspoken on the fact that the corridor represented an integration of peoples, countries and cultures. He added that the event was appropriately timed in that the CFM building had celebrated its centenary in March of 2010 and that the building had been featured in an international publication and cited as one of the most beautiful stations in the world.

Eng. Guebuza highlighted MCLI’s role as a platform for stakeholders to address logistics constraints in engagement between the public and private sector and the services sector. He

added that the common goals of the three rail service providers were to facilitate the movement of people and goods between the borders and the elimination of unnecessary bureaucracy.

He made mention of the NEPAD Transport Summit held during 2009 during which MCLI had been cited as an example of a facilitator of regional integration. The investment in the rehabilitation of the Ressano Garcia railway line had also been mentioned with regard to significant transport infrastructure upgrades.

He gave a summary of the further \$800 million to be invested in the Port of Maputo in line with the Port Master Plan and the development and expansion projects which form part of that investment. He added that the extension of the Port concession would ensure return on investment and secure a stable development environment.

He concluded his remarks by pledging the support of CFM, along with TFR and Swaziland Railway, to a productive and effective partnership and said that it was their objective, along with MCLI, to provide seamless service on the Maputo Corridor.

### **Dr Domingos Tivane – Director General of Alfandegas**

Dr Tivane's update referred in the main to the trade facilitation and customs modernization initiatives being undertaken by the Mozambican customs authority, and said that recent corridor developments were putting pressure on Alfandegas to provide a better response to the needs of users. He added that the authority was prepared to render its assistance and to ensure that the demands were met in due time. Officials from his department then gave short presentation on the progress made with the one stop border post, and particularly the decongestion of Lebombo/Ressano Garcia as a result of the opening of the heavy vehicle bypass road. He gave an outline of the imperatives for the need for the process to be continued at greater speed and emphasised that the Mozambican Authorities were working with their South African counterparts to ensure the implementation of the one stop border post within the prevailing financial constraints.

A short presentation followed which outlined the implementation of the Single Window System (SWS) which will come into operation on the 1<sup>st</sup> of January 2011 on the Mozambican side of the frontier and a summary of the transit procedures was provided to the meeting; the overarching benefit being that the SWS would provide a standardised instrument for the presentation of transit customs information and that this would be shared with the relevant parties in a standardised and coherent and efficient format. This represented the first phase of its implementation, with satellite tracking making up the second phase and an indication that Alfandegas had already begun its training and information process with clearing agents.

Dr Tivane concluded with commitment from Alfandegas that the improvements would happen sooner rather than later within the financial and human resource capacity of the organisation.

### **Keynote Address: The Deputy Minister of Transport and Communications – His Excellency Mr Eusébio Saíde**

Deputy Minister Saíde commented on the role of the Maputo Corridor as an important axle for the development of the people of the region, and emphasised that it should be given the highest priority because of its role in regional integration and economic growth. He said that it was an anomaly that the highest transport costs in the world were in Africa where the people had the

least economic capacity and he said that the Maputo Corridor had a significant role to play in working to ensure that this corridor became an economically competitive transport corridor.

He referred to the customs modernisation initiatives being undertaken in the region and said that these initiatives would assist in solving the deficiencies of the system, and that MCLI would continue to have a crucial role to play in supporting its competitiveness and its role in regional integration, amongst others. He added that one of the factors that would be critical to ensuring a competitive corridor was the 24 hour operation of the border post. He referred to the experience of the world cup saying that this success should be maintained and added that this momentum should not be lost.

He concluded by saying that the Maputo Corridor would provide the enabling environment for growth and would place the region in a position of excellence in the area of trade relations, which would in turn benefit economic growth and the people of the region. He said that this would depend largely on more effective utilisation of transport infrastructure and increased efficiency in all elements of the corridor.

### **MCLI CHAIRMEN'S REPORT: Dr Mathews Phosa and Dr António Matos**

The MCLI Chairmen's report was jointly presented by Dr Phosa and Dr Matos and began with the announcement of the rail partners joining MCLI as Key Members (or funding members) which would include them in the decision making on the strategic direction of MCLI. Dr Phosa welcomed Swaziland Railway into the MCLI community and said that stakeholders had been waiting a very long time for this. He referred to the 6 key areas of MCLI's operation and reported on the progress made in each of these. Both chairmen emphasised the need for the Lebombo/Ressano Garcia border post to operate for 24 hours if the corridor is to become a cost effective option for the users in the region and that this was absolutely essential if the corridor was to achieve its potential. Dr Phosa made an emphatic call on the authorities to open the border post for 24 hours.

The report alluded to the support given to MCLI by the Southern Africa Global Competitiveness Hub over the years, and was able to give the meeting an assurance of continued support which was very much needed. The Trade Hub was also specifically thanked by the CEO of the Maputo Port Development Company in his closing remarks for its technical assistance to the organisation which has spanned a number of years, as well as the sponsorship contribution made to the 2010 event.

The remainder of the report highlighted progress within MCLI's operational strategy and the full report is attached as Annexure 3.

### **CONCLUSION**

Feedback received during and after the event has been extremely positive with many stakeholders referring particularly to the value of the exhibition and networking opportunities created by the event, and to the value of the information updates and political and economic insights gained by the contributions of the keynote speaker and chairmen of MCLI. The specific feedback given to the MCLI CEO by a number of large corporates indicated that their use of the corridor and decision to move cargo through Maputo has been largely as a result of MCLI's interventions and activities. This is a particularly gratifying indication that the role of the organisation continues to be seen as

critical and contributing directly to the growth of the corridor, and playing an ever increasing role in facilitating trade and investment in the region thereby contributing significantly to regional integration.

The contribution of the Southern Africa Global Competitiveness Hub is greatly appreciated in terms of the sponsorship of the event as well as the continued technical support lent to MCLI in its efforts to find a solution to its sustainability, as well as the broader value added to MCLI by the inputs made by experts within the Trade Hub.

**BJ MOMMEN**  
**COO**  
**30 September 2010**