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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

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## **Maputo Corridor Logistics Initiative**

**ADDRESS BY DR MATHEWS PHOSA  
CHAIRMAN OF MCLI IN SOUTH AFRICA AT THE  
MCLI ANNUAL GENERAL MEETING  
AND STAKEHOLDER CONFERENCE  
VIP HOTEL, MAPUTO: FRIDAY 30 SEPTEMBER 2011**

**EMBARGOED UNTIL DELIVERY : 11h30, FRIDAY  
30 SEPTEMBER 2011**

- His Excellency, Dr Tomaz Salamão, Secretary General of SADC
- Her Excellency, Ms Therese Adams, Ambassador of Switzerland
- His Excellency, Mr Shaun Cleary, British High Commissioner
- Members of the Diplomatic Community
- Members of Executive Councils of Provinces
- Executive Mayors and Councillors,

- Mr Siyabonga Gama, CEO of Transnet Freight Rail
- Mr Gideon Mahlalela, CEO of Swaziland Railway
- Mr Adelino Mesquita, Executive Board Member of CFM
- Captains of Industry, Chief Executives, Business leaders, honoured guests,
- Ladies and gentlemen.

It was Ronald Reagan, the former American President, who said, “Government's view of the economy could be summed up in a few short phrases: If it moves, tax it. If it keeps moving, regulate it. And if it stops moving, subsidise it.” He could well have been talking about the logistics supply chain!

However, what that famous father of Reaganomics failed to add was that if it keeps moving despite the taxes and the regulations, the private sector has seen the gap and taken charge of the economy! This is largely the case with the Maputo Corridor where the private sector has

taken the initiative and built the infrastructure, got hold of whatever moves and has pulled in those doing the taxing and those making the regulations, and has never looked back!

In the case of this corridor, the fact that the public sector has seen the opportunities has ensured that they have not needed much compulsion to join hands with the private sector to make this corridor a benchmark for transport corridors in Africa. It is perhaps one of MCLI's greatest achievements that it has been its ability to bring together partners from government and business and create a firm and meaningful approach to partnership.

It is with this in mind that we would like to look to the future of the corridor.

In our discussions with stakeholders, there is an unequivocal agreement that transit cargo is the future of the Maputo Corridor.

The significant investment of \$225 million in Maputo Port infrastructure over recent years has brought a level of confidence to this logistics corridor, and has ensured consistent growth for the region. It has, however, also brought with it its own challenges in keeping service levels apace with demand. The benefits of the flexibility in negotiating service levels with this privately concessioned port have helped to mitigate these challenges to some extent, and MCLI continues to work with all our stakeholders to ensure that this Port remains a competitive option for its users.

As a result of these factors, the challenges relating to transit cargo have also become an increasingly important issue for MCLI and its partners and just last month, MCLI, in close partnership with Alfandegas, began a project, funded by the World Bank's Sub Sahara Africa Transport Program, focussing specifically on transit customs issues. We will also examine existing

transit customs legislation policy and procedures with a view to forming a departure point for providing input into the changes that need to be made to facilitate the necessary growth of this aspect of the corridor.

This work will include a manual which will smooth the way for users and provide the necessary foundation for transit volumes to grow and bring the necessary cost effectiveness to operations on the corridor. If, collectively and in a strong, honest and open partnership, we are able to get the dynamics right, I have no doubt that transit trade will change the face of this corridor and will make an impact on economic growth in the region that in ways that we can only imagine.

Another issue which is often raised is the challenge of rail services and rail pricing on the Maputo Corridor. This is a desperate situation. We have many stakeholders wanting to take up opportunities, but the rail challenges remain. Added to this, the national

strategic imperatives to preserve our road infrastructure have never been clearer. I would like to appeal to Transnet Freight Rail to engage with us with regard to this corridor, and help stakeholders to understand exactly what their strategy is with regard to the Maputo Corridor. We need a vibrant and responsive rail service on the South African side of the border, other this corridor will be restrained in reaching its full potential as a truly viable, economic, cost effective and competitive option.

I am most gratified by the sense of urgency that pervades the work of SADC, the EAC and COMESA. The practical implications of the work of these Regional Economic Communities in harmonisation of regulations will have a tremendous impact on intra African trade; an area of trade which has hitherto been marginal in the context of the tremendous potential which exists on this continent.

These opportunities within our continent cannot be ignored, and MCLI has been pivotal in promoting SADC's regional integration imperatives and in making these a reality in this southern eastern region of the continent. We still depend very heavily on our stakeholders and partners to ensure that we continue to grow this region and we remain more optimistic than ever about the future of the Maputo Corridor.

Such regional integration, as well as increased harmonization with the other economic regions of the continent is a business imperative if we are to achieve our goal of higher levels of intraregional and intra Africa trade.

The increased harmonization of trade and tax frameworks, legislation and regulation will go a long way

towards increasing the volumes of trade between our neighbouring countries.

In this harmonization process we need increased synergies on procedures, standards, legal frameworks and commercial incentives that will ensure that our markets-and the flow between them, increase substantially.

The Southern African region, and the continent, is in dire need of a “can do”, and can do today” approach that will focus on our regional links to better move capital and goods across our borders.

We are, as individual countries, also in need of ensuring that such movement of goods and capital are governed transparently and diligently. We simply cannot afford the loss of value to corruption and time-wasting.

Across borders unemployment and the resultant pressure on social cohesion and security has become a major policy and delivery issue. That conversation between neighbours is an urgent one and nothing can stand in the way of unlocking the real value that our joint economies hold for a more integration region and continent.

Globalization not only calls on us to trade with other global regional trading institutions and blocs, but also to do everything in our power to ensure increased trade here in Africa.

We must, as leaders, never tire of exploring all avenues to ensure peace and stability on the continent. This, in tandem with higher levels of integration and harmonization, will take us closer to our ideal of creating

growth and jobs in an environment of sound and strong governance.

Before I close, I would like to make mention of the changes that have occurred within MCLI in recent months. As you know, Brenda Horne has stepped off the rollercoaster to supposedly slow her pace. But those of us who know her would be very surprised if she came anywhere close to slowing down! We would like to give her the much deserved public acknowledgement she deserves for her selfless dedication and commitment to MCLI and to the Maputo Corridor and for the phenomenal achievements which she has accomplished in MCLI's relatively short existence. Brenda, along with our stakeholder community, we salute you and wish you every success and fulfilment in your semi-retirement.

And so MCLI enters a new phase and we wish Barbara Mommen and the team much success as they take the organisation and the corridor into a new and challenge phase.

I thank you.