

Corridor development is staying on track

LOWVELDER - FRIDAY 2 NOVEMBER 2007

NELSPRUIT - The Maputo Corridor Logistics Initiative's recent update event in the capital, drew over 230 stakeholders from the freight and logistics sector.

They were apprised of the state of the two mega projects on the route, as well as significant investment in infrastructure. These underscore the tremendous growth in trade and movement of goods between the two countries and the growth in capacity of the Port of Maputo and infrastructure to handle increasing traffic.

In his welcoming address, Mozambican High Commissioner to South Africa, Mr Fernando Fazenda, alluded to the strength represented in the diversity of stakeholders on the corridor. He pointed out the economic benefits to the region as a result of the progress made which, despite the remaining challenges, was evidenced by the investments being made in mega projects, such as the Petroline Petrol Pipeline Project and the Maputo Corridor Water Scheme, among others.

Petroline's Mr Ian Barnard outlined the objectives of their R4 billion project on the corridor. "It is primarily to supply inland South Africa with competitively priced, imported petroleum products via a 440-kilometre, 16-inch pipeline from Matola in Maputo to Kendal on the Mpumalanga Highveld, and we are currently in the EIA phase of the project."

The availability of petroleum products via the pipeline would potentially reduce inland fuel costs.

Mr Pieter Colyn of Ecorisk SA pointed to the growing scarcity of water in South Africa and its impact on the economy, particularly in areas where the demand for water was increasing and where current allocations were being traded between the various sectors. The Maputo Corridor Water Scheme, a R4,8-billion project, aims to build a desalination plant in Maputo and transfer water via a 1,6-metre diameter pipeline from Maputo to Nelspruit to supplement industrial, agricultural, household and mining water in Mpumalanga. Colyn is upbeat about this undertaking. "We are in the

pre-feasibility phase at present, but are hoping to have a full feasibility study completed between June 2008 and June 2009, with a construction period of two years and delivery by 2012."

In his keynote address to the meeting, general manager of Grindrod, Mr Ronnie Holtshausen, pointed to the growing trend towards transshipment and the positive growth implications for Maputo. "It



Mozambican High Commissioner Mr Fernando Fazenda, CEO of MCLI Ms Brenda Horne, Mozambican chairman of MCLI Mr Antonio Matos and CEO of Ecorisk SA Ms Alta van Wyk.

(Maputo) will play a significant role in ensuring that Mpumalanga and Gauteng cargo reaches its market destinations at the lowest possible cost."

The port update referred to the dredging programme boding well for handling larger vessels, with 4000TEU ships into the port in the near future and the container terminal reporting a 25% increase in total volumes over 2006 figures. Construction of the car terminal will be completed at the end of November, with capacity for 100 000 vehicles.

Matola coal terminal managing director, Mr John Muller emphasised that the ability of rail to deliver products, was the key issue affecting competitiveness and growth at the terminal, and was optimistic that rail would

show positive growth in 2008.

This was confirmed by CFM and Transnet freight rail representatives. Despite only 71% of the target set at the February rail launch having been achieved, growth was continuous in virtually all sectors, with encouraging increase in container traffic to the port. A major factor in moving towards the target of 9 million tons by 2009, was the full rehabilitation of the railway line from

Ressano Garcia to Maputo which was to be completed by December 2007. This would enable heavier payloads and longer trains, which would facilitate increased rail traffic.

The competition between road and rail was evident during the update on the road, with much of the focus being on overload control and the implementation of the road transport management system that encouraged operators to preserve road infrastructure while increasing safety and productivity. The association's Mr Gavin Kelly summed up the challenges on the corridor, highlighting high traffic volumes and delays at the border post, alongside the opportunities created by a high-quality, well-maintained road network and the shorter distance from Gauteng to the export/import point of Maputo Port. During

this session, Mozambican transporters also highlighted the need for greater transparency and access to communication and opportunities on the corridor.

On a question directed to Trac on the high costs of toll fees on the N4, the concession has since indicated that road-user charges must be seen in the context of the N4 being the only fully privatised road concession in South Africa. In addition, the costing of tariffs was based on the construction, rehabilitation, upgrade and expansion required on this specific route. As a result, a blanket comparison with other roads was in this case not applicable.

Columbus Stainless and Xstrata presented case studies of their experience of the benefits and frustrations of using the Maputo Corridor. Both companies independently emphasised the border post and the lack of major shipping lines calling at the port as major frustrations, an issue described by many of the speakers during the day as a "chicken-and-egg" situation, but which was gradually being improved.

Dr Danilo Nala of the Mozambican revenue authority outlined the progress on the one-stop border post which would be in operation during 2009 and the complexities of the legal processes governing each of the agencies involved at the post. This process was well underway, while the tender for the design of the infrastructure was to be awarded early in the new year. All speakers emphasised the need for uninterrupted operation of the post, and Dr Nala confirmed that this was a matter of timing and the definite commitment of both countries to 24-hour operation.

The closing session considered the progress made on the multilateral institutional framework for all three corridor countries of Mozambique, Swaziland and South Africa, flowing out of an SADC imperative to move towards greater regional integration and economic growth with the objective of lowering transport costs, improving competitiveness and reducing poverty.

It also summarised the activities of the Mpumalanga freight logistics forum during the past year.