Regional plan to boost copper exports

By Nicky Smith and Mark Allix

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Transnet Freight Rail hopes to finalise an agreement next month on rail co-operation between South Africa, Zambia, Zimbabwe and the Democratic Republic of Congo, allowing the copper-rich countries to increase exports through Durban.

The deal will boost trade in southern Africa, allowing a more efficient and cost-effective movement of goods across borders.

Transnet, National Railways of Zimbabwe, Zambian Railways, *Societe Nationale des Chemins de Fer du Congo* (SNCC) and Beit Bridge Bulawayo Railway have been negotiating the terms of the agreement since last year.

Transnet Freight Rail executive manager for international business Nyameka Madikizela said that it was recognised that a unified, cross-border railway system could be devised only by identifying inefficiencies obstructing cargo flows.

"By February we should have signed the agreement. We all want to start as soon as possible," Madikizela said.

A joint operating centre will be formed with the task of finding alignment among the partners to articulate co-operation.

"We have to know what volumes the network can handle now. If we take cargo from Congo to Durban our customers would like some certainty," she said.

Durban's port could accommodate an increase in copper exports, Madikizela said. It competes with Dar es Salaam's port for copper exports because of the limited rail links between Congo and South Africa.

After the deal is signed, the joint operating centre will begin work immediately and develop co-ordinated traffic plans for the five operators.

Madikizela said it was not clear how much would need to be invested in infrastructure on the lines between Durban and Congo.

A similar programme started last August to improve trade on the Maputo corridor - between South Africa, Swaziland and Mozambique - has yielded gains.

Coal trains to Matola Terminal had increased by 75% to 35 trains a week, Madikizela said.

Department of Public Enterprises spokesman Mayihlome Tshwete said Public Enterprises Minister Malusi Gigaba was eager to see state-owned companies such as Transnet benefiting from Africa's growth and playing an increased developmental role on the continent.

Grindrod has bought an undisclosed stake in New Limpopo Bridge Projects, a partner of Mauritius-registered New Limpopo Project Investments, a shareholder in Beit Bridge Bulawayo Railway.

This could have implications for private sector involvement in the unified railway system linking South Africa and Congo.

Grindrod financial director Andrew Waller said the freight and financial services group had bought the shares in New Limpopo Bridge Projects last year.

He declined to confirm whether Grindrod wanted to be the managing shareholder in Beit Bridge Bulawayo Railway, replacing New Limpopo Project Investments.

New Limpopo Project Investments shareholders include Grindrod, Nedbank, Old Mutual, Sanlam and New Limpopo Bridge Projects - an investment company controlled by Israeli citizens Mordechai Tager and Zion Elani.

Beit Bridge Bulawayo Railway is a privately owned company providing a rail link between Beit Bridge, at the border with South Africa, and Bulawayo.

Grindrod divisional chief executive of rail James Holley said Beit Bridge Bulawayo Railway had been invited to participate in the Transnet Freight Rail talks about the north-south corridor.

The company had helped to achieve "great success" on the rail line to Maputo, he said.