



## ZAMBIA RAILWAYS LIMITED

SPEECH BY THE CHIEF EXECUTIVE OFFICER –ZAMBIA RAILWAYS LIMITED MR CHRISTOPHER MUSONDA AT  
THE SIGNING CEREMONY OF THE TAZARA/ZAMBIA RAILWAYS AGREEMENT ON OPEN ACCESS TRAIN  
OPERATIONS

TAZARA HEAD OFFICE (DAR ES SALAAM, TANZANIA), THURSDAY 17 AUGUST 2017

Today, August 17 2017 is a historic day for TAZARA and Zambia Railways Limited as it marks the climax of a long journey that started three years ago, culminating in today's signing ceremony, an event that signals the beginning of 'good times ahead' for our two companies.

I must state, from the outset, that I am pleased that I have been associated with this journey from way back, to the time when I was just a railway customer representing Konkola Copper Mines on the Copperbelt Province of Zambia.

Today, I sit on the opposite side of the equation as a service provider in rail transport. One might call me 'an experienced customer and an experienced service provider!'

The Government of the Republic of Zambia is in the process of effecting a Statutory Instrument (SI) that will compel all bulk cargo exceeding a certain tonnage to move from Road to Rail in what is technically being called 'the Transport Quota System'.

This development could not have come at a better time than now when our two companies are seeking ways of increasing our market share within the transport sector. We need to ensure that we maximize on this additional traffic that will come our way as a result of the Statutory Instrument. The existing market share of 5% to 15% in the region cannot sustain the Southern African Railway Administrations (SARA).

With the signing today, of this agreement on **Open Access Train Operations**, customers within the region and beyond should have the confidence that we shall offer them a more efficient and customer friendly service that combines our individual strengths and comparative advantages. This agreement will offer customers what they have always wished for: a seamless, one stop carrier rather than disjointed transit points.

With this agreement in place, Zambia Railways will be able to run its trains on the TAZARA network while TAZARA will also be able to run theirs on the Zambia Railways Network. The details or **Modus Operandi** are of course contained in the actual Agreement document.

As Chief Executive officer of Zambia Railways Limited, I would like to assure you, our partners, that I will do everything possible to ensure that all the provisions of this agreement are implemented for the mutual

benefit of our two organisations. I am confident that my dear colleague and friend Mr. Bruno Chingandu will do the same.

Let me now take off my Zambia Railways hat and speak as President of the Southern Africa Railways Association (SARA).

On behalf of the twelve Railways in the SADC Region, I would like to say what has happened today vindicates what SARA has been advocating for since its inception. It confirms that the Dar es Salaam corridor is now in good hands and should therefore move towards full seamless operations between DRC and Tanzania, transiting Zambia as well as between Zambia and Tanzania.

What needs to be done is to inform the market about this development because often times we are found wanting for not telling existing and potential clients about the good things we are doing.

If we succeed in information dissemination, and we achieve the economies of scale, we should start seeing a corresponding increase in the flow of traffic on this corridor, which also translates into increased earnings.

The current levels of traffic in the Corridor do not support sustainability of the Railway industry and this is the biggest challenge we have been facing.

Thanks to initiatives such as the Access Agreement we are signing, this challenge has been turned into an opportunity and we should all be proud of what we have achieved so far.

My remarks would not be complete if I did not add my voice to those of the various stakeholders that have commended the Tanzanian Government for scrapping Value Added Tax (VAT) on Transit goods in the 2017/2018 National Budget as this is one of the biggest catalysts to business growth in the Dar es Salaam Corridor.

I also in the same vein, commend the Dar es Salaam Corridor Management Group (DCMG) which is a sub-Committee of SARA, comprising SNCC (Congo), TAZARA and Zambia Railways for their efforts in trying to improve the viability of this route, especially by reducing transit times and for engaging key rail users at SARA Committee meeting that took place last week...right here in Dar es Salaam. Some of the clients who were invited to last week's meeting included Impala Terminals, Dar es Salaam Corridor Group, MMI Steel Mills Limited, Business Congolese International, Ocean Freight Limited, Tanzania Road Haulage Ltd as well as the Port of Dar es Salaam.

As SARA President, I am confident that the efforts we are making, will soon bear fruit and that Railway transport will, once again, reclaim its top spot as the leading mode of transport in the corridor and a major contributor to the region's economic growth.

In conclusion, I wish to thank TAZARA , and my good friend Bruno, for organizing this signing ceremony and for a wonderful welcome.

Thank you all for your attention,

God Bless,

**ASANTE SANA**