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Trans-Kalahari Railway Line agreement signed and sealed

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The signing ceremony of the bilateral agreement between Namibia and Botswana for the construction of the Trans-Kalahari Railway (TKR) Line Project took place on Thursday morning near Walvis Bay Bird Island.



The proposed TKR will link Botswana's Mmamabula coalfields with the Walvis Bay Port in Namibia. The 1 500 km heavy duty railway line will boost trade in Botswana and turn it into a regional trade hub.

The estimated capital expenditure for the project amounts to approximately N\$100 billion and construction work is expected to stretch over the 2014-2019 period. The process to obtain financing from the private sector in order to secure the development has already commenced.

Most of the products used in the construction phase will be sourced locally. The agreement was signed at a formal and prestige event attended by delegates from Governments, investors and representatives of the business sector.

The two governments resolved at the highest level that they will strive to ensure that the development of the TKR becomes a reality. A committee of ministers was appointed by the Namibian President to ensure that the project materialises.

The involved parties have agreed to establish a dedicated project office in Walvis Bay. Once completed the railway line will afford alternate transportation routes for landlocked SADC countries such as Malawi, Zambia and Zimbabwe. It will be ideal for exportation of bulky goods destined for Europe, Asia and America and will also serve as relief to the already congested corridors within SADC.

Through the TKR a huge difference for the general populace through employment creation will be made, as well as empowering the citizens in the two countries to play a role in the realisation of the project. It is expected that the project will transform the economies of the two countries involved.

The signing of the Bilateral Agreement creates legitimate expectation from ordinary citizens of the two countries, neighbouring Sub Saharan countries, investors throughout the value chain from the mine to port together with support service industries on either end of the value chain and potential Financiers. It will stimulate economic growth, employment and diversification in the two countries.

According to the Minister of Minerals, Energy and Water Resources of Botswana Onkokame Mokaila, there is an ever growing demand for coal in India and China to meet their growing power needs. The Walvis Bay Commodity terminal as envisaged is expected to handle about 65 million metric tonnes of coal per annum.

Mr Andries Leevi Hungamo, the Permanent Secretary of the National Planning Commission led the proceedings.

He pointed out that the bilateral relationship between the two countries paved the way for the facilitation and development of the Trans-Kalahari Railway Line Project and that the deliberation process took quite a while.

Governor of Erongo Region, Mr Cleophas Mutjavikua pointed out that the integration of the Southern African Development Community (SADC) was of huge importance to all

citizens of the involved countries and labelled it a milestone that would ensure both cooperative and economic advantages.

Director General of the National Planning Commission Mr Tom Alweendo gave a brief description about the dynamics of the project which is expected to kick-start soon. He labelled the project as of huge significance for the two neighbouring countries. "Africa is no longer regarded as a dark and hopeless continent, with six of the fastest growing economies in the world on the continent."

He pointed out that this sentiment comes with challenges and said that the biggest was in terms of infrastructure related to electricity, roads and access to clean water. According to Alweendo transport infrastructure is of huge importance for SADC and the realisation have dawned on African countries that more investment towards this specific sector is needed.

The current trade figures between Namibia and Botswana amounts to less than N\$300 million (excluding diamonds). Once realised it is expected that the project will lead to a significant increase in trade figures, not just between Namibia and Botswana, but continent wide.

It is also of significance that the project is being undertaken by two governments and this served as proof that the two involved countries have looked beyond a one-centred approach. The project will be executed in collaboration with the Namibian and Botswana private sectors.

Alweendo quoted the Zimbabwean ambassador who said "This is a long dream we have been having and now it's happening. When you do not realise your dreams they can turn into a nightmare".

In conclusion, he expressed the hope that the signing ceremony would ensure that the project takes place and said he was looking forward to meet those involved again when they gather to start the construction of the railway line.

Minister of Minerals, Energy and Water Resources of Botswana Onkokame Mokaila, thanked President Hifikepunye Pohamba and President Ian Khama Seretse Khama of Botswana, for taking a personal interest in the project.

"Their involvement, commitment and hard work of all the stakeholders involved made the signing of this important agreement possible." He said that this was an affirmation of the commitment from the two Governments to develop the Trans-Kalahari Railway Line and commodity handling facilities.

Mokaila pointed out that the SADC would come to nothing without cross-border projects which he labelled as of huge importance for landlocked regions. Mokaila added that notwithstanding environmental challenges associated with coal generated electricity, it is a fact that coal will be a source of fuel for power generation for a long time to come.

In this regard, the development of TKR (Trans-Kalahari Railway) and commodity handling facilities in Walvis Bay will go a long way in facilitating the development of the estimated 212 billion tonnes of the coal resource from Botswana towards power generation.

He further acknowledged the challenge which lies ahead for the two Governments. "This massive and expensive project will not be without problems. The long-term economic benefits are more important than just availing opportunities. We should therefore ensure that investors are comfortable and focus on the long-term awards of the project"

The Namibian Minister of Works and Transport, Mr Erkki Nghimtina, delivered the closing remarks and expressed his appreciation towards all involved.

"Guided by our Constitution, the Namibian Foreign Policy is based on mutual respect and benefits between member states and what we have experienced today; the signing of the agreement on the Trans-Kalahari Railway Line Project is a testament to that fact," he said.

"Two days before we are to celebrate the 24th Anniversary of our Independence, I am reminded of the generosity of the Botswana people who have hosted us during the struggle for liberation and who served as a safe corridor during the difficult and dark days in the fight for our freedom. We will for always be grateful for that," Nghimtina added.