



ZRL GUARANTEES SAFETY AND BUSINESS GROWTH

ZAMBIA RAILWAYS LIMITED

STRATEGIES ACCOMPLISHED TO ACHIEVE THE STATUTORY INSTRUMENT (SI) ON RAILWAY TRANSPORTATION

PRESENTATION AT THE BRRA SEMINAR

Presented by: Mr. Daniel Longwe

Corporate Planning Manager, Zambia Railways Limited (ZRL)

Date: Friday, 20th July, 2018

Venue: Twangale Park, Lusaka, Zambia



TABLE OF CONTENTS

1. Introduction
2. Implementation Steps of the SI
3. Creation of Capacity in Line with the SI
4. The Impact of the SI on Trade
5. Conclusion



1. INTRODUCTION

1.1 ABOUT THE SI

- The SI mandates at least 30% of bulk & heavy cargo to shift from road to rail.
- Currently, the rail share is approx. 5-8% as compared to the road share (about 92-95%).
- Only a paltry 2% is handled by the Zambian truckers.
- The SI was signed on **26th January, 2018** and became effective after **30 days**.

1.2 THE OBJECTIVE OF THE SI

- To optimize the transport sector; ensure that cargo is moved by appropriate transport modes based on comparative advantage.
- To reduce the cost of transport, preservation of road infrastructure and reduce carnage levels and air pollution.
- Some of the heavy bulk cargo that are expected to be transported under the SI:

- Copper products, copper and cobalt concentrates
- Coal
- Sulphur
- Sugar
- Cement
- Fuels



2. SI IMPLEMENTATION STEPS

- Public stakeholder consultation process (January- June, 2017)
 - ✓ **The First Meeting** on 11th January, 2018 at the Inter-Continental Hotel with Transport associations such as the Truckers Association of Zambia (TAZ), the Zambia Association of Chambers of Commerce and Industry (ZACCI) with some its members, the Chambers of Mines of Zambia and its members (mining companies), the Zambia Association of Manufacturers and some of its members, Cement companies such as Dangote Cement and Lafarge, transport logistics companies such as Impala/Trafigura Company Limited, etc.
 - ✓ **The Second Meeting** was held with the following stakeholders in February, 2017 in Lusaka with the Truckers Association of Zambia (TAZ).
 - ✓ **The Third Meeting** was held with the following stakeholders in March, 2017 in Lusaka with the Chamber of Mines of Zambia; and the Zambia Association of Chamber of Commerce and Industry (ZACCI).
 - ✓ **The Fourth (Final) Meeting** on 29th May, 2017 in Kitwe with the members of the Chambers of Mines of Zambia (the mining companies), the members of ZACCI and TAZ.



2. SI IMPLEMENTATION STEPS

- The SI Consultation Outcomes and Submissions Report for the Minister of Transport and Communications
- **Regulatory Impact Assessment (RIA) of Implementing the SI in December, 2017**
 - Baseline scenario
 - Risk assessment
 - Methodology
 - Policy options
 - Cost Benefit Analysis of the Options
 - Implementation plan
 - Monitoring and review
- Publication/ Gazzetting of the SI
- Prepared Implementation Plan
- Development of compliance monitoring and law enforcement mechanisms.
- Sensitization of stakeholders (customers, contiguous railway administrations).
- Negotiations of Service Level Agreements (SLAs) with customers- highlighting the services that will be provided by the railway sub-sector.



MEETINGS WITH CUSTOMERS IN PICTURES



Meetings with:
1&2- Impala Logistics
4&5- Kanshansi Copper
Mines
7&8- Chibuluma Mines
3&6- Mopani Copper
Mines



MEETINGS WITH CUSTOMERS IN PICTURES



9



10



11



12



13



14



15



16

Meetings with:
9&10- Bridge Shipping
11- Dangote Cement
12&13- Reload Logistics
14&15- Konkola Copper
Mines (KCM)
16- Polytra Logistics



3. CREATION OF CAPACITY FOR SI

SHORT TERM MEASURES

- **Transnet SOC Ltd:** We reached consensus to lease 14 locomotives and 600 wagons.
- Today, ZRL has received 4 locomotives from Transnet.
- **Trans-Zambezi Rolling Stock Solution:** ZRL has also engaged TZRS for the hire of locomotives.
- **Track Repairs:** ZRL has also come up with a plan of prioritized critical track works.

LONG TERM MEASURES

- **General Electric Transportation (GE):** ZRL is in discussions with GE on the outright purchase of brand new locomotives.
- **Bombardier Transportation AB:** on the recapitalization and acquisition of rolling stock
- **CCECC and CREC:** Discussions through the MoTC with the two Chinese firms are currently underway for full rehab to achieve speeds of 80-120km/h.





4. THE IMPACT OF THE SI ON TRADE

- ❑ The ZRL is linked to almost all the trade corridors in the sub-region.
- ❑ The main corridors affected by the SI include:
 - The North-South Corridor
 - The Dar-es-Salaam Corridor
 - The Nacala Corridor
 - The Beira Corridor
 - Palm Tree through Botswana
- ❑ Zambia is regional transport hub in Central and Southern Africa.
- ❑ Land linked (road and rail) to eight neighbors and beyond the country's borders.
- ❑ Transporters on these corridors stand to benefit from SI.





5.0 CONCLUSION

- The implementation of the SI allows the railways to play its role in the economy, contribute to prolonging the life of our roads, etc.
- It will lead to optimization of the transport sector leading to reduced cost of doing business.
- ZRL is linked to almost all the trade corridors in the Southern Africa and the impact of the 30% goes to other countries in the whole system.

**THANK YOU FOR LISTENING
MR. DANIEL LONGWE
CORPORATE PLANNING MANAGER
ZAMBIA RAILWAYS LIMITED**