

**TUESDAY, 14 MARCH, 2017**

**MINISTERIAL STATEMENTS**

**RAILWAY TRANSPORT SYSTEM IN ZAMBIA**

**The Minister of Transport and Communication (Mr Mushimba):** Mr Speaker, I thank you for your generosity in allowing me to speak to the nation on this important matter that can contribute to national development.

Mr Speaker, the statement I am about to give is on the railway transport system in Zambia.

The current railway transportation system in Zambia can be divided into two categories. The first is existing railway network under the Zambia Railways Limited wholly owned by the Zambian Government covering almost 1,000 km and the Tanzania/Zambia Railway Authority (TAZARA) co-owned with the Government of Tanzania which covers approximately 1,900 km. The second aspect of the railway network relates to the newly planned green-field projects that will link Zambia to several sea ports.

Mr Speaker, as you may be aware; the existing railway companies have not lived up to our expectations over many years. There are varying reasons for this and I will touch on some of them in this statement and propose a way forward to turn the institutions around.

Mr Speaker, the state of the two railway companies reveals that both of them are currently operating at average speeds of around 40 km per hour for freight and maximum speeds of approximately 60 km per hour for passenger trains. The low speeds and vulnerability to derailments are due to the bad state of the permanent ways. The security for rail freight and passengers has also been a major concern and consequently a major factor in the erosion of the market share.

Sir, the railway companies are also burdened with the responsibility of maintaining the railway infrastructure in addition to maintaining their rolling stock. As a result, both Tazara and Zambia

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Railways have witnessed significant decrease in their freight and passenger haulage due to the lack of competitiveness.

Mr Speaker, it is common knowledge that the railway operators are competing with the road sub-sector where the infrastructure is better maintained by the Government. This set up gives a competitive advantage to the road operators who previously also never had to pay for road maintenance directly.

Mr Speaker, the current railway freight transportation share of the market as compared to road transport ranges between 5 to 8 per cent. This imbalance in freight haulage across these modes of transport is of great concern such that my ministry has been analysing options to spread haulage more evenly and appropriately.

Mr Speaker, in spreading haulage more evenly as well as providing multiple affordable and readily available modes of transportation, the Government is investing in all the modes of transportation. This action by the Government is with the view to transform Zambia, through a well integrated transport system, into a regional transport hub. Therefore, in the next coming years, the Government intends to focus on the development of the railway transport system in order to make it more attractive and competitive for the market. This will ultimately mean less haulage of bulk and heavy cargo on the roads and subsequently, this will improve the road safety profile and extend the life of our roads.

Mr Speaker, outside the plans to revamp the existing two railway companies, the Government has prioritised the development of five green-field railway projects, namely:

- (a) the 389km Chipata/Petauke/Serenje rail project to link Zambia to the Nakala Corridor;
- (b) the 600 km Chingola/Solwezi/Jimbe rail project to link Zambia to the Lobito Corridor in Angola;

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- (c) the 195 km Nseluka/Mpulungu rail project to link Zambia to the Great lakes region;
- (d) the 200 km Livingstone/Kazungula/Sesheke rail project to link Zambia to Walvis Bay in Namibia; and
- (e) the 800 km Solwezi/ Kaoma/ Sesheke Rail Project to link Zambia to Walvis bay, again, in Namibia.

Further, rail connectivity projects on the inter-mine are being implemented so as to link the new mines that are not currently connected to the railway network. Sir, 123 km of new railway connections on the Copperbelt at an estimated cost of US\$25 million through joint funding arrangement are being built currently.

Mr Speaker, these interventions will result in lowering the cost of doing business in Zambia and make it a competitive destination for investment.

Mr Speaker, a number of institutional reforms will also be proposed in the railway sector to improve efficiency. I will soon be moving the Motion to create a national railway development authority meant to separate maintenance and development of railway infrastructure and permanent way from operations. The agency will also be the regulator of the rail subsector.

Mr Speaker, the current railway parastatal companies can then only focus on the operations whilst the Government, through the proposed agency, will undertake all maintenance rehabilitation and development of railway infrastructure. It is further envisioned that this institutional reform will accord the railway operators an enabling environment for competitive costing of their services against the road service operators. It is also envisaged that this will attract the private sector companies to invest in railway transportation.

Mr Speaker, in order to increase the business and competitiveness of the existing railway operators, the ministry has began the process of reviewing the Tazara Act of 1995 and plans are