

Zambia: Cross border railway talk underway

Posted on [Tuesday 24 June 2008 - 10:24](#)

Sanday Chongo Kabange, AfricaNews reporter in Lusaka, Zambia, photo: Bas Vlugt

Railway Systems of Zambia (RSZ) has commenced negotiations with Tanzania Zambia Railways (Tazara) to enhance operations for the two companies to increase the market share and save the Government from huge road maintenance costs.



RSZ Chief Executive Officer Benjamin Even has stated in a media release that said it s imperative that negotiations with other companies in the railway sector were opened in order to save the deterioration of the road network.

He says haulage of heavy goods by road was detrimental to the road network and it was for this reason that RSZ had embarked on an ambitious programme of rehabilitating the railway network and also partnering with other companies in the sector.

Mr Even said his firm had already started injecting funds into the Democratic Republic of Congo (DRC) railways to assist with improved rail operations to the mutual benefit of all stakeholders in Zambia and the region.

He said RSZ recognised the need for additional investments as an obvious business demand and had put in US\$2 million since January this year.

Mr Even said the RSZ shareholders at a meeting with Government recently, agreed to pump more funds into the railway operations, beyond what is stipulated in the concession agreement.

During the meeting with ministers of Communications and Transport, Dora Siliya and Commerce, Trade and Industry, Felix Mutati, the shareholders committed themselves to improving operations by injecting more funds into the operations of the railway.

Mr Even said RSZ was currently working on the investment plan, which would be tabled by the Government for appropriate action.

On the other hand, Mr Even said the RSZ also expected that the Government would demonstrate practical commitment in timely resolving the outstanding concerns relating to vandalism, fuel levy and unfair competition existing between road and rail.

Further, Mr Even said the proposed investment plan takes into account, the Government's recognition which was also shared by RSZ that the Zambian economy urgently required a viable and vibrant railway system which should proactively contribute to the desired rapid social economic development of the country.

Mr Even explained that, in the recent past, multi-million dollar projects funded by private companies in the form of rail terminals on the Copperbelt were now being constructed, clearly demonstrating a sign of trust and confidence which these companies had for RSZ freight operations.

RSZ had therefore indirectly contributed to the growth and development of the Zambian economy on the Copperbelt through the creation of employment opportunities.

Meanwhile, RSZ's sister company - Beit Bridge Railway Company (BBR) recently won the Africa Rail 2008 Award as the best rail concessionaire of the year. This was at the just ended conference, which took place at the Sandton Convention Centre in South Africa on June 4 to 5.

"We believe RSZ will in the near future win this award and we congratulate BBR. As RSZ, we are grateful to all stakeholders, especially the employees and the Railway Workers Union of Zambia, without whose support smooth operations of the company should have been rendered difficult," Mr Even said.

He said the institutional shareholders of RSZ include reputable financial organisations such as Nedbank, Sanlam and Old Mutual of South Africa.