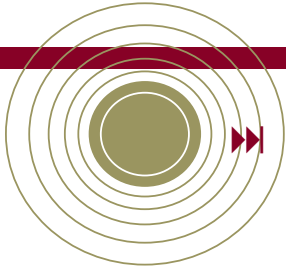


SECTOR PROFILES

TRANSPORT AND LOGISTICS



International Trade Centre
UNCTAD/WTO



The Southern African region has a vibrant transport and logistics sector and the opportunities for trade in this sector are favourable. The fifteen countries covered by this report average a 50% contribution of services to GDP, of which transport contributes an average 5%. Importantly, the sector is currently attracting a great deal of project activity with developments such as the myriad of transport corridor developments, the rapid rail link development in Johannesburg and various port and railways rehabilitations and concessions. Another feature of the sector is that it is rapidly becoming deregulated and private sector operators are now at the forefront of development. This can only bode well for the continued growth and development of the sector.

The sector is further characterized by relatively high levels of foreign investment and in most countries, exports of transport and logistics services are currently to foreign companies and organisations. Current services available range from flight catering services, truck hire and haulier services, vessel and carriage cleaning services, warehousing, container terminals and freight and logistics services.



Air Transport

Angola	Angola has a well developed local air transport network and the national carrier, TAAG, connects the country with the region.
Botswana	The national carrier, Air Botswana flies regularly to other destinations in the region. The scope of service is limited but growing with companies offering auxiliary services.
Burundi	Air Burundi, the national carrier has a limited regional reach.
Congo, DR	In addition to the national carrier, the country has over 50 private aircraft fleets although over half of these are currently not operational.
Lesotho	The national carrier, Air Lesotho operates daily flights into South Africa.
Madagascar	The national carrier flies regionally. The country has 12 airports which are privately managed and relevant services are available at airports.
Malawi	There are four international airports in Malawi and the national carrier provides regional services. A range of services are available at the airports.
Mauritius	The national carrier, Air Mauritius operates extensive international flights. The airport is modern and well equipped. Warehousing and a range of related services are available at the airport.
Mozambique	The national carrier, LAM, operates regionally. The main international airport at Maputo has a limited range of services on offer.
Namibia	The national carrier, Air Namibia, offers an extensive regional and international service. A range of auxiliary services are available at the major international airport in Windhoek.
Rwanda	Rwanda Air is the national carrier and links the country to a number of regional destinations. Limited auxiliary services are available at the international airport.
South Africa	South African Airways is the national carrier and flies extensive local, regional and international routes. A full range of competitive auxiliary services are available at all major airports.
Swaziland	The air transport system is tied to South Africa with Johannesburg serving as the conduit in and out of the country. Aside from the regular connections to Johannesburg, there are a few ancillary flights to Durban and Maputo.
Tanzania	There are many airports in Tanzania which are both publicly and privately owned. The system has been liberalised considerably, opening the sector to growth and development.
Zambia	The national carrier, Zambian Airways, operates routes to London and Frankfurt in addition to numerous regional routings. There are a variety of services available at Lusaka international airport.



Rail Transport

Angola	Due to the war in Angola, the rail system has not operated for many years. The rail system is currently being rehabilitated and once complete will offer opportunities for the service sector.
Botswana	Botswana has its own railway network connecting it with other countries in the region.
Congo, DR	The rail system is in need of rehabilitation.
Lesotho	The short rail network is linked into neighbouring South Africa.
Madagascar	The rail network has recently reopened and links the ports with the major centres.
Malawi	Malawi has a short railway network used to transport cargo in and out of the country.
Mozambique	The link between Maputo and South Africa is currently being rehabilitated. The Sena railway line linking Beira to Moatize is also being rehabilitated and is expected to open up the region. Malawi is linked through to the Port of Nacala by rail.
Namibia	A rail network links all major cities and ports in the country.
South Africa	Transnet, the parastatal railway company, provides linkages both within the country and through to neighbouring states. A full range of auxiliary services are available.
Swaziland	Swaziland Railway depends largely on through traffic from the north to the ports of Richards Bay and Durban in South Africa. Recently services have been expanded to serve the Mozambican port of Maputo.
Tanzania	Tanzania Railways Corporation provides transport both to Tanzanian enterprises and for transit traffic from land-locked neighbours. The TAZARA system links Tanzania through to Zambia.
Zambia	Rail is the dominant mode of transportation accounting for 83.4 % of goods traffic on the local and international routes. The rail network is however in urgent need of rehabilitation after which the country can be used as an important regional hub.

Burundi, Mauritius and Rwanda do not have operational rail networks.



Road Transport

Angola	The poor road infrastructure has impacted negatively on the development of Angola. The infrastructure is currently being rebuilt and once operational will offer opportunities for the services sector.
Botswana	The country has a well established road network linking the country with South Africa to the south and Zambia and Zimbabwe in the north, and Namibia in the west. Services supporting this sector are well developed.
Burundi	Political instability has been responsible for the destruction of a large part of Burundi's road network. Current rehabilitation supported by the international donor community will open up opportunities for the service sector.
Congo, DR	The road network in the DR Congo is in a state of disrepair.
Lesotho	Lesotho has good access to infrastructure from neighbouring South Africa.
Madagascar	The road network is small relative to the size of the country and is concentrated around the major centres.
Malawi	The road network in Malawi, although extensive, is in poor condition. This increases the cost of road transport in the country.
Mauritius	The country is small but has an extensive roads infrastructure linking all parts of the island to the primary hubs at the international airport and the port.
Mozambique	The Maputo Development corridor is the country's most important link. Running from Maputo through to Witbank in South Africa, the corridor links a toll road through to the port of Maputo. The North-South links in the country are extremely poor.
Namibia	The country has an extensive and well maintained road network linking through to all regional neighbours.
Rwanda	Rwanda is heavily reliant on road transport which accounts for 90% of total transport in the country. It is a regional hub for road transport as it connects important regional players.
South Africa	South Africa has a well developed road transport system with local hauliers servicing both the local and the regional market.
Swaziland	The country has a well maintained road network linking through to other countries in the region. Traffic from northern neighbours transits through Swaziland on the way to the port of Maputo.
Tanzania	Under various programmes, the road infrastructure in Tanzania has improved considerably. The potential for development of services in this sector is great as the country acts as a hub for handling regional transit traffic.
Zambia	Transportation costs are high, partly because Zambia is land-locked, but also because of inefficiencies and structural weaknesses in the transportation network. Transportation is estimated to account for 60-70% of the cost of production for many goods. The road network is in need of rehabilitation, an issue currently being addressed by government.



Ports

Angola	Angola's maritime transportation system is very small in output terms with the bulk of activity being from foreign operators.
Botswana	Despite being a landlocked country, Botswana has developed three dry ports with container terminals situated at Gaborone, Francistown and Selebi Pikwe. These dry ports offer containerised door to door delivery with fully computerised operating system.
Congo, DR	There are 40 ports on the River Congo and its tributaries. The port of Matadi is the only maritime outlet and is in need of rehabilitation.
Madagascar	There are 16 ports in the country although 60% of traffic is through the port of Toamasina. The private sector is active in the operation and management of the ports and a range of services are available.
Malawi	Being a landlocked country, Malawi relies on ports in South Africa and Mozambique. There is a privately operated service on Lake Malawi.
Mauritius	There is only one port at Port Louis. Infrastructure has been upgraded as the country positions itself as a Regional Trade Centre and the port has become a first-rate transshipment hub. Mauritius also has a free Port Zone where warehousing, merchandising space and other infrastructural services are available.
Mozambique	The Maputo port operates through a 15 year concession to a private company. The port has been rehabilitated and is an important outlet for exports from South Africa. The port of Beira and its associated corridor through to Zimbabwe is operational. The Nacala port which links Malawi to the sea, is being privately managed and rehabilitated.
Namibia	The Port of Walvis Bay is the main port in the country and is an important link for the region in terms of imports and exports for landlocked neighbours. The port is well managed and a full range of auxiliary services are available.
South Africa	South Africa has seven major ports that service both local and regional trade. Port services are well developed.
Tanzania	The port of Dar es Salaam is a major port for the East African regional and handles both local and transit trade. A wide range of services are available at the port.
Zambia	The country is landlocked and dependant on ports in neighbouring states. Zambia also uses Mpulungu harbour on Lake Tanganyika to export to the Great Lakes region.

Burundi, Lesotho, Rwanda and Swaziland are landlocked and depend on other regional ports.



Forwarding

Angola	Although currently underdeveloped and mainly in foreign hands, the freight forwarding; customs brokerage sector offers potential for growth of Angola's service exports.
Botswana	This sector is well organised with operators accredited both nationally through BOCCIM and Botswana Clearing and Forwarding Association (BCFA) as well as internationally.
Burundi	The sector is currently under developed and mainly in foreign hands. The sector offers potential for growth as the transport infrastructure is rehabilitated.
Congo, DR	This sector is under developed.
Lesotho	The sector is under developed and largely linked into the South African system.
Madagascar	The sector is well organized with a number of private operators.
Malawi	The sector is primarily in foreign hands although services are being exported internationally.
Mauritius	The sector is well developed with internationally linked freight and customs clearance service available.
Mozambique	A well-developed service sector has grown up around the privately concession ports of Nacala, Beira and Maputo.
Namibia	The sector is well developed and a range of freight forwarding and customs clearance services are available.
Rwanda	The freight forwarding and clearing industry is small and not involved in service export at present.
South Africa	South Africa has a very well developed freight forwarding and customs clearance sector. The country is already exporting these services.
Swaziland	Swaziland has a well developed freight forwarding and customs clearance service sector and is already exporting these services regionally.
Tanzania	The freight forwarding and customs clearance sectors are well developed and Tanzania is already exporting these services.
Zambia	The sector is well organized with a number of private operators although exports are currently minimal.

Rwandair Express

Rwandair Express, a national airline with direct flights and connections to various parts of the world, is an exemplary service provider in the air transport. It replaced the State Owned airline company Alliance Express/Air Rwanda. It flies weekly to Johannesburg, daily to Nairobi, bi-weekly to Kilimanjaro and four times a week to Entebbe.

Its success is mainly due to the frequency of its flights as well as the quality of its services. It complements operations of other airlines companies and has partnerships with well known international flight carriers, hence enabling its customers to fly daily to different destinations.

Maputo Corridor Development: *Unlocking the landlocked regions of Mpumalanga, Gauteng and Limpopo Province*

The Maputo Development Corridor is a true transportation corridor. Comprising road, rail, border posts, port and terminal facilities, the Corridor runs through the most highly industrialised and productive regions of Southern Africa. Johannesburg and Pretoria are on the western end of the Corridor's axis with large concentrations of manufacturing, processing, mining and smelting industries. The corridor passes through vast industrial and primary production areas containing steel mills, petrochemical plants, quarries, mines, and smelters, through plantations of forests, sugar cane, bananas and citrus to the eastern end of Mozambique.

Ninety-two kilometres beyond the Lebombo / Ressano Garcia frontier are the Mozambican deep-water ports of Maputo and Matola, which have traditionally provided the nearest facilities for the importers and exporters of this region.

The governments of South Africa, Mozambique and Swaziland have promoted the revival of the Maputo Corridor with bilateral policies and substantial public and private sector investments, designed to stimulate sustainable growth and development in the region.



International Trade Centre

A joint technical cooperation agency of UNCTAD and WTO
for business aspects of trade development

Street address: ITC, 54-56, rue de Montbrillant, 1202 Geneva, Switzerland. Postal address: ITC, Palais des Nations, 1211 Geneva 10, Switzerland.
Telephone: +41 22 730 0111, fax: +41 22 733 4439, e-mail: itc@intracen.org Internet: <http://www.intracen.org>

