

International Seminar on Road Financing and Investment
Ngurdoto Mountain Lodge, Arusha, Tanzania, April 16 – 20, 2007

“The Walvis Bay Corridor Group Experience”
The Walvis Bay Corridor
Johny M Smith
Business Development Executive
Walvis Bay Corridor Group

1. The Walvis Bay Corridor Group

The WBCG is a PPP organization, created in 2000 to promote the increase of imports and exports via the Port of Walvis Bay between Southern Africa and the rest of the world. Our core mandate of services includes the facilitation of business development, cross border facilitation and infrastructure along the three corridor routes.

2. The Walvis Bay Corridor Routes

The three corridor routes which links the Port fo Walvis Bay with the rest of Southern Africa is the TransKalahari Corridor, linking Walvis Bay with Botswana and the Gauteng Region in South Africa. The second corridor is the TransCaprivi Corridor linking Walvis Bay with Zambia, Zimbabwe and via the Copperbelt in Zambia, linking it to the DRC. The third corridor is the TransCunene corridor which links Walvis Bay to Southern Angola.

3. The Walvis Bay Corridor Strategic Plan

The WBCG Strategic Plan (2005-2010) focus on the long term development of the corridors in that we have to ensure that we have sufficient capacity for the envisaged growth along the corridors. This infrastructure requirement is therefore a combination between Corridor Software and Hardware. We have to ensure that there are enough infrastructures in place for the anticipated growth along the corridors as well as the required facilities to support additional traffic on the routes. These infrastructures could be for the port, rail and intermodal transport. Infrastructure for Cross border facilitation is very important to ensure a smooth flow across borders and minimal delays at these border posts. This in all is done to ensure that we build enough capacity along the routes, as well as ensuring that our members have enough capacity to carry the additional cargo along these routes. Apart from promoting infrastructure we also are busy with a project to create capacity along single/driver owners and operators who require additional financing to expand their business.

4. All Walvis Bay Corridors

Our Strategic Plan for the next five years focus on all these corridors and we have developed a list of projects which was identified as critical projects for long term growth along the corridors. Some of these projects include the development of a full Infrastructure Master Plan along the three corridors, an Intermodal Transport Management System, Cross border/Transit Facilitation infrastructure and facilities, projects which facilitate business development, Dry port/Rail head development and Railway track upgrades and rail links.

5. Port of Walvis Bay

Namport, being the company who manages the Port of Walvis Bay, remains the “Champion” of the WBCG Members to provide a clear direction in corridor development. The Port is currently busy with a Feasibility study on a Port Expansion and Development Plan which will allow enough capacity for increasing cargo volumes by more than five times the next 5 to 10 years. Some of the projects included the corridor development also include Port Security and C-TPAT compliance.

6. Promoting port infrastructure projects as an investment option

The WBCG is continually promoting port infrastructure as an integral component to corridor infrastructure. In promoting the development of infrastructure it must have measurable benefits to the users of these corridors. There must be a clear long term strategy in place as to what you want to achieve of a period of time. It is relatively important that through the WBCG our focus remain regional and therefore the benefits should be beyond national benefits and concentrate on regional and international benefits. The “economic” benefits of the infrastructure development need to be greater than the port. The port must be seen as the major focal point, since it is the entry and access point for all imports and exports in the region.

7. Support Activities

Our Strategic Development plan goes wider than the transport sector and the complete benefits include also a Economic Benefit Research project to determine the benefit of the regional economy. Through this principle we can therefore enhance the Walvis Bay Strategic Plan and Projects.

8. TransKalahari Corridor

On the TransKalahari Corridor we are in discussions with major logistics providers to focus on developing business partnerships on facilities and other support services. The concept of TransKalahari Express is providing a dedicated 48 service to importers and exporters between Walvis Bay and the Gauteng

Region in South Africa, including Botswana. As part of the long term infrastructure development needs we are currently establishing the possibility to do a feasibility study on the TK Railway for potential use to imports and exporters in the region.

9. TransCaprivi Corridor

A Business Plan has been developed for the TCC to facilitate the increase in cargo growth as well as to create capacity in terms of infrastructure and facilities along this route. We are also promoting the construction of the TCC Railway, which concerns a missing link between Grootfontein and Livingstone.

10. TransCunene Corridor

This Corridor has developed well during the past five years and various infrastructure investments have been done on this route, including the construction of a new railway line between Tsumeb and Ondangwa. One of the projects currently in progress is the feasibility study for a one stop border post between Namibia and Angola.

11. Critical Success Factors to Project Structure

The corporate, management and ownership structure, and also the operating agreements between the key stakeholders, must be such that:

- Long term transport contracts can be entered into with major international companies or organisations.
- Equity and or Loan Financing – Companies must be able to raise institutional risk financing and being able to provide financial guarantees
- Operational sustainability – agreements which allow the project to operate independently of the operations of the key stakeholders
- One Stop Shop – marketing commitments and authority to commit to performance targets by the operator, for all elements of the supply chain
- Coordinated operating strategy, marketing and development vision by all the project partners/shareholders/stakeholders
- Executive control – management being able to take immediate action when stakeholder performance fails, or to react to unforeseen circumstances