



TANZANIA ZAMBIA RAILWAY AUTHORITY

TAZARA

BUSINESS STRATEGY AND VISION THROUGH SMART PARTNERSHIP

OUTLINE OF PRESENTATION

Tanzania Zambia Railway Authority –

TAZARA

- ❑ TAZARA Requirements
- ❑ Key Resources Available
- ❑ Challenges
- ❑ Investment Opportunities
- ❑ Smart Partnership Arrangements

TAZARA Requirements

- **A twin strategy of Capital Expenses and Operational Expenses**
- **Capital Expenses: Reconstruction, re-equipping, upgrading and training**
- **Operational Expenses: Enabling sustainable operations**

KEY RESOURCES AVAILABLE

Locomotives

- Holding fleet: 28
- Serviceable fleet: 17

Wagons

- Operating fleet: 1,577
- Average availability: 1,369



c) Designed capacity of TAZARA is 5 million metric tonnes annually- the company has yet to achieve this.

TAZARA CHALLENGES

- **Stiff competition from road transport**
- **Outdated rolling stock equipment**
- **Vandalism of infrastructure and equipment**
- **Failure to cope with new technology advancement**
- **Labour intensive technology**
- **Track maintenance – Poor Condition of Track**
- **Speed restriction at 50 locations**
- **Lack of sufficient re-capitalization**
- **Outdated communication technology**
- **Restrictions of the TAZARA Act 1995**
- **High indebtedness**

INVESTMENT OPPORTUNITIES

- TAZARA is strategically located for long range export and import.
- Established regional trend of positive economic growth and diversification: high demand for rail transport
- Consensus across Government and financial institutions on need and prudence of investing in railways.

Revitalization requires investment to increase freight and passenger services capacity; enhancing financial structures and upgrading operations on sustainable and profitable basis.

INVESTMENT OPPORTUNITIES

- **Both shareholding governments have allowed TAZARA Management to venture into external markets and enter into equity smart partnerships.**
- **Tourism along the line of railway**
- **Bulk Goods Transport**

INVESTMENT OPPORTUNITIES PLAN:

- Rehabilitate 8 locomotives in 2014/2018
- Procure 4 locomotives (3000hp) by 2016
- Progress to 4 more locomotives by 2018
- Procure 800 additional wagons (various types)
- Rehabilitate 500 wagons
- Achieve a fleet of 300 serviceable wagons.

SMART PARTNERSHIP ARRANGEMENTS

- **The two shareholding governments have allowed TAZARA to look for equity partners in freight operations, wagon rehabilitation, locomotive rehabilitations and spares part for all rolling stocks**
- **This arrangement is designed to address TAZARA maintenance of equipment constraints as well as financial, material and personnel deficiencies.**

THANK YOU!