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- Outdated rolling stock equipment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- Outdated communication technology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!