

Africa: expansion path for the spanish railway sector

- **Mafex has organized a conference focused on South African rail among the "major investments to modernize and expand" planned for the area.**

Madrid, September 2014.- The Spanish Railway Association (Mafex), as part of its plan to support internationalization, is organizing, with the support of ICEX Spain Trade and Investment, the reverse conference "Business Opportunities in the railway sector in African Sub-Saharan countries." A new activity that aims to drive the expansion of the Spanish industry on this continent, with focus on six emerging markets.

From the 15th to the 19th of September, in Madrid, senior officials and delegates of the PRASA railways (Passenger Rail Agency of South Africa) will be present; the National Institute dos Caminhos de Ferro (Angola), Zambia Railways Limited (Zambia) and TRANSNAMIB holdings Ltd. (Namibia). Also, there will be representatives of the National Railways of Zimbabwe (Zimbabwe) and Portos e Caminhos de Ferro de Moçambique (CFR) (Mozambique).

The goal is to analyse options for business collaboration to new transport schemes planned in the area, show the high capability of the Spanish industry and meet the particular needs of each project.

Investment in a continent with great potential for business

Mafex has organized a conference focused on the southern area of Africa with the "significant investments to modernize and expand" that are planned for the area. For these governments, "the creation and improvement of existing rail corridors for freight traffic to the main ports of the region and the implementation of systems of mass passenger transport are priorities."

South Africa, a leader in rail networks that is being renovated

Participants include representatives from the administrations of South Africa, the country where a third of the continent's railways are concentrated. Also, right now, it is immersed in a program for the full renewal of its transportation infrastructure. This is the "2012-2030 Investment Plan in the Railway Sector", which aims to acquire rolling stock over 40,000 million euros, as well as notable works regarding signalling and infrastructure. As indicated by the Economic and Commercial Office of the Embassy of Spain in Johannesburg "given the high degree of specialization of Spanish companies in the subsectors that include transport infrastructure and equipment, there will be a number of contracting opportunities and an interesting investment for them. "

To achieve the objective of modernizing the transport infrastructure, rail and port facilities will be expanded in order to improve trade between South Africa and the international markets. This initiative, from the South African company and state transportation logistics, Transnet Freight Rail, has an investment of 300 billion rands (20 billion euros). In the short term, the rail link between Botswana and South Africa, 105 kilometres, will be constructed. There is also a project for the construction of the Limpopo-Durban line (north-south), which accounts for 60% of freight traffic, connecting the main economic centre of the country (region Gauteng- Johannesburg) with the port of Durban.

For passenger transport the most important High Speed work focuses on the Johannesburg-Durban branch, for which it is desired to have a private participation in the form of PPP's projects.

Angola, Zambia and Namibia: Countries with high potential for railway development

At present, among the large planned projects should be highlighted Angola's plans to build eight new lines, including those that allow links to other countries such as Zambia and Namibia. An expansion program with which it is aimed to continue the modernization undertaken in the period 2009-2012, when the recovery of the railway system began.

Similarly, Zambia has a special interest in the deployment of new railway networks. The country's Development Agency (ZDA), indicates that the economy will grow by around 8% annually in the next five years. An improvement that is necessary for a strong impulse transport connection to the increase in exports, especially copper, in the foreign market. The government plans to launch a large number of works among which are the connection to Jimbe Chingola, on the border with Angola, the branch Kafue (Zambia) -Zawi (Zimbabwe), the Nseluka TAZARA line with the port of Mpulungu, the Mchinji/Chipata railroad expansion to reach the port of Nacala (Mozambique) and the union with Namibia. Many rehabilitation projects for which the cooperation of private companies wishing to participate in this decisive boost to rail transport is sought.

In Namibia, the Transkalahari Railroad project will join its network with Botswana, in order to enable the export of coal production through the port of Walvis Bay. Initially, the private sector itself would be willing to finance and build the stretch in Botswana for what methods of international cooperation are explored.

Mozambique: Plans for a north-south connection

Another destination where transport infrastructure is one of the most pressing challenges is Mozambique. In this country, nearly reaching a length of 3,000 kilometres, a north-south connection is needed. This is an area of great potential, given its geographical location as a corridor for natural transit and an access point to the sea for many landlocked countries, reason why the restructuring of its rail system is so important, after 16 years of internal conflict. Projects for freight rail systems include Nacala and Beira. In the first case, it is a key corridor for neighbouring landlocked countries such as Malawi and Zambia, with the support of the African Development Bank (ADB) and the Japan International Cooperation Agency (JICA). Meanwhile, the "Beira Railway Project" aims to the rehabilitation system in central Mozambique.

Zimbabwe: Comprehensive rehabilitation of its network and systems

The Zimbabwe Investment Authority has also recently announced a program for the rehabilitation of track, rolling stock and signalling and telecommunications systems of the national network will be carried out. Planned projects in the form of public-private partnership

(PPP), among we must highlight the work on routes to Mozambique Harare-Machipanda and Dabuka-Chicalucuala, Harare-Dabuka- Beitbridge and Vic. Falls – Bulawayo –Dabuka-Harare.

Mafex: Continued support in exports in Africa

The conference organized by Mafex intend to facilitate the entry of Spanish companies in railway projects to be developed in Africa in the coming years, as well as strengthen the presence of the companies already present in this market.

This activity is organized as a continuation of another series of actions made by Mafex in recent years in the southern area of Africa as the Trade Delegation in South Africa in October 2012 and the visit to the Fair/Congress Africa Rail in June 2013.

**About MAFEX*

The objective of the Spanish Railway Association (MAFEX) is to carry out promotional activities in other countries, as well as to defend their general interests.

Created in 2004, it currently has 71 members representing more than 85% of Spanish rail industry's exports, according to official figures in 2012. Known as the official collaborating organization of the Spanish Ministry of Economy and Competitiveness through its Subsecretariat of Trade, the Association is supported by GRUPO AGEX, to which it belongs, and by different national and international organizations and institutions.

For more information:

Alen Comunicación: Helena Meléndez (Responsible for rail communication)

C/Juan de Vera, 21, 2ºB - 28010 Madrid, Spain

Telephone: + 34 91 530 36 94 / Mobile: +34 656 27 01 77 / E-mail: helena.melendez@alencom.es

Comunicación MAFEX: Pedro Fortea (Director) / Montse Sáenz de Ugarte (International Trade Consultant)

Ledesma 10 bis, 1º Izquierda – E48001 – Bilbao – Spain

Telephone: + 34 944 70 65 12 / Fax: +34 944 22 00 61

mafex@mafex.es-www.mafex.es

**With the support of:*

