



TANZANIA-ZAMBIA RAILWAY AUTHORITY

Head Office

COMMUNIQUE

FOR THE MEETING OF THE TANZANIA-ZAMBIA RAILWAY AUTHORITY (TAZARA) BOARD OF DIRECTORS HELD VIRTUALLY ON 31 OCTOBER 2023

On the 31st of October 2023, the Tanzania-Zambia Railway Authority (TAZARA) Board of Directors convened, virtually. The Board comprised Mr. Stephen Mbewe (representing Eng. Fredrick Mwalusaka) and Prof. Godius W. Kahyarara, the Permanent Secretaries responsible for Transport in Zambia and Tanzania, sitting as Chairperson and Co-Chairperson, respectively, and Prof. Razack Lokina, Mrs. Rukia Shamte and Mrs. Irene Mwamba Lumbwe, as Board Members from both countries.

The Board discussed various matters concerning TAZARA's operations and agreed on several key resolutions, including:

1. Performance results for the Financial Year 2022/2023

The Board observed that the annual performance for the Financial Year (FY) 2022/2023 exhibited a remarkable improvement in revenue by 10% compared to the previous FY. The growth in revenue was primarily driven by a surge in the traffic average haul, a development that followed the reopening of the Chambeshi Bridge in September 2022.

During the FY 2022/2023, the revenue amounted to US\$26.78 million, marking a notable increase from the US\$24.280 million earned in the prior FY 2021/2022.

However, the Authority could not reach the planned target in traffic volumes due to the closures at the Chambeshi Bridge and at Kilometre 211, along with challenges arising from equipment reliability issues.

During the year, the total freight volumes moved on the TAZARA line dropped by 3.7% from 337,475 metric tons in FY 2021/2022 to 324,903 metric tons in FY 2022/2023.

In the realm of passenger traffic, the cumulative count of travelers across the various types of passenger trains witnessed a 1% decrease, with the figure dropping to 2,710,104 passengers during the fiscal year 2022/2023, compared to the 2,738,452 passengers documented in the preceding fiscal year. The primary limitation confronting passenger services remained the constrained availability of train coaches.

The volume of interstate passengers traveling between Tanzania and Zambia surged by 14%, escalating from 469,551 passengers in FY 2021/2022 to 534,603 passengers in FY 2022/2023, surpassing the target by 7%. This substantial growth was attributed to the reopening of the Chambeshi Bridge and a concurrent rise in bus fares.

The Udzungwa Shuttle, which operates between Kidatu and Makambako in Tanzania, experienced a 2.2% growth in passenger numbers, with figures rising from 351,826

passengers in the preceding fiscal year to 359,564 passengers in the period ending on June 30, 2023.

Conversely, the Dar es Salaam City Commuter train witnessed a 4.1% decrease in ridership, with the number of commuters dropping from 2,268,901 in FY 2021/2022 to 2,175,501 in FY 2022/2023.

The Board acknowledged and recognized Management's proactive efforts aimed at improving performance and underscored the pivotal role of innovation in sustaining and furthering these positive trends.

2. Open Access

Management was commended for engaging a second private operator under Open Access arrangements. The Board also noted the allocation of 16% of earnings from Open Access to railway infrastructure maintenance but urged an increase to 20% for enhanced track reliability.

3. Revitalisation of TAZARA operations

The Board acknowledged the commitment of the two Heads of State from Tanzania and Zambia, H.E. Dr Samia Suluhu Hassan and H.E. Mr. Hakainde Hichilema, respectively, and the directives of the TAZARA Council of Ministers to revitalize TAZARA operations with the involvement of Chinese investors. The Board noted that China Civil Engineering Construction Corporation (CCECC), a subsidiary of China Railway Construction Corporation (CRCC), had been officially introduced, by the Government of the People's Republic of China, as the company to negotiate with on the concession of TAZARA and that a proposal from CCECC was expected by the end of October 2023.

Done at Dar es Salaam on 31 October 2023

Original Signed

Marco M.N.S. Mabala
CORPORATION SECRETARY

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