

Trans-Kalahari Railway project takes first step

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Namibia and Botswana are taking the first steps to establish a multi-billion dollar railway project to link Botswana's rich coal fields to the Namibian coast.



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Namibian focal person on the project Robert Kalomo said in an interview yesterday that an office has been set up in Windhoek and that it will be staffed by officials from both countries. "The office will be manned by six officials, three from each country," said Kalomo. He said a whole range of issues like legal and cross border matters need to be agreed on before the project could proceed.

Project on the shoulders of private investors

The project is meant to be developed by the private sector in the two countries. Private companies will have to gather capital for the project and not the two governments. "We have not yet selected the companies that will implement the project," Kalomo said. This will only happen after expressions of interest had been invited, he said.

Although several media reports from Botswana have said that the government may have changed its mind about supporting the project, Kalomo said the project is more beneficial to Botswana's coal exports through Namibia.

He added that the initial project cost of US\$15 billion estimated in 2011 has most likely increased. "The US\$15 billion was the figure contained in the feasibility, it is most likely to cost more than that," he said.

When asked if private investors in Namibia and Botswana have means to raise US\$15 billion or more, he said any interested investor will have to do it without any government guarantees. No major financial institutions have shown interest in funding the project, he said. But Kalomo said investors could approach institutions such as the World Bank and the African Development Bank if selected to carry out the massive project.

Need for coal exports

Botswana and Namibia have already signed a bilateral agreement for plans to develop the 1,500-kilometre railway for transporting coal exports to Walvis Bay. Once the two countries have resolved all outstanding issues, this will make way for funding initiatives and tenders.

Chinese and Indian demand for the more than 200 billion metric tonnes of coal in Botswana's central Karoo basin could boost economic growth in the landlocked southern African nation, economists have said.

Alternative export options for Botswana include transporting the coal by rail to either South Africa's Richards Bay or the port of Beira in Mozambique.

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