



LOLIWE

Official Newsletter of Swaziland Railway - December 2014



His Majesties Speech - Page 7



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**SWAZILAND RAILWAY
CELEBRATES
50 YEARS OF
SUCCESS**

SWAZILAND RAILWAY

Efficiency Re-defined



ISO 9001:2008
Management
System



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Vision

"To lead in providing total quality rail transport and logistics solutions in the region and beyond".

Our Mission

To provide transportation services to the local and international markets through:

- ⦿ *delivering a service that is responsive to current and future customer needs,*
- ⦿ *fostering and influencing mutually beneficial stakeholder relationships,*
- ⦿ *ensuring high standards of safety, quality, environmental and risk management practices and;*
- ⦿ *Enhancing shareholder confidence and value through self-sustenance.*

Values

- ⦿ *Professionalism – Bunyoninco*
- ⦿ *Respect – Kuhlöniphana*
- ⦿ *Transparency – Kusebentela ebaleni*
- ⦿ *Integrity – Bucotfo*

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Editors Remarks



SIVE MANANA
EDITOR

Once again I welcome all our happy readers to the last edition of Loliwe for the year 2014. This is the festive period and we are all in the festive mood and celebrating. We are thankful for the gift of life above everything else as we

conclude the year and we are also celebrating our long period of successful existence here at Swaziland Railway (SR). We all say Happy 50th Anniversary Swaziland Railway, may you continue to bring livelihood to the thousands of Swazi households as you have done in the last 50 years. May you continue moving the Swazi economy to even greater heights.

On the 3rd of October 2014 SR celebrated her 50th Anniversary through a national event that was held in Mpaka Railway Station. The event was graced by the attendance of their Majesties, the Deputy PM, Cabinet Ministers, Members of Parliament, Members of the Diplomatic Corps, Captains of Industry, International allies from TFR, SARA and other important stakeholders. It was also graced by the attendance of the SR staff members who came in their numbers and the general public. It was a moment of dance, laughter and enriching speeches by our VVIPs.

On the same day SR put icing to the delicious cake by unveiling the first ever diesel train to be owned by the organisation. The blue and white four locomotives and 75 wagons come as a breath of fresh air to Swaziland as this ushers SR into the league of international operators. Despite the economic challenges facing the country, SR

continues to be the torch bearer by her relentless drive to move this economy forward. As I write this editorial, the train is already in service on the Phalaborwa – Richards' Bay line transporting bulk goods mainly minerals from various destinations to the ports of Richards Bay and Durban. Since SR is an alcohol none tolerance institution, we all open our Non-alcoholic champagne bottles to that".....Laugh Out Loudest.

On our bottom line, our second quarter performance has not been very good, we have made an uninspiring end to the year. Our figures show that we should be concerned, though we know the reasons and we know that they have been unavoidable. The problems encountered by Salgaocar and the slow performance of sugar exports have been our major contributing challenges considering the targets that we set out at the beginning of the year. The recent interrupted availability of petroleum products has not done our imports any good too. Though we are beginning to pick up on that front but lost business can never be recovered. We however look forward to the third and the last quarter with optimism. Transit traffic has been our chief revenue generator as usual and we are hitting our targets on that front.

Loliwe celebrates a year in existence and there is a reason to celebrate, we say cheers to all our loving readers and contributors for making it possible. We also thank SR Management for giving us support and resources so that we can carry out our job with ease. We wish to continue getting your feedback at info@swazirail.co.sz or at sive@swazirail.co.sz.

From the editor, I say "Happy Festive Season", may you enjoy your Christmas and New Year. I wish you all the best for 2015.

Sive Manana
Editor.

CEO's Remarks



S.Z. NGUBANE
SR CEO

As we close the year we look back and marvel at the achievements made by the organization through guidance and direction from the Board, successful implementation of strategic objectives by Management and all employees.

We are all proud of successfully celebrating the 50th anniversary on the 3rd October, 2014 which was graced by their Majesties. We were overwhelmed by the good attendance of all those invited, the event itself was excellently organized by our internal Organizing Committee and the History & Publications Committee, who prepared all the important milestones on the growth of the company since 1964. The National Organizing Committee led by the former Principal Secretary of the Ministry of Public Works & Transport, Mr. Cyril Kunene did an excellent job and ensured that this was an occasion fit for their Majesties and Cabinet. Our Hon. Minister of Public Works & Transport Pastor Lindiwe Dlamini who was Programs Director was a cherry on top of the icing in the way she directed the program to the delight of all present.

On the same day S w a z i l a n d Railway was ushered into a new era of owning locomotives and wagons. The unveiling of 4 mainline locomotives and 75 wagons was conducted by His Majesty King Mswati III to a deafening roaring applause from our guests who witnessed this momentous event. These locomotives and wagons will convey transit cargo from Phalaborwa to Richards Bay and will be part of the pool of equipment provided by Transnet Freight Rail (TFR).

By the end of December we would have covered 9 months of our budget, it is observed that there has been ups and downs in traffic performance. We lament the stoppage of iron-ore production and transportation to Maputo Port due to very low world market iron-ore prices. We hope there will be a turnaround in this market so that this business is revived. We have taken note of the slow movement of sugar exports due to low demand and low prices, but we hope the situation will improve before the end of the season. The performance of the Dry Port

CEO's Remarks Cont...

has been outstanding as a result the budgeted revenue has been achieved 3 months before end of the financial year, thanks to the operating staff of the Dry Port and train service section, thanks to our logistics partners who ensure that Swaziland bound container trains are not bumped out of the queue or pushed to the back at Durban Port. Our logistics partners monitor the trains and ensure that they are not stuck along the way. Overall, traffic performance has taken a knock but at the same time showing resilience especially transit traffic which is slightly above budget.

Finally, one cannot forget that we are in the festive season and we are full of excitement including our family members. I would like to wish our Board Members and their families a peaceful, enjoyable and safe festive season. I wish our Management and Staff and their families a pleasant, nourishing, safe and enjoyable festive season. Opening of schools is around the corner, so my advice is "SISU SIBEKELWA NGAPHANDLE".

May the Almighty God protect and guide you always.

His Majesty King Mswati III SPEECH AT THE SR 50TH ANNIVERSARY



**Your Majesty the Indlovukazi,
Emakhosikati,
Your Royal Highnesses,
Prime Minister,
Councillors,**

**Chiefs,
Deputy Prime Minister,
Chief Justice,
Ministers,
Members of the Diplomatic Corps,
Presiding Officers and Members of both Houses of
Parliament,
Regional Administrator,
Invited guests from Southern Africa Railway Association,
Transnet Freight Rail South Africa and Mozambique
Railways,
Chairman, management and staff of Swaziland Railway,
Swaziland business representatives,
Distinguished guests,
Ladies and gentlemen;**

Siyanivusela nonkhe bekunene lapha ka-Swaziland Railway eMpaka.

Introduction

I am delighted to be at this occasion on this very important day in the history of Swaziland Railway.

It is a great moment for all of us to share in the joy of Swaziland Railway celebrating 50 years since the start of its operations.

A warm welcome goes to all of you present here today, particularly those who have come from various countries to be a part of this prestigious event.

Significance of 50-year milestone

When we look back 50 years ago, our hearts are filled with joy and happiness because we still have a nostalgia for the development of the facility that we cherish today.

It is for this reason that we pay tribute to our predecessors and those creative minds that foresaw the important role such an institution could play in the social and economic development of the Kingdom.

As a result, we proudly observe how Swaziland Railway started from its humble beginnings, but is today counted among giants in Southern Africa, not necessarily in size, but in output, excellence and efficient service delivery.

We are pleased that our railway has continued to grow to become a major player in the transportation of goods in the SACU and SADC regions by providing quality service to clients.



Need to connect the African Economy

In Africa, we still have to work hard to connect each other by all modes of surface transport. The inadequate rail infrastructure connectivity is hindering inter-Africa trade that is anxiously waiting for the development of a railway facility that will link CapeTown to Cairo.

We urge the African Union to pursue this programme and hope our development partners and financial institutions will support this major continental vision.

SADC countries well ahead

In the SADC region, we are pleased that a huge amount of development has taken place to enhance trade and transportation of goods and services.

While we have not totally achieved our targets, it is

encouraging to note that we are connected and have the same standard tracks which enable the interchange of rolling stocks.

SD rail infrastructure development

Today, as we celebrate 50 years, we are reminded of how Swaziland Railway started operating as a single line from the west to the east in 1964 – transporting iron-ore from Ngwenya to Maputo, Mozambique.

Bekusindvwe ngebelitfole, vele bekumnandzi sibili; kulilitela bomake, emajaha agubha, bogcabho liyavutsa benta letibukwako.

The nation is aware that Swaziland Railway has faced several challenges along the way. One of these challenges was when the high grade ore was dropped in the world markets and the Kingdom was no exception.

Establishment of Matsapha Industrial Site

However, a few years later, Matsapha Industrial Sites was established and rail was constructed to service the industries in Matsapha. The rail transport service proved to be a catalyst in the growth of Matsapha Industrial Site to what it is today.

This led to the construction of railway lines from Phuzumoya to Golela, linking leSwatini to Durban, Richards Bay and the global markets.

Our appreciation goes to all the present and past boards of directors, management and staff who worked tirelessly to keep Swaziland Railway afloat.

New rail line from Lothair to Sidvokodvo and Mozambique

We are confident that the proposed new rail line from Lothair to eSwatini and Mozambique will bring the much needed relief to the business community. We hope we will meet our 2015 target to commence the construction of this project. I have been informed that it is called the missing link because it is long overdue as it was conceived in the 1800's.

The trains to run this line will be 2.5km long with 200 wagons. We thank our neighbouring railways, Transnet Freight Rail and the Mozambique Ports and Railways for the cooperation and support to working towards realising this project.

Special thanks to Transnet Freight Rail for deployment of their resources upfront to press on with the project and ensuring that all the other parties were moving together.

Government financial support

We have observed that rail transport has brought so much value to the economy. The country has done a lot in road construction and it is high time we increased investment on our railway system.

The new project is a good example to start with which, after commissioning, will triple Swaziland Railway revenue.

There will be new job opportunities created during construction and after commissioning. EmaSwati will learn new skills in the operation of the 200 wagon trains. The Kingdom will also be at the crossroads of all traffic flows leading to South African and Mozambican ports, after the commissioning of the Swazi rail link project.

We wish to assure our neighbours that the trains will keep to the timetable and be predictable in delivering customer goods at destination.

Matsapha to Ngwenya/Kadake line

The nation is following with keen interest the revival of the old rail link from Ngwenya and other sources even across the border. The re-opening of this line will help reduce the heavy traffic on our highways, especially along the Malagwane hill.

First World certification for Swaziland Railway

It is pleasing to note that Swaziland Railway is on the road to attaining the 2022 goal of becoming a First World railway operator. Already Swaziland Railway has been certified as a world class organisation upon becoming ISO 9001:2008 certified in 2012.

The network expansion with the Swazi rail link to be commissioned in 2017 will certainly put our country amongst the well rail connected countries. The long heavy trains to be operated in conjunction with neighbouring railways, will put the country in the league of heavy haul train operators and be listed amongst the top 5 in the world.

I challenge Swaziland Railway to help other players in the economy to attain the First World status by providing transport and logistics services of high quality to make our products internationally competitive.

Conclusion

I wish Swaziland Railway Board of Directors, management and staff success in their future development plans. You must work as hard as you have done over the years and never be complacent with achieving your goals. The sky is the limit.

Let me also appeal to the nation to ensure that our rail is not visited by stray animals. The nation, especially our children, should also avoid playing along the railway line.

Let me take this opportunity to thank all those who were involved in preparations for this successful event as well as those who rendered wonderful performances. We also thank you for the gifts presented to us.

I thank you. May the Almighty God bless us all.

MINISTER OF PUBLIC WORKS AND TRANSPORT REMARKS ON THE EVENT OF THE 50TH ANNIVERSARY



LINDIWE DLAMINI
MINISTER

The Ministry of Public Works and Transport expresses its congratulations to Swaziland Railway today as it marks its 50th Anniversary.

As one of the Parastatals under the Ministry, we are proud of the great achievements that have punctuated the history of this organisation over the past 50 years.

One of these is how the Public Enterprise has managed to grow its revenue by increasing the tonnage transported from 3.9 million tonnes in 2008 to 6.4 million tonnes in 2013.

The profitability of the company has increased from E9.2 million in 2008 to around E30.9 million in 2013. This has resulted in sustainability and viability of the company. Swaziland Railway is a shining example of achieving the core mandate of all parastatals to continuously operate without a government financial subvention.


The company has also improved in competitiveness in the region with a consistent transit traffic growth. This has also attracted interest from other businesses as they now see the country as a favoured strategic location.

All this is in line with the Ministry of Public Works and Transport Mission Statement to ensure the provision and maintenance of sustainable public infrastructure, an effective and seamless transport system and network, regulation for a vibrant construction and transport industry, management of public service accommodation.

In carrying out its mission, the ministry is committed in upholding safety and environmental standards for socio-economic development by making the best use of the country's available resources.

With such a well performing parastatal under our supervision, the Ministry continues to strive to realise its vision to become the most efficient and effective Ministry in service delivery to the nation on behalf of the Government of Swaziland.

We noted with pride that Swaziland Railway was accredited with the ISO 2008-9001 Accreditation. This has improved the image of the organisation and the quality of service they offer to the public and



their clients. This has also resulted in compliance with customer and international requirements.

The signing of the Memorandum of Understanding between the Government of Swaziland and the Republic of South Africa in 2012 ensured the commencement of the feasibility study for the construction of the Rail Link from Lothair through Swaziland to Richards bay. This will result in regional connectivity and integration through rail and trade promotion. It is also expected that this development will lead to increased employment opportunities, growth in revenue, and business opportunities for the country.

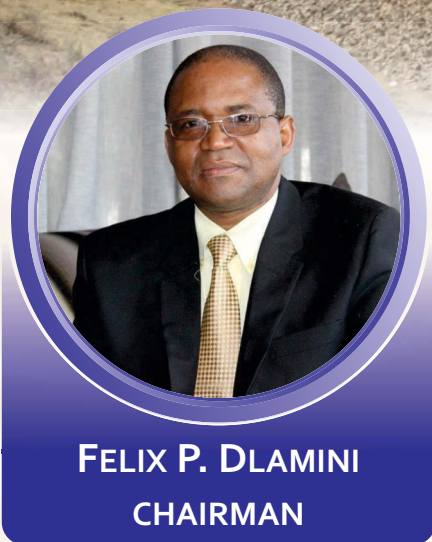
As we reflect on the past achievements by this company we recall that in 2010 SR was able to purchase 20 fuel tank wagons. This resulted in an increase in revenue as more business was created. It also reduced the reliance on hired wagons from outside the country. A total of 60 sugar carrying wagons we rehabilitated and upgraded from a capacity of 21 tonnes to 42 tonnes. This resulted in an increase in carrying capacity and operational

efficiency and an increase in throughput. We have also seen an improved operational efficiency, reliability, availability and minimum delays and improved the turnaround time for wagons and other assets. Reports indicate that safety has also improved and maintenance costs have been reduced. The Ministry of Works and Transport looks forward to seeing more growth in this sector in future years.

We would like to thank the Boards of Directors, Management and Staff of Swaziland Railway for their amazing dedication over the past 50 years in serving the nation. This organisation is truly living up to its motto of Efficiency-Redefined. The Ministry also pays a warm tribute to His Majesty King Mswati III and Her Majesty Indlovukazi for their efforts to support this sector over the years to date. We pledge that we will work hard together with Swaziland Railway to help realise His Majesty's noble vision of a first World by 2022 through regional integration.

All the best for your Golden Jubilee and may you see many more years.

CHAIRMAN'S REMARKS ON THE 50TH YEAR ANNIVERSARY OF SWAZILAND RAILWAY



FELIX P. DLAMINI
CHAIRMAN

1. Protocols

BAYeTHE!!! Your Majesty, King Mswati 111, your Majesty iNdlovukati, Mhlekezzi, your royal highnesses emakhosikati, your excellency, Honourable Prime Minister, your excellency the Deputy Prime Minister, Cabinet Ministers in our

midst, your Excellencies

members of both Houses of Parliament, members of the diplomatic corp, distinguished guests, Chief Executives Officers of esteemed organizations present here, Bobabe tikhulu, Board members and staff of Swaziland Railway, and everybody present today, and protocols all observed, I greet you.

2. Self introduction

Ngwenyama, it is my pleasure to make a few remarks on this momentous occasion. Lona lokhulumako ngumsa waMaswazi Dlamini, lotalwa nguSocothile Philemon, waSicunusa eMgazini. Ngiphasi kwemntfwanenkhosi Lembelele eLuyengweni.

3. Remarks

Your Majesty, today marks an important day for us as Swaziland Railway where we can have you celebrate this momentous occasion of a golden jubilee with us. As the Board which your able government trusted and delegated to the role of oversight of such a place of productive excellence and progress, we have found this an involving, demanding and a growing experience. As chairperson I have enjoyed the support of a well balanced and conscientious Board, that has been equal to the challenges that have arisen.

This is especially so in that your Majesty's government appointed us at a time of a gap in the leadership of the organization with no Board and substantive CEO, and the wisdom you have imparted to them your Majesty, was quick in assisting the board to close that gap, and thus begin in earnest to focus on catching up on a number of issues that made the backlog.

The patience, and great resilience demonstrated by management, the staff and employees of Swaziland Railway during this tenure your Majesty is indicative of the patriotic spirit that lies deep in the culture of this nation and that underlies the success our great nation has had and will continue to have under your leadership.

It is in this light your Majesty that I ask you to allow me to appreciate the efforts made by both past participants in the life of Swaziland Railway as well as present at all levels, at government and in particular our line Ministry, the Ministry of Public Works and Transport, the Boards, Management, Staff and families. I cannot underestimate the role of our South African and Mozambique partners in the railway business, Transnet Freight Rail and CFM respectively. The relationship we have Together demonstrates what interdependence can achieve for SADC as well as for Africa at large. Without these strategic partnerships we would not have seen the growth we see today and even celebrate.

Today your Majesties, we just want to enjoy the moment in our history as Swaziland Railway again making for a better future.

Happy 50th Anniversary Swaziland Railway!!

BAYeTHE!!!

THE HISTORY OF SWAZILAND RAILWAY...

HISTORICAL BACKGROUND

In 1963, an iron ore mine was opened at Bomvu bridge and in 1964 Swaziland railway commenced operations. These projects were linked, one could not proceed without the other, since rail was the only suitable mode of transporting the ore to the port of Lourenco Marques (now Maputo in Mozambique). However with the mine closure in 1978,

and the last shipments of stockpiled iron ore being made in 1980, government reeled that the line needed to attract new traffic to remain viable.

Access to a new port became imperative.

The Swaziland Railway is a parastatal organization that provides transport services for import and export commodities as well as transit cargo. It is considered one of the best in the SADC region in terms of transit time, reliability, and predictability and links Swaziland's main industrial centers with the railway system of Mozambique and other SADC countries.

Since Swaziland is a landlocked country, the railway plays an important role by becoming the link to the sea and the rest of the world.

In 1978, the southern link to Golela was opened, followed by the Northern link to Komartiport in 1986. With these connections in place, Swaziland railway changed from being a short term single commodity line to become the backbone of

Swaziland's export-oriented economy.

Swaziland's economy has developed rapidly in the ten years 1994-2004 and investments in rail infrastructure

was an essential component. A dry port

at Matsapha railway station has been in operation since 1994 and

a credit agreement between the governments of the Italian republic and the kingdom of Swaziland was signed in 1997. This was to finance the engineering services and the rehabilitation works of the east-west railway lines in Swaziland.

Swaziland Railway was also connected through





satellite with Johannesburg for the purpose of capturing and tracking train movements, both inside and outside Swaziland. Customers were able to be updated on the locations of their goods destined to and from Swaziland and South Africa and on time monitoring of cargo gives value added status to our service. Swaziland railway also introduced hotbox detectors at strategic points along the line, with the aim of reducing axle hot box related incidents. Alarms were raised and some serious accidents have been avoided.

OPENING OF THE RAILWAY

The railway was officially opened by the Ingwenyama king Sobhuza 11. It was opened at the same time as the iron ore mine at Ngwenya. At the end of his speech, he blew a silver whistle and a gaily-decorated locomotive flying the flags of the six countries connected with the railway. These are the Union Jack for Swaziland and Britain, South Africa, Portuguese, Japan, U.S.A. and Norway. Since Swazis were not experienced on railway work, the Swaziland railway was given to the Mozambique ports and railways (CFM) from the beginning up to 1978 they were responsible for the operation and maintenance of the railway. (Ibid).

SREXPANDING IN 1978

A team of British railway experts were in Swaziland to study the present rail routes set up in the country and offer advice to SR concerning the future. Advice was based on staff training and equipment development they faced the crisis when Mozambique was in war. Advice on possible

development to the rail road network. The line to the south looked at the traffic possibilities as they were commodities transported by road which could be transported by rail such as livestock manufactured goods and fertilizers.

Speculation of the line on the north to Komartiport from a point in the region of Mlawula, which was to be a great benefit to Swaziland as it would affect the sugar industry in the north and could influence decisions on exploiting the coal which is believed to be present in large quantities. The British experts were interested in just future possibilities as they were commissioned by the Swaziland Government and the European Development Fund, gathered by Trans mark a wholly owned subsidiary of British railway. The head of the team Mr. David Cobbett, which was to determine whether SR was to be closed down or expanded. They considered the whole of agricultural industrial region an industrial future. They proposed new investments in equipment such as rolling stock, tracks, maintenance equipment, and signal equipment and most important what technical assistance and training should be given both inside and outside Swaziland. The Trans mark team included David Cobbett, Ian Cooper, Michael Newsome, Roy Bens, and James Charters. (Times of Swaziland February 6 1978).

SWAZIS MOVING INTO TOP RAILWAY JOBS 1976

Over 50 SR employees received their certificates after an 18 months training in different occupations. These include locomotive firemen and steam locomotives drivers, trolley drivers-marked another step in the railway management plan to quality

THE HISTORY OF SWAZILAND RAILWAY...

Swazis to take over important positions previously held by CFM personnel. Appointments which ranked from head of departments and assistants, first class station masters were Swazis. (Times of Swaziland 1976 November 19).

OVERVIEW

Swaziland Railway is a parastatal organization which operates under the control of the Board of Directors appointed by the Minister for Public Works and Transport, provides Cargo transport service for imports and exports commodities. In linking Swaziland's main industrial center's within railway systems of SA, Mozambique, other SADC countries and those overseas, it is responsible for the movement of goods, the infrastructure, rolling stock and operation of the country's 300 km long railway system.

Other specific services include the Lubombo express

train (No. 2706), which provides a 19-hour transit time for general goods traffic bound to or from Durban and Matsapha. A block train is available for the movement of petrol, oil and lubricants- this provides a high quality transport service characterized by speed of transit time and reliability, resulting in reduced pressure on storage requirements.

The Swaziland railway is a 100 year old dream come

true, for it was in the last century that a rail route from Swaziland to the coast was first sought. But it was not until the Ngwenya Iron ore deposits were investigated in the 1950's that the building of a railway

became feasible. It was realized at the start that if the iron ore deposits were to be exported a railway could be essential. Surveys of various possible routes was started in 1955 and by 1958 the 136 mile route from





Ngwenya on the western border, through the middle of Swaziland to Mozambique. The construction of the line from Ngwenya to Goba had been agreed. The following month the Swaziland Iron Ore Development Company signed an agreement with 2 Japanese steel producers for sale of 12 million tonnes in a period of 10 years. The finance of construction of the line was between Anglo-American Corporation- companies in Swaziland (the Commonwealth Development Cooperation, Swaziland Development Cooperation and Swaziland Government) financed E 10 million. The contract to build the line was awarded on May 9, 1962 with a time speculation of 25 months.

Mr. Hawkins marked 'this is one of the few projects in the world these days to have been on time and within estimates!' The chairman of the board Mr. Coyon Hawkins in 1965 issued a statement of the total at both which were up to 200 000 tonnes of iron ore which had been over the SR from KaDake station on its way to Lourenco Marques, while 160 000 tonnes had already been shipped en route to Japan. In the last month of 1965 carried more than 1200 000 tons of goods:

- 61 000 tonnes was exports
- 1 000 000 tonnes for iron ore
- Imports 49 000 tonnes
- Local traffic 13 000 tonnes

(The Official SADC Trade, Industry and Investment Review).

SWAZILAD RAILWAY INITIATIVES

Together with Spoornet (South Africa) and CFM

(Mozambique), Swaziland Railway is involved in a number of initiatives aimed at improving the shared international corridor working. These include:

- Improved transit and turnaround times by agreeing to that one railway authority operates the route from Maputo to Mlawula and without interchanging trains at Siweni.
- The wagon contribution to services between Spoornet and CFM should be in proportion to the distance and revenue in line with equity principles.
- Swaziland railway is online with sprint and is able to view from its premises the incoming Spoornet traffic and therefore adopt advanced planning based on synchronized services at komatipoort and Golela.
- Swaziland railway hires locomotives for all Spoornet transit traffic on an hourly basis. The same Spoornet locomotives bringing traffic to the Spoornet/Swaziland railway interchange points are used for transit on the Swaziland railway network. Swaziland railway aims that such traffic be hauled as quickly as possible to reduce hire charges as well as to optimize efficiency and add value for customers. (Swaziland Railway 40th Anniversary).

THE PURPOSE AND THE MANDATE OF SWAZILAND RAILWAY

The railway was launched in 1964 and it is fully owned by the government of Swaziland. The

THE HISTORY OF SWAZILAND RAILWAY...

mandate of the organization is: "to exercise its power under the act to provide or to secure and promote the provision of an efficient and adequate system of public transport of goods and passengers by rail with due regard to economy and safety of operations and to supply the needs of Swaziland for rail services to the fullest possible extent consistent with the resources of the railway."

The Swaziland national transport policy that reflects on the country's vision, states that the country's transport vision is : "to establish a transport system that provides a safe, efficient, cost effective and fully integrated infrastructure and operations to best meet the needs of customers, promote economic and social development and is environmentally and economically sustainable."

SOME MILESTONES FOR SWAZILAND RAILWAY

In the celebration of its 50th commemoration, Swaziland railway has to look back and acknowledge both the negative and positive impact of its existence to the nation. Most importantly it brings a wonderful feeling for the company to look back and applaud its achievements and learn from challenges that were before it.

THE ESTABLISHMENT OF A COOPERATIVE

The establishment of a cooperative by the name Phaphamani Maswati where employees joined as a way of encouraging them to save for the future. The existence of this cooperative was supported by management and I quote the C.E.O's comments "this will help with the ever increasing debts among our employees." A happy and problem free workforce yields good results.(Swaziland railway achieves file no 35-600-11A)



FREIGHT

Until the late 1990's SR carried only freight with the occasional exception of holding passenger excursions and the reparation of Mozambique refugees during the mid-1990. In 1998 the railway established a regular passenger services between Mpaka and Durban, and announced

plans to initiate similar service to Johannesburg. During the 1980's new rail lines were added, mainly to service the coal and Agribusiness industries.

SA rail traffic cuts distance and eliminate steep gradients by transiting Swaziland. Dry Port completed at Mustapha in 1993, making it an International port of entry and exit. During 1992-93 SR transported 4.2 million tonnes of freight of which



3.2 million was transit traffic.(Historical Dictionary of Swaziland 2nd Edition).

MATSAPHA INLAND CLEARANCE DEPOT

The worldwide growth of containerization as a mode of transporting goods and the expansion of Swaziland export industries made the establishment of an inland container depot a logical development. Following the feasibility study which took place in 1988 under the auspices of SADCC, Swaziland's inland clearance depot was established at Matsapha industrial site during 1993 to provide importers and exporters with streamlined services that are both time and cost effective.

Within the opening of the Inland container depot at Matsapha, Swaziland was placed on the International Maritime map. The new dry port provides all infrastructural support to importers and exporters who are located away from the sea ports. The dry port provides a single window package or services to importers or exporters from picking up the cargo from business premises to its carriage to the final destination. It ensures safety and timely delivery of cargo because it has been linked with almost all the major ports of neighboring countries through Port Net and computer systems. This facilitates the smooth flow documentation and custom approval.

The depot is effectively a dry port and ideal for a landlocked country such as Swaziland, incorporating all the services associated with a seaport. These include:

- Handling equipment for 3,6, and 12 meter containers
- A door to door service
- Customs clearance to facilitate through bills of lading
- Communications facilities and tracking containers
- A bonded warehouse on the premises
- Storage of empty containers in the Matsapha area

The containers are moved by road to the ICD and progress by rail to the seaport, usually Maputo, from where they are transferred on to ships. The facility has been upgraded and expanded to accommodate the ever increasing traffic. At the end of 1998 i.e., goods handled at the depot increased by 38% over a two months period and an E 8.8 million expansion took place. The ICD has been upgraded to a hard surface and is equipped with a mobile container rich stacker for the safer, more effective handling of traffic, which increased from 600 containers in 2002 to 800 a month in 2003.(Swaziland Railway 40th Anniversary)

SOUTHERN AFRICAN RAILWAY ASSOCIATION MEMBERSHIP

According to former Swaziland Railway CEO Mr. Gideon Mahlalela SARA has always occupied a special place in the company. SARA was established on 4 April 1995 during a meeting of the SADC

THE HISTORY OF SWAZILAND RAILWAY...

railways chief executives at the same venue and formally constituted on 27 April 1996 at the following meeting, which was held in Durban. Braam Le Roux, the CEO of Spoornet, was elected the first SARA president. Mahlalela commented that SARA was conceived in Swaziland, born in South Africa and started crawling in Botswana, to where the presidency moved the following year. Since then, SARA has been instrumental in coordinating all aspects of the operations and lobbying for and promoting the development of the railway industry. A study of railways in the SADC region indicated that a considerable market share was lost between 1981 and 1990. This was because despite significant investment, long and erratic transit times, poor communication in tracing shipments from point to point, lack of information exchange between the railways and poor response to problems encountered. The SADC railway system is an essential commodity, as the roads could not cope with all the traffic. Thus in lobbying for increased business, the house must be in order.

Problem solving is achieved when the railways assist each other on the cross-border operations of locomotives and cruise. The objective of SARA is to deliver a cost effective, regionally integrated seamless and predictable railway transport service to all international customers, and to advocate for a sustainable fair surface transport policy in the SADC region. This is achieved through a number of channels, which include:

- Coordinating, operating and technical practices for the ever increasing number of railway service providers.

- Develop benchmark service standards and levels of maintenance for infrastructure and equipment.
- Raise awareness of the economic importance of rail and its place within a rationalized transport system.
- Form a strong, objective and effective lobby group.
- Assist in the formulation and implementation of sustainable measures based on the user pays principle and total infrastructure cost recovery regime for all surface modes of transport.
- Market a positive rail image.
- Establish and maintain a forum for the sharing of ideas, expertise and for information plus joint problem solving.
- Monitor and inform regarding law enforcement.
- Undertake training to regional proficiency levels to guarantee comparable minimum standards

UNION OF AFRICAN RAILWAY

Official opening of the union of African Railway 3rd documentation and information committee meeting in Ezulwini Holiday Inn. Dr. Nxumalo said Africa was looking forward to the day when the whole continent will be linked by Railway system. He also noted that Swaziland was a Small landlocked country but this type of corporations is what will free them from peculiarities the past and present and reunite them with neighboring countries. This will aid in terms of being levelled in being updated about



specifications of equipment standardization, uniformity in the acquisition of spare parts and statistics of operation. (Times of Swaziland June 26 1978)

PROGRESS IN 2005-2008

Swaziland railway made great strides in 2005-2008 implementing the periodic strategic plan of that window. The burning issue at hand then was; normalizing business that was seriously threatened by lack of equipment which was locomotives and wagons. The organization negotiated with transnet freight rail(TFR) formally Spoornet to inject better performing locomotives on Swaziland Railways lease fleet as the old fleet was a liability to the organization and had utilization of +/- 50%. TFR agreed to Swaziland Railways request and a 5 year agreement was signed in 2005, hence a better performing fleet injected on the Swaziland leased fleet.

The situation was normal until early 2006 when the organization started experiencing a number of major accidents that reversed the organization's good long term standard safety records at regional level (SADC). Swaziland Railway has been vigilant in the effort to restore its good performance record and safety. In the introduced process, the organization has introduced mitigating initiatives such as:

- Setting up the SHEQ review committee
- Review of SHEQ policy
- Review of Swaziland Railway substance abuse policy
- Introduction of the personnel/profiling

policy and concepts

- Introduction of the family/spouse initiative for accidents prevention policy
- Setting up a platform for sugar farmers and transporters for level crossing road/rail interface accidents
- Mobilizing communities residing along the railway network support accidents prevention initiative
- Introduction of fatigue management initiatives

The focus for Swaziland Railway during this period was to: acquire core business assets(rolling stock) to sustain current business, shifting business focus to customer demand, reducing operational costs, business process reengineering(BPR), improving management information system(MIS) to information communication technology(ICT), addressing HIV/AIDS adequately and other emerging chronic diseases to mitigate the impact of such on productivity and to increase the level of safety for business sustenance.

Successful projects that emanated from the formal planning were:

- Change management project
- Upgrading the ACCPAC software system, launch of Swaziland Railway website
- The purchase of 20 fuel tank wagons
- Business reengineering such as strategically placing cruise at Matsapha, Komatopoort and Golela
- Magnetite traffic development bearing fruit

THE HISTORY OF SWAZILAND RAILWAY...

SWAZILAND RAILWAY THE BEST IN SADC

In what would surely put Swaziland on the International map, SR has been declared as having the best railway services in the Southern African Development Committee (SADC) region.

This pronouncement was made during the SARA board of directors' Bi-annual meeting held in Zambia. The aim of the meeting was to look into operations of railway systems in the SADC region. The meeting was attended by the CEO's from several countries including D.R.C, Zambia, Zimbabwe, Tanzania, Mozambique, Namibia and Botswana. Swaziland former CEO G. Mahlalela represented the country.

THE SOCIO-ECONOMIC IMPACT OF THE SWAZILAND RAILWAY ON NEARBY COMMUNITIES (GUNDVWINI AND NHLAMBENI)

Communities benefitted socially and economically from the establishment of the Swaziland railway station. They were able to secure jobs, their roads,

bridges and telecommunication systems improved. They had educational and health assistance as well as business opportunities.

The SR has been a major employer of labour. During its construction its total workforce comprised 2000 persons of whom 1900 were inhabitants of

Swaziland, while since commencing operations its highest employment has been 1063 persons in 1985. In 1982 the company contributed 1,3% of all wage employment in the country. It has an active program of education and training, e. g, on the job training and

apprenticeship. The SR, in fact, has been one of the leading agents in technical and administrative training, and its trainees have filtered into other sectors of the economy.

However, the establishment of the railway line and its stations also had disadvantages. People complained that when the railway was established and constructed most of the homesteads and tombs





were removed and relocated in other areas. They also complained about accidents that occurred along the line which resulted in the death of both human and their livestock.

The railway company dedicated itself in providing school in the communities where their railway stations are located. It constructed a school at the railway station at Mpaka and also at Sidvokodvo station. The schools are maintained by the company. Swaziland railway also give incentives to the teachers even though they are paid by government. There is a clinic that was built by the Swaziland Railway Company at Sidvokodvo although it is no longer owned by the company. The company also introduced a medical insurance scheme in 1994, which complimentary to the medical aid scheme in the company.(Ibid).

ISO: 9001 ACCREDITATION IN 2008

ISO 9001:2008 is all about producing consistent standards of quality in your processes in order to meet your customer requirements and a recognized standard against which to evaluate and audit the quality management system of any business. The accreditation comes with a number of advantages for the company and these include:

- Saving a lot of money, since compliance means lesser wastage on material and human resources thus cost saving.
- It also opens doors to tenders that were normally restricted to certified suppliers; this is because most purchasing departments are insisting on ISO 9001:2008 compliant

suppliers for quality products or services.(Swaziland Railway Internal Launch ISO9001:2008)

E100 MILLION FOR RAILWAY REHABILITATION PROGRAMME

In a bid to improve the use of railways in the country, the SR has set aside E 100 million for the rehabilitation of the railway line from Matsapha to Siweni. "This is a very busy line hence the need to rehabilitate it first. Sugar transported to Mozambique uses this line thus am very pleased that the process was initiated there," said the public relations officer Lizi Mbhokane. The completion of the latter will see the rehabilitation of another line, the Mpaka-Matsapha line that is also busy. Mbhokane also said that the state of the line was not too good and as a result the speed limit has to be reduced from 60 km/h to 25 km/h. (Times of Swaziland, 16 October, 2003, pg18)

Benefits to Business and the Economy of Swaziland

- **Today's SR** is more cost effective at handling large volumes of freight
- **Today's SR** is a profitable business
- **Today's SR** is pays for its own infrastructure
- **Today's SR** provides employment for 313 people
- **Today's Rail track** costs less than half the cost of roads to build and maintain
- **Today's Rail track** uses only one third of the land used for a road
- **Today's SR: I provides fast and reliable services to customers to and from Ports and Northern Countries as far as DRC.**

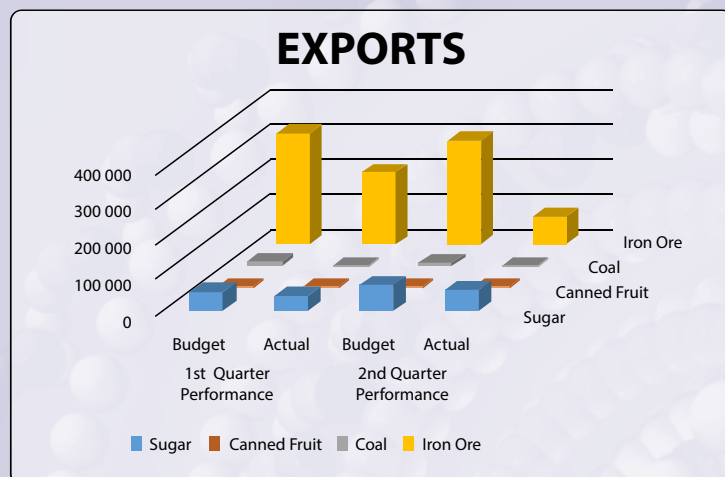
SWAZILAND RAILWAY 1ST AND 2ND QUARTER PERFORMANCE REPORT (IN TONNAGES)



SIZWE DLAMINI
COMMERCIAL MANAGER

Exported Commodities

EXPORTS	1st Quarter Performance			2nd Quarter Performance		
	Budget Tonnages	Actual Tonnages	Variance %	Budget Tonnages	Actual Tonnages	Variance %
Sugar	54 000	45 535	-19	73 200	60 388	-18
Canned Fruit	2 492	2 325	-7	4 268	4 810	13
Coal	12 188	0	-100	10 607	3 502	-67
Iron Ore	318 381	204 805	-36	297 269	79 739	-73
Exports Total	387 061	250 665	-35	385 344	148 439	-61



Sugar - Our performance on this commodity was below budget in both quarters due to depressed world markets resulting to our Client not getting overseas orders. When orders are not forthcoming, the Client's warehouse in Maputo is easily filled to brim thus temporary halting our operations. Our performance forecast on this commodity is good and I'm optimistic that by the end of the financial year, our performance will be above the set targets.

Canned fruits - We have underperformed by 7% against set targets on the first quarter, however we have

managed to out-perform budgeted tonnages by 13% on the second quarter. The main reason for the good performance was our performance in September, was that September was their year-end.

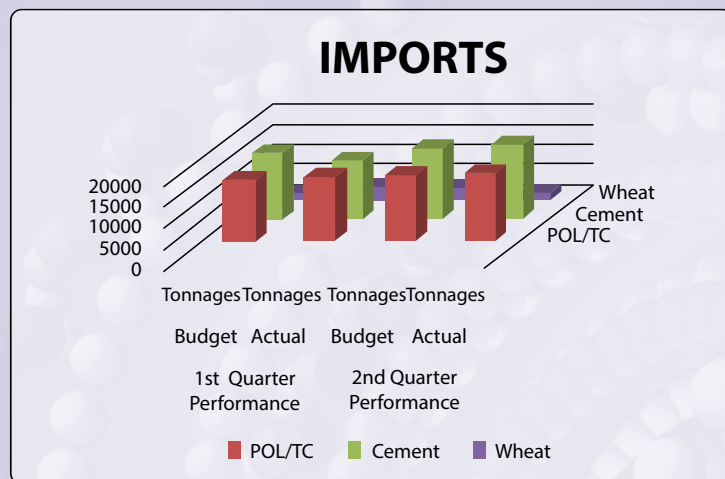
Coal - Our performance was dismal on both quarters. We had budgeted for two trains a month for the customer, however due to the decline of customer orders we were unable to rail any consignment during the first quarter. During the second quarter, we underperformed by 67% due to persisting unfavourable world prices which forces the customer to halt operations. SR Performance projection in relation to meeting set targets on this commodity is bleak.

Iron Ore - We only managed to perform 64% of the budgeted targets on the first quarter and on the second quarter we only managed to rail 27% of the budget. The main cause of this deficit was the suspension of operation at the mine due to unfavourable iron ore prices. It is worrying that thus far there is no concrete indications of when operation will resume. SR Performance forecast on this commodity is bleak.

SWAZILAND RAILWAY 1ST AND 2ND QUARTER PERFORMANCE REPORT (IN TONNAGES)

Imported Commodities

IMPORTS	1st Quarter Performance			2nd Quarter Performance		
	Budget Tonnages	Actual Tonnages	Variance %	Budget Tonnages	Actual Tonnages	Variance %
POL/TC	15 033	15 819	5	16 178	16 746	4
Cement	16 497	14 674	-11	17 479	18 634	7
Wheat	1 140	2 997	163	2 734	1 502	-45
Imports Total	32 670	33 490	3	36 391	36 882	1



Fuel - our performance with regards to this commodity was over by 5% and 4% on the first and second quarter respectively above budgeted tonnages, however we are still facing challenges. The demand for rail services has increased significantly from Fuel companies of late and the need to invest on more fuel wagons is now more apparent. We have to action promptly to avoid losing clients to competition.

Cement - The underperformance on the first quarter by 11% because of lesser product demand by our Client's

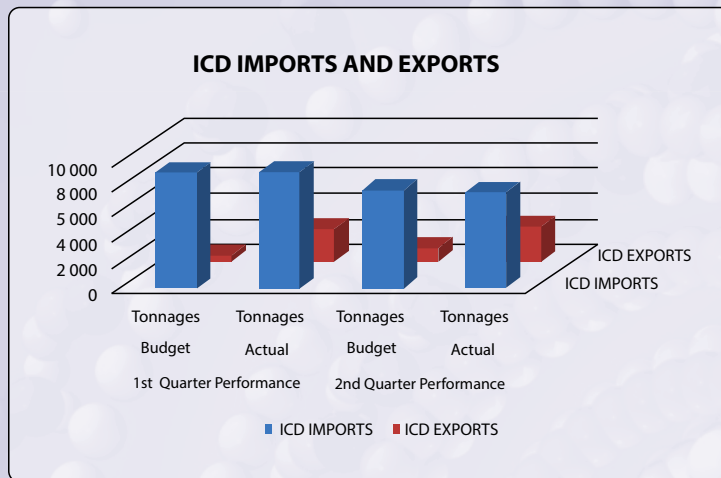
customers. On the second quarter rail services orders from the client increased and we were able to rail as per the client's orders thus resulting to a performance of 7% above budget. The performance of cement is showing great improvement and by the look of things our performance at the end of the financial year will be way above budget.

Wheat - On the first quarter we managed to perform well, 63% above budget. This was mainly because we managed to rail 2996 tonnes in April 2014 yet the budgeted tonnages for the first quarter was 1140 tonnes. From May to August 2014 we were unable to rail wheat because of change of ownership which happened in May 2014. The new owner sourced the wheat from different suppliers and opted to use road. However, after persistent engagement we finally resumed railing wheat for them in September 2014. The future looks bright on our side in terms of meeting our set targets because the new owner/Client is a much bigger conglomerate compared to the Previous Owner. The size of the new client is reflected on the quantities that we are railing for them since our engagement. We are looking to a performance which will be above budget at the end of the financial year for this commodity.

SWAZILAND RAILWAY 1ST AND 2ND QUARTER PERFORMANCE REPORT (IN TONNAGES)

ICD Exports and Imports

ICD	1st Quarter Performance			2nd Quarter Performance		
	Budget Tonnages	Actual Tonnages	Variance %	Budget Tonnages	Actual Tonnages	Variance %
ICD IMPORTS	9 187	9 271	1	7 857	7 610	-3
ICD EXPORTS	493	2 601	428	1 102	2 772	152



ICD Imports - we have managed to perform as per the budget on the importation of containerized commodities in the first quarter. On the second quarter, our performance was 3% below budgeted tonnages. Even though we performed below the budgeted tonnages our performance in terms of revenue was over the budgeted revenue by 48%. The outstanding performance was resulted from the following factors:

- a) Improvement on our import clientele especially the boom caused by importation of construction materials (i.e. Construction of Embassies)

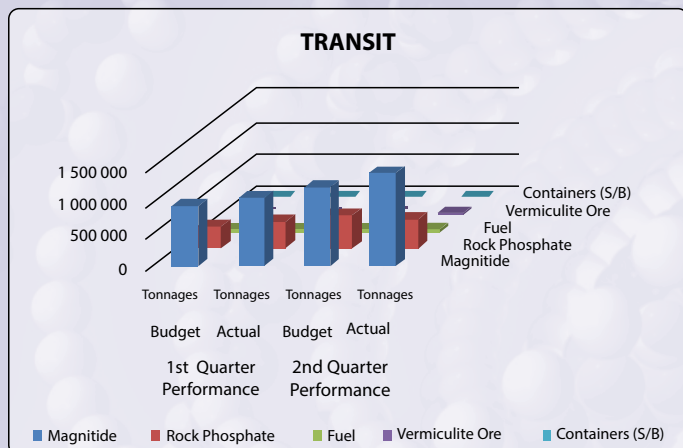
- b) Improvements on grey cars imports due to strict Government regulations by individuals causing a favourable condition for grey imports businesses.
- c) Fully utilization of SR representative/agents in South Africa/Mozambique who prepares for all the logistics and tracing of containers.

ICD Exports - We managed to execute a good performance on both quarters against budgeted revenue, the main reason of the good performance was the new business we got from one of shipping company in the country, to rail empty containers from Matsapha to Maputo and to Durban.

SWAZILAND RAILWAY 1ST AND 2ND QUARTER PERFORMANCE REPORT (IN TONNAGES)

Transit Traffic

TRANSIT	1st Quarter Performance			2nd Quarter Performance		
	Budget Tonnes	Actual Tonnes	Variance %	Budget Tonnes	Actual Tonnes	Variance %
Magnetite	912 313	1 042 650	14	1 202 209	1 412 208	17
Rock phosphate	330 410	416 871	26	515 097	450 513	-13
Fuel	37 396	416 871	-5	37 446	41 004	10
Vermiculite Ore	12 458	17 512	41	12 244	20 944	71
Containers (S/B)	4 198	3 395	-19	3 475	5 950	71
Phosphoric Acid	0	4 300	100	0	2 700	100
Sulphur	0	0	0	0	2 520	100
Coal	0	0	0	0	44	100
General Ores	42 527	0	-100	6 316	0	-100
General Goods	9 063	0	-100	7 735	0	-100
Amonia	620	0	-100	0	0	0
Fertilizer	0	1 554	100	0	0	0
Transit Total	1 348 985	1 521 642	13	1 784 522	1 935 883	8



Transit Traffic - Overall our performance with regards to transit traffic was exceptionally good. We managed to above 13% and 8% above budgeted tonnages on the 1st and 2nd Quarter respectively. Of note, the underperformance of 13% for Rock Phosphate in the second quarter was mainly caused by giving rail preference to Magnetite because it is an exported

commodity. So when stake dates are open for Magnetite preference is given until stake dates closes. Rock Phosphate is used within South Africa therefore is easier to always improvise when there are some shortages and that has caused the 13% deficit against budgeted tonnages. It should be noted that Rock Phosphate and Magnetite uses same wagons. Therefore, when more rock phosphate is railed that means lesser Magnetite vice versa.

Conclusion

Overall our performance in terms of budgeted revenue was over by 3% and 1% on the first and second quarter respectively. Even though we facing challenges in meeting our set targets on some commodities like iron ore and coal, it is indeed apparent that overall we will meet most of the set targets especially if we put more efforts on those commodities in which we are doing well to complement those in which we are doing badly.

SWAZILAND RAILWAY AT THE LAUNCH OF THE JOINT OPERATIONS CENTER (JOC) LOCATED IN MAPUTO, MOZAMBIQUE



S.Z. NGUBANE
SR CEO

1.0 Background

In recent years Maputo Port and Matola Terminal have become heavily utilized by Mozambican exporters and importers as well as traders from South Africa and Swaziland. The high utilization necessitated better coordination of the flow of traffic into Maputo Port and Matola Terminal. It was observed that as the traffic grew in volume there were delays in the port caused by congestion of railway lines.

Swaziland was represented by the Honourable (Minister of Natural Resources and Energy) Jabulile Mashwama standing in for the held up Minister of Public Works and Transport, Pastor Lindiwe Dlamini. The CEO Mr Stephenson Ngubane, Assistant Director Operations Mr Vincent Mamba, Assistant Director Commercial and Marketing Mr Sandla Msibi and Corporate Communications Specialist Mr Sive Manana.

2.0 Objective of Setting up the Joint Operations Center

The objective was to bring all the role players to work on the same platform (desk) for better coordination

of traffic flows thus reducing delays and avoiding congestion of the ports. All the traffic flows from local Mozambican international cargo, from Swaziland and South Africa need space, if there is no coordination, it was observed that everyone was negatively affected.

3.0 The Key Players

The key players are; Swaziland Railway (SR), Transnet Freight Rail (TFR), Mozambique Railways & Ports (CFM) and Maputo Port Development Company (MPDC).

The 4 organizations entered into an operational agreement to establish the Joint Operation Center, for better management of the train movements to the various port terminals. Each member (key player) will have staff working 24 hrs at this center, monitoring train movements and sharing information instantly because they are working from the same desk. The center is equipped with computer systems to aid the staff in monitoring traffic movement.

SWAZILAND RAILWAY AT THE LAUNCH OF THE JOINT OPERATIONS CENTER (JOC) LOCATED IN MAPUTO, MOZAMBIQUE



SWAZILAND RAILWAY AT THE LAUNCH OF THE JOINT OPERATIONS CENTER (JOC) LOCATED IN MAPUTO, MOZAMBIQUE

4.0 The Benefits

- All the players will benefit by having the assurance that their traffic/cargo will be accommodated and will run on schedule.
- Congestion of the port will be avoided through planned execution and coordination of the trains
- Congestion of the railway yards will be avoided
- Waiting time of trains will be reduced
- Turnaround time of wagons and locomotives will be reduced
- There will be better management of incidents because all the players will share information instantly and discuss how to deal with those incidents that would cause delays
- More traffic will be handled by the Maputo Port and Matola Terminal from the current 12 million to as high as 32 million in future years
- If Maputo is well coordinated and receives high volumes of traffic, TRADERS from all three countries will be competitive with their products in the international market due to reduced transport and logistics costs.

Swaziland Case

Swaziland exports about 1.2 million tonnes of iron-ore per year through Maputo Port and 275,000 tonnes of sugar per year through the same port. These commodities are transported by rail. Swaziland Railway and the Swaziland exporters have a vested interest in the operations of Maputo Port and Matola Terminal. We would like to see our exports handled efficiently and without hindrance hence the involvement of SR in this cooperation agreement. We must protect our exporters to avoid being marginalized, if we were not participating certain decisions would be taken detrimental to us.

5.0 The Launch of the JOC in September 2014

The Swaziland Government Was invited to witness this concept because it came by in alignment with the provisions of the Transport Protocol which states that SADC Governments want to see the provision of seamless service, coordinated and integrated operations. The JOC is the perfect model in that it's a center where everybody is, it is real and not by remote control or virtual. There is no communication gap between all the players who are to ensure smooth movement of goods in support of the 3 countries.

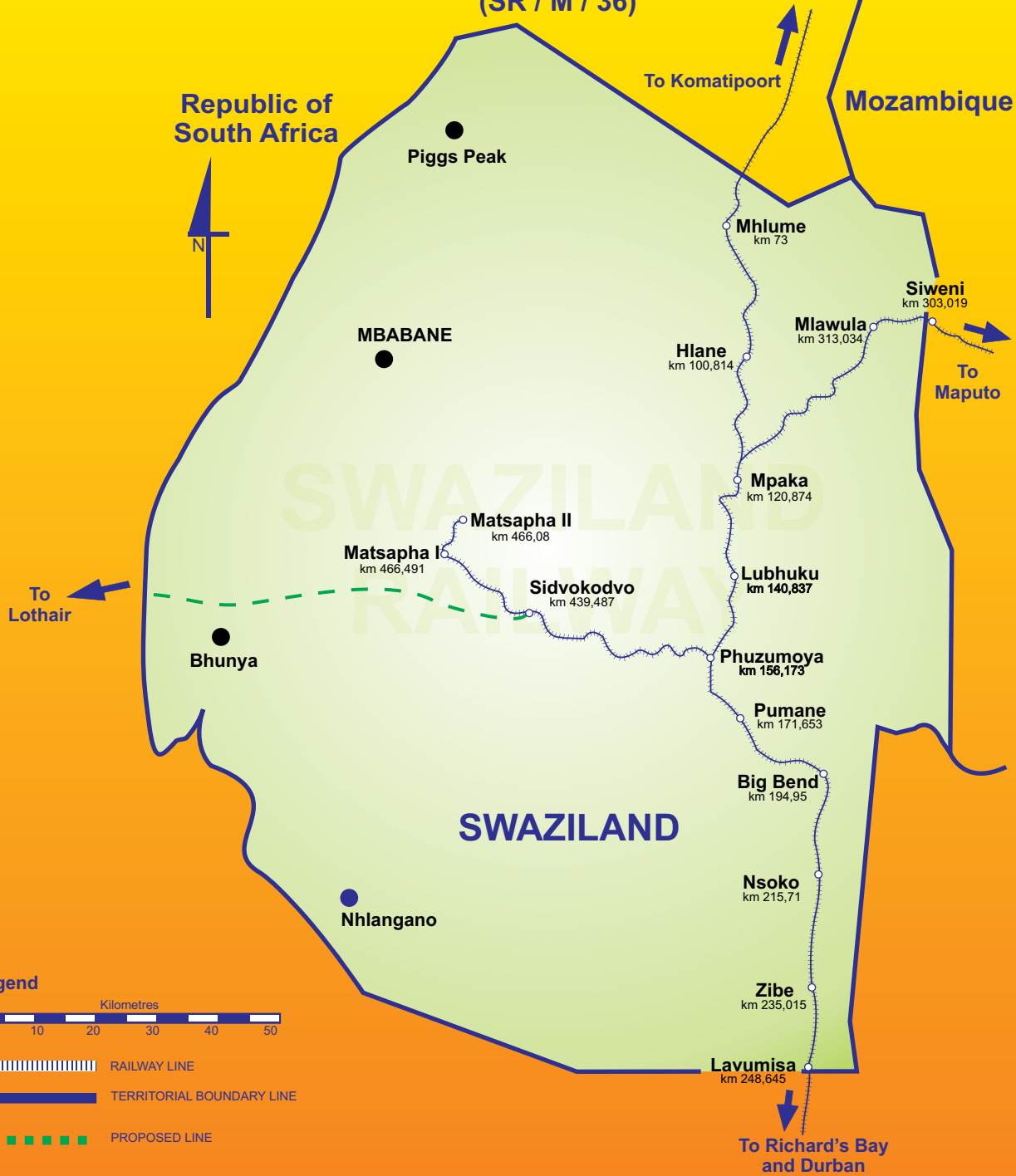
Since Railways are Government Agents in extending services to the economy it is fitting and appropriate that Representatives of Government witness this occasion.

50th Celebration in pics....



SWAZILAND RAILWAY SYSTEM MAP

(SR / M / 36)





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