

# LOUWE

Eswatini Railways Official Newsletter

Last quarter 2021/2022

## ESR Constructs Mpaka Container Depot

- ESR water scheme project.
- We are moving coal.



**ESWATINI RAILWAYS**  
*Efficiency Re-defined*

## Vision

To be a sustainable high performance logistics organisation by 2022

## Mission

We provide total logistics solutions to promote trade.

## Values

- ✓ **Reliability**
- ✓ **Accountability**
- ✓ **Professionalism**
- ✓ **People Centric**

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**Sive Manana**  
Editor

# From the **Editor**

**W**elcome to the cold winter edition where we wrap up the previous year, 2021/22. It has been an eventful year for ESR as it was the last year of our 2019/2022 Strategic Plan and things were moving a bit faster on that front. We are seeing movement on strategic projects and other deliverables as the Strategic Plan update details it inside the magazine. We are still not out of the woods regarding the COVID-19 pandemic though we are seeing global relaxing of the travelling restrictions and return of normal life and business. These are great news indeed and we are hopeful that the 2022/23 financial year will see a sustained return to normal activity so that more lives are spared, and the business environment normalises.

The performance of the organisation though was concerning, owing partly to the complications brought about by the pandemic, the everchanging market conditions and changes related to neighbouring railways which affect us as a bridge railway. We are however very optimistic in the future as new business gets underway. In the latter part of 2021, we saw the capturing of the timber business, we are doing business with Montigny after more than ten years of absence of timber on rail. We also saw the capturing of the coal business that resumed operations in December 2022. These two commodities have been instrumental in keeping our nose above the water and this makes us optimistic.

We are going into the 2022/23 financial year with determination, and we are going there with all of you **Loliwe** readers. We will continue to keep you abreast with developments within your lovely organisation. Hope you enjoy the read.

Cheers, keep warm.

# CEO's Remarks



**H**earty greetings go to all readers of Loliwe Magazine as we begin the 2022/23 financial year. It is beyond any reasonable doubt that all ESR employees have collectively worked tirelessly in the past financial year to keep the organization alive. The economic downturn, ongoing fuel hikes, dwindling traffic volumes, political climate and COVID-19 pandemic are leaving a trail of destruction which ESR must navigate. We need to remain optimistic and resilient to save our organization thus keep our jobs. We are happy that most of our customers have stuck with us through this difficult moment.

The financial situation of the previous financial year is concerning, the challenges mentioned above have really rattled the business environment. To cap everything on the transit traffic side were the KZN floods of early 2022 that destroyed infrastructure. Trains couldn't move in most parts of the province. Worth noting is that most of ESR revenue is derived from transit traffic coming from RSA and neighboring countries through Komatipoort through Eswatini to the ports of Richard's Bay and Durban and a disturbance in this traffic is disastrous for our operation.

We are however not resting on our laurels as in the last quarter we saw the introduction of coal, which is loaded through the Sidvokodvo siding to the Maputo Port, which contributed impressive volumes in the bulk export division. This is adding to export timber from Montigny which is loaded in Matsapha siding. These two commodities have really made an impact since they were not budgeted for and came at a very difficult moment. We appreciate the teams that have made this possible. Most notable in the last quarter is that transit traffic performed below budget by -25%

# CEO's Remarks

## 1. COVID-19 Response

COVID-19 restrictions have been eased and we are beginning to see normalcy and more movement of people and goods will also move a lot better. Crossing borders now does not require a PCR test if you are vaccinated. We are taking this opportunity with both hands as we have employees in particular train crews who cross borders daily. ESR is now even more than before encouraging employees who cross borders as part of their work to seize this opportunity and get vaccinated. Government statistics issued by the MoH recently still show numbers of new confirmed cases. This shows the reality of the ever-present threat to our lives and that of the organization. We once again encourage everyone to get vaccinated as this is what looks like a solution to our problem. The fifth wave is a possibility, and we cannot afford to be complacent.

### Strategy

The 3-year strategy 2019 – 2022 has elapsed and the organisation will be looking at starting a new strategic drafting process this quarter. Most of the projects that were commissioned in the previous strategy are still ongoing. The Mpaka ICD first phase will be operational at the beginning of July 2022. The Mpaka ICD is a strategic inland port like the Matsapha ICD that will be dedicated to shipping containerized cargo originating from the Eastern part of the country by cutting down the transport leg to Matsapha. The organisation is still working on diversification as we see warehouses in Matsapha being put up for rental. It becomes obvious that the new strategy must take into consideration the work that is already underway.

### Corporate Social Investment (CSI)

Despite the struggles in the business performance of the organisation, we saw the need to continue to be a caring organisation to the public. Two major CSI initiative were undertaken,

- ESR provided queuing benches at the Government enclave offices in Manzini thus relieving the over 400 people who visit the facility every week. This initiative has positive feedback from the public as we keep track of feedback that we receive through our social media pages.

- We also provided 2 water schemes to communities under Bulunga known as Mvabuhlungu and Madvuma. These communities are along the railway line and have been complaining about livestock accidents because of train accidents. These two water schemes were well received by the people and eased the burden of long travels to access clean water. We are members of the community before we are ESR, so it is important to have an organisation that is a good corporate citizen in good standing.

### Conclusion

The performance of the organisation continues to be a worrying factor, on the positive, the projects team has been able to secure the business of transporting coal from the Sidvokodvo siding as shown above. This project came in handy considering the declining volumes in transit. We therefore need to make the most of the Sidvokodvo siding, remove all bottlenecks so that the volumes can grow. This must be applauded since it adds to another new business in the form of timber which is transported from Matsapha. We are hopeful and optimistic in the future and through our efforts we are hopeful that transit traffic will also improve. I wish you all a healthy and prosperous 2022/23.

**Chief Executive Officer**  
Nixon Dlamini



**Sandla Msibi**  
Ass. Director Commercial & Marketing

# Annual Performance 2021/2

## BULK EXPORTS (SUGAR, TIMBER and COAL)

**B**ulk exports performance was above budget by **88%** due to the additional timber business from Matsapha II to Richardsbay by Montigny investments and also the new coal business from Sidvokodvo to Maputo by Grindrod. These two businesses were not budgeted for during the year under review thus the positive performance. On another note, we have seen more wagons of timber being injected on the Timber business such that now we have three sets of wagons for the timber project. The main challenge that we are facing now is the mud at the timber loading siding and we are confident that once the concrete paving has been constructed, we will see more timber volumes on rail.

## BULK IMPORTS – (FUEL, WHEAT AND CEMENT)

Bulk imports performed below budgeted tonnages by **43%**. The poor performance is a result of the stoppage of cement import by AfriSam and the fuel quotas which still affect Galp Energia. Engen also had a few issues with their petrol siding thus reducing their fuel orders by half because only one storage tank is currently being utilised. Wheat was not budgeted for during the year under review.

## ICD – CONTAINERIZED TRAFFIC (IMPORT AND EXPORT)

The ICD performed below budgeted volumes by **41%**. The huge difference in the import containers is caused by the exodus of the Matsapha based import car dealers who resorted to vacate their premises after the government imposed the rule of bringing in imported cars which are less than ten years old and introducing a levy on import cars. After the implementation of the regulation by government the lack of import containers into Eswatini also resulted to an inefficient export train service thus

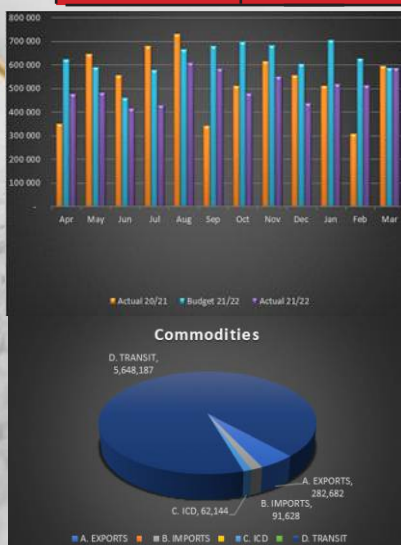
we saw more clients taking their containers to Durban by road because they had stacks to meet in Durban and they couldn't rely on unpredictable train service.

## TRANSIT TRAFFIC

Transit traffic was below budgeted volumes by 20%. During the year under review we had torrential rains, cable theft, derailments, tippler breakdowns, washaways, unrest and train stoppages due to industrial actions. All these issues contributed to the poor performance because we either lost trains to Maputo or we missed targets due to delayed service. We have recently been informed by TFR that Vermiculite ore will no longer be moving on our lines because of the poor performance of the port at Richards Bay. These issues contribute to the non-performance of transit traffic, yet it is a known fact that our business relies mostly on this traffic; however, we are very optimistic that with the introduction of the coal and timber export business this over reliance will be reduced.

Commodity	Budget Tonnage	Actual Tonnage	Variances	
			Tonnages	%
A. Exports	150, 000	282, 682	132, 682	88
B. Imports	195, 000	143, 242	-51, 758	-43
C. ICD	120, 000	88, 630	-31, 370	-41
D. Transit	7, 052,000	6, 008, 284	-1, 043, 716	-20
<b>Grand Total</b>	<b>7, 495,000</b>	<b>6, 084, 641</b>	<b>-1, 410, 359</b>	<b>-19</b>

	Actual 19/20	Budget 20/21	Actual 20/21	Performance
<b>April</b>	350, 646	624, 009	475, 841	76%
<b>May</b>	646, 914	590, 000	482, 448	82%
<b>June</b>	554, 740	458, 806	415, 269	91%
<b>July</b>	680, 477	577, 521	429, 845	74%
<b>August</b>	729, 879	664, 478	609, 330	92%
<b>September</b>	341, 697	680, 898	584, 629	86%
<b>October</b>	509, 860	697, 145	479, 976	69%
<b>November</b>	614, 382	682, 720	549, 979	81%
<b>December</b>	556, 395	604, 027	438, 338	73%
<b>January</b>	510, 820	703, 598	517, 886	74%
<b>February</b>	306, 895	625, 882	513, 682	82%
<b>March</b>	595, 696	585, 916	587, 418	100%
<b>Total</b>	<b>6, 398, 401</b>	<b>7, 495, 000</b>	<b>6, 398, 401</b>	<b>81%</b>



The overall performance stood at 81% or 6 084 641 tons towards the targeted 7 495 000 tons. When comparing to the previous financial year in March we were at 6 398 401 tons on actual volumes.

#### Economic Climate in Eswatini

The Eswatini economy is currently challenged by a serious socio-economic situation evidenced by the sluggish economic performance, high levels of unemployment amongst the youth including high levels of poverty and inequality in society. With the implementation of the govts 3-year fiscal adjustment programme the GDP growth is projected at 2% in 2022 underpinned by a modest recovery in all sectors (manufacturing, agriculture, wholesale, and retail trade). The dependency on SACU receipts continues to impact the operations of our organisation because companies are only given a certain quota to import from non-SACU countries. ESR believes that Africa and Eswatini still has major opportunities to be unlocked through the reopening of local mines and the various supplementary opportunities in line with the SADC industrialisation strategy.

# CSI

## CORPORATE SOCIAL INVESTMENT POLICY OBJECTIVES

1. Providing a means to give something back to the community and enhancing the caring image of the company.
2. Improving relationships with the community.
3. Improving employee loyalty/morale.
4. Contributing to government's poverty eradication programs.
5. Help stabilize the economic and social environments for the company's long-term survival.
6. Enhancing business performance and the reaching of strategic goals.
7. Contributing to corporate brand identity.
8. Increasing customer goodwill and loyalty.
9. Providing opportunities to build relationships with business partners; and
10. Creating a sense of belonging/ownership to the associates

## THE CSI IS GUIDED BY THE FOLLOWING SCOPE

1. Education
2. Environment.
3. Community social development.
4. Economic development.

## PROJECTS

### ESR WATER SCHEME

Two communities along the railway line (Emvabuhlungu and Madvuma) with over 150 households and a population of over a thousand people were fetching water at more than 10 km away. ESR constructed two sustainable water schemes which will be monitored by WaterAid. The community were trained on how to run and maintain the equipment. The videos below show a recent ESR CEO visit to check the work done on the two projects. The projects will be launched by the Board and Minister on the 18 March 2022.

As part of ESRs Corporate Social Investment (CSI), the organization funded "Increasing safe water using Inclusive Hand-Pumps at Madvuma and Emvabuhlungu Communities". We addressed water challenges using groundwater (boreholes) in the communities at Hlutse (Emvabuhlungu and Madvuma) under Gilgal constituency within 20km radius from the nearest

these water scheme projects for the two communities to start using immediately. ESR is more concerned about sustainable long term community development projects under its CSI initiative and when resources allow, the organization prioritizes communities along the railway line. These two projects benefit 434 eMaswati through basic water access. Key to the delivery of this project was ESRs decision to bring an implementation partner who specializes in the provision of clean ground water in the form of WaterAid. They conducted Hydrogeological Surveys through a Hydrogeologist to determine ground water potential for both communities. The water quality both biological and chemical were tested before borehole protection and inclusive slab construction activities were done. Drilling at Madvuma went as deep as 84m before the Indian Mark2 pump was installed and for Emvabuhlungu, the drilling went as deep as 54m before the AfriDev pump was installed. To ensure sustainability, Water Management Committees for both communities were established, trained during project implementation period, and empowered to do savings for the maintenance of the boreholes. The value of the project was E500,000.00. The launch was graced by the attendance of Chief Madlaka Gamedze, ESR Executive Committee Members led by Mr. Bhekithemba Dlamini who was representing ESR CEO, WaterAid Director Mr. Ncamiso Mhlanga and the MP of the area Mr. Kenneth Fakudze, local traditional authority members and community members who are beneficiaries of the schemes.





## Eswatini Railways Constructs and Donates Queuing Benches to the Kingdom of Eswatini Government at the Manzini Government Offices for use by Emaswati

**E**swatini Railways Constructs and Donates Queuing Benches to the Kingdom of Eswatini Government at the Manzini Government Offices for use by Emaswati On the 6th of August 2021, Eswatini Railways (ESR) Board Chairman Alex Mngomezulu handed over benches to the Honorable Minister of Tinkhundla and the Honorable Minister of Public Works and Transport. The benches have been constructed and fitted to the whole government facility where Emaswati come for services. The ESR CEO, Mr Nixon Dlamini had earlier visited the RA offices and a concern was raised by the RA about the queuing conditions of the people who flood the enclave looking for different government services on a daily basis. The offices help 500 to 700 Emaswati per day. "Old, disabled and sickly people stand for long periods in the lines and they end up sitting on the floor" the RA stated. ESR was touched and decided to intervene and provide a long-lasting solution.



### Launch of benches Regional Administrator



*Emaswati queuing for services before the installation of the benches.*



*The event where official handover of the facility took place, dignitaries sitting on the benches after the handover. Worth noting though is that the benches have been operational for about a month.*



**Sicelo Mashwama**  
SHEQ Manager



The Year 2021/22 saw the organisation adjust better to the new normal brought about by the COVID 19 Pandemic. Through virtual meeting setups within the organisation, the SHEQ section succeeded in using these virtual platforms for continued SHEQ awareness and communication. The section managed to facilitate training for a total of 55 SHE Reps from various departments. The role of these SHE reps is to take custody of and lead team members on SHEQ related activities within their respective departments. Further to this, 2 first aid instructors were successfully trained and registered for facilitating in-house first aid trainings.

Despite the planned Railways Safety Week being disturbed by political unrests that took place around July 2021, the SHEQ team was able to conduct community awareness programmes in conjunction with other stakeholders that included MVA, Roads Safety Council and Royal Eswatini Police. Targeted areas included



Mndobandoba where vandalism of rail infrastructure and assets was frequent.

The year 2021/2022 was punctuated with a number of fatal rail occurrences. Root causes to all

these incidents were external to the organisation as incidents were a result of community members who wandered to the rail track and could not steer-off the track despite warnings. As an organisation we sympathise with families of the community members involved in the rail incidents. Employees involved directly or secondary to these incidents received support in the form of trauma counselling. In a bid to minimise such incidents, ESR continued to work with and engage communities for proactive reporting and resolving of potential incidents.

Further interventions included manning of level crossings during peak seasons and flighting of radio adverts precautioning members of the public on rail safety.

Eswatini Railways continued to play a leading role in implementing Quality Management Systems that aim at enhancing the value add on our customer services. This was confirmed in this year's Quality Awards that were hosted on the 5th November 2021 at the Happy Valley Hotel by the Ministry of Commerce. On the Organization of the Year – Large Enterprise entry, ESR managed to collect a second runner up certificate whilst collecting first runner up in the Eswatini Service of the Year – Large Enterprise category. ESR was further recognised with a SADC certificate for the significant regional representation in last year's regional SADC quality awards.

ESR again managed to maintain and retain its ISO 9001 and ISO 45001 certifications. Internal Audits and Management Review Meetings were successfully conducted to evaluate performance of these management systems.

As the COVID 19 pandemic subsides, the SHEQ section looks at intensifying its physical reach to both employees and communities to further enhance and strengthen relations and systems necessary to keep the organisation well geared for high levels of safety, quality and environmental stewardship.



Quality Awards 2021

# CEO Roadshow



**ESR CEO**

One of the key objectives of the 2019-2022, 3 years Strategic Plan was stakeholder management. The intention is to make ESR accessible to its people thus make sure that the needs and expectations of the various stakeholders are known and attended to for the organisation to grow and coexist harmoniously with all stakeholders. One of the Corporate Values of ESR is People Centric, this value pitches employees, customers, suppliers, and all relevant stakeholders at the core of the existence of the organisation. Without the employees, ESR would not have survived since 1964 to 2022, everything that happens is done by the people. These roadshows and other meetings that the various ESR offices including the CEO holds with stakeholder are very important to the survival of the organisation.

During the month of February 2022, the Chief Executive Officer and members of Management undertook an annual visit to all ESR Stations with an intention to discuss with ESR staff a wide range of issues including organisational performance, and to see the ESR operation in the various sites. This is a scheduled annual roadshow aimed mainly at making ESR leadership accessible to all staff through interactive open sessions where presentations are made followed by questions and discussions. The roadshows are a very important element of stakeholder management and gives a platform to all employees to ask questions directly to the CEO and Executive Management. To ESR, the success of the organisation means the success of its employees and the various stakeholders it serves.



**Mbabane HO Staff**



**Matsapha Staff**

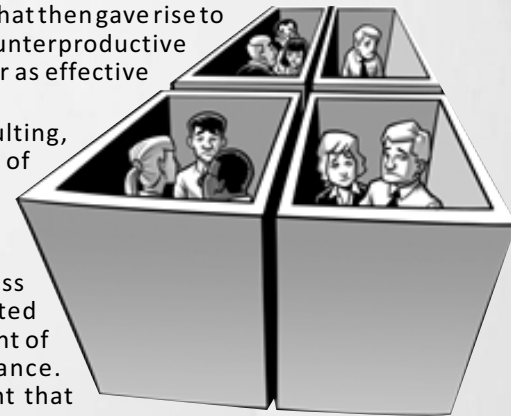
# SISONKHE – WE ARE ONE! *Launch*

**S**isonkhe is a siSwati word that means 'we are together'. ESR employees aptly chose this name for the ESR strategic initiative of Building Effective Teams.

In 2019 Eswatini Railway developed a three-year strategy whose vision was for ESR to be a high-performance organisation in the logistics business. One of the areas that were identified as impeding performance was a widespread culture of working in silos within the organisation. That then gave rise to the need to devise a strategy to break that counterproductive culture and promote a culture of working together as effective teams.

With the help of a consultant: Emmanuel Consulting, the work of cocreating the roadmap with a team of multi-sectoral project champions started in earnest.

The first step was to recognise that the process of building effective teams is multifaceted approach that is anchored on the management of both the team and individual performance. Additionally, teams must have a line of sight that aligns the team to strategic goals attainment.



**Sindile Mcanyana**  
HR Manager

Key to the success of the program was ensuring that the team leader's key performance area (KPA) should necessarily include building effective teams because as said by management guru Peter Drucker, "[only] what gets measured, gets managed."

The genesis of the journey to building effective teams saw the coining of a relatable name or phrase that would be both catchy, unambiguous, and appealing to the workforce. A competition to select the best name was run and that process gave birth to SISONKHE, "working together as one," "we are in this together", "we do it together", "we are one in this journey".

The cocreation process resulted in a user manual for all team leaders. The journey has 12 milestones measured in modules completed. Each module has specific outcomes and actions to be carried out by teams as they walk the journey. There were several sessions held to ascertain where Eswatini Railways was in as far as building effective teams is concerned. Further to this, information was gathered relating to what necessitated the need, expectations of the program, how success will be measured, expected support, expected benefits and what would be barriers to the success of the intervention.

Throughout the process there will be team activities/exercises and team benchmarks that team members will navigate with. These are key in determining team as well as individual progress, further providing a bouquet of interventions that are designed to close any gaps identified.

The golden thread throughout the process is the need to continually impress upon the employees that this is not an event but an ongoing process achievable over time; duly driven by the leadership tone and employee individual and collective commitment.



**TEAM**

There is a saying that there is no I in TEAM. Some attribute TEAM to stand for 'Together Each Achieves More.' There is no arguing the importance of having teams vs. groups. There is a lot of evidence which attests to the benefits of teamwork, bearing in mind the complexities in driving team performance because of the inherent dynamics. In a recent satisfaction survey, Eswatini Railways employees raised teamwork as one of the key elements of achieving company strategy.

One of the things that leaders are often pondering on is the performance and relationships of their teams. Performance indicators show that effective teams will almost always outperform people working individually, particularly in high-pressure situations or when multiple skillsets are needed.



**LAUNCH**

After the groundwork had been completed, Sisonkhe was launched on January 28th, 2021, at Emafini Country Lodge during the Annual Long Service Awards. The initiative was met with great enthusiasm and excitement by the workforce, who underscored the importance of collaboration and cooperation. The launch heralded a series of CEO walkabouts (Vuselas) to the various ESR depots to update employees on the milestones achieved on the ESR strategy and further present the Sisonkhe initiative to those who had missed the main launch. The excitement within the workforce was unmistakable, with people eagerly anticipating the positive outcomes from such a noble culture.

To date, it is always heart-warming to observe employees in meetings refer to the Sisonkhe way of doing things when calling out practices that go against the spirit espoused by the Sisonkhe way. The initiative is gradually becoming a beacon of hope for the organisation, towards which the believers guide the non-believers, day by day. It has become a figure of speech and way of admonishing unproductive organisational cultural practices. It is management's desire to immerse the entire workforce into this good culture because the anticipated positive outcomes will undoubtedly benefit the organisation for many years to come.





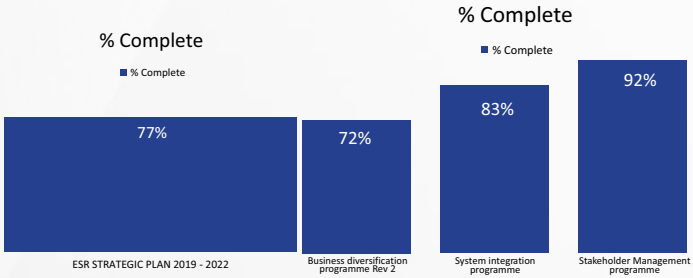
**Senanile Mayabane**  
Project Manager

# Loliwe Magazine

## Focus on the Blue Ocean Strategy

March 2022 marked the close of the Blue Ocean Strategic Period of 2019-2022. This strategy aimed to reduce Eswatini Railway's reliance on transit transport as the main source of income, instead transforming the organisation into a Sustainable High-Performance Logistics Hub by 2022. This was to be achieved through the implementation of various projects which could be systematically grouped into 3 categories namely Business Diversification, Systems Integration and Stakeholder Engagement.

Much effort has been made into realising the strategic goals through some of the most tumultuous terrain navigating through the effects of Covid 19 pandemic and the civil unrests and managed to complete the period at 77% completion.



The commencement of and progress made on the construction of the 1st phase of the Mpaka ICD project has been a great contributor to the positive result of the Strategic plan. Through the ICD, ESR plans to optimise on the Sugar Belt business by providing a shorter road haulage distance for the increased tonnage of bagged sugar and stimulating more demand for rail in the lowveld to complement the Matsapha ICD. The construction is currently at 82% and is earmarked for completion at the end of March.

The project has attracted a large interest from high profile stakeholders and the site has had the pleasure of hosting an executive delegation from CFM, the Ministry of Works financial planning committee and the Minister of Public Works and Transport together with the Parliamentary Portfolio Committee.

Systems Integration project has laid the foundation for the better integrated and coherent enterprise and the move towards a paperless organisation gearing ESR for the digital transformation of the 21st century. Through the acquisition of systems like Microsoft 365 and Visual Display Unit, the organisation has not only shown its agility but also ability to thrive by investing in systems that will ensure its relevance and improve its speed and ease of doing business as well as being robust business sustainability through the development of the Business



Continuity Plan. This pillar was at 83% completion at the end of the financial year.

One of the biggest milestones in the Stakeholder Engagement portfolio which closed the year at 92%, was the presentation of how

the Strategic Projects seek to serve the SADC rail partners at the SARA conference in October of 2021 where both the Mpaka ICD and the Eswatini Rail Link projects were on the spotlight.

Another major achievement was the launch of the Sisonkhe Building Effective Teams HR initiative. The initiative compliments the systems integration pillar on the human resource side by breaking the silo mentality and fostering an integrated and linked department network.



# Ministers Tour of Eswatini Railway's Operation and Projects

## Introduction

Yesterday on the 7th of April 2022 the honorable Minister of Public Works and Transport (MoPW&T) Chief Ndлуhla Ndwandwe led a delegation of his ministerial team, members of the Parliamentary Portfolio Committee and the Director of Public Enterprise Unit (PEU) on a working tour of ESR Projects and operation. The team was hosted by the ESR Board of Directors led by the Chairman Mr. Alex Mngomezulu and the CEO. The objective was for the team to acquaint themselves with the operations of the parastatal and the new developments currently taking place in the state-owned entity. The MoPW&T is ESR's parent ministry hence it is important for the collaborative visits to take place so that the teams can understand and witness the work being undertaken on the ground from time to time. ESR is grateful for the support that the Ministry, Portfolio Committee and PEU always extend to the organization from time to time to make it possible for the organization to undertake its business of being a viable operation that does not seek government financial subventions from time to time. This is possible only because the Board, Management and staff of the operation makes sure that the entity is run as a profitable enterprise that is competitive enough to meet customer needs and expectations.

## Mpaka Inland Container Depot (ICD)

The visit kicked off at Mpaka where a site visit of the Mpaka Inland Container Depot or Dry Port is being constructed. This port will have the same operations as the Matsapha ICD where containerized cargo will be handled. The port is of strategic importance because ESR seeks to provide a service to businesses in the Eastern part of the country who seek to move containers to either the ports of Maputo, Richards Bay, and Durban. This facility will cut the distance and cost those businesses incur when moving cargo from the East to the Matsapha Dry Port to be transported to overseas markets. Mpaka will be a hub for the Eastern operations and will be significant in that aspect. The project is currently at construction phase where the first phase will be completed at the end of April 2022 and operationalization of the facility will begin. The first phase will be able to handle about 7200 TEUs. There will be 2 more phases that will seek to expand the project to be able to have a bigger handling capacity. Those phases will be undertaken in the future. A good number of 56 community based eMaswati have been employed during the construction phase of this project. The local community was involved at the initial stage to avail labor to the contractor that is tasked with constructing the facility. There will be full time jobs that will be made available because of operational requirements of the facility in the future.



## Sidvokodvo Coal Operation

A lot of coal is being transported by road haulers through the Eastern part of the Republic of South Africa along the N4 through the Lebombo boarder to the Maputo Port. This has resulted in serious logistical issues particularly at the boarder where trucks are stuck for more than 24 hours attempting to cross. This results in costly delays to deliver the product to the port for loading and reaching markets on time. Grinrod, an operator in the coal, Ferrochrome and other minerals space explored a solution of transporting coal through Eswatini to the Maputo port. The solution explored availed itself in the form of a working relationship with ESR where road haulers will deposit coal at the Sidvokodvo Train siding, and it will be loaded onto the train and be transported to the Maputo port. This solution eliminates the boarder bottleneck that has frustrated many logistics operators like Grinrod through the Ressano Garcia route. ESR through a logistics working relationship with Grinrod have developed this solution that has been in operation since December 2021. This operation will add needed tonnage to the ESR operation and utilize the previously underutilized Goba line that connects Eswatini railway network with that of our Mozambique counterparts. It is a collaborative effort of the two teams which has provided a lot of spill off opportunities to local road haulers to fetch the product from RSA with their South African counterparts and deliver it at Sidvokodvo. There are currently 40% Swazi road haulers servicing this business. Local community has also benefited with the employment of eMaswati in the siding to do various jobs in the operation. Most of the truck operators prefer to fill up on fuel in Eswatini since the cost is lower than in the neighboring RSA. Currently ESR has a 3-year renewable contract with the Grinrod who ESRs customer. This project wouldn't be complete without the collaborative efforts

# SIDVOKODVO COAL OPERATION

**W**ith the Mozambique Railway operator (CFM) who provide much needed locomotive and crew support to haul the cargo to the port. The synergies exhibited by these played have made it possible to pull of the project.

## Sidvokodvo Coal Operation

A lot of coal is being transported by road haulers through the Eastern part of the Republic of South Africa along the N4 through the Lebombo boarder to the Maputo Port. This has resulted in serious logistical issues particularly at the boarder where trucks are stuck for more than 24 hours attempting to cross. This results in costly delays to deliver the product to the port for loading and reaching markets on time. Grinrod, an operator in the coal, Ferrochrome and other minerals space explored a solution of transporting coal through Eswatini to the Maputo port. The solution explored availed itself in the form of a working relationship with ESR where road haulers will deposit coal at the Sidvokodvo Train siding, and it will be loaded onto the train and be transported to the Maputo port. This solution eliminates the boarder bottleneck that has frustrated many logistics operators like Grinrod through the Ressano Garcia route. ESR through a logistics working relationship with Grinrod have developed this solution that has been in operation since December 2021. This operation will add needed tonnage to the ESR operation and utilize the previously underutilized Goba line that connects Eswatini railway network with that of our Mozambique counterparts. It is a collaborative effort of the two teams which has provided a lot of spill off opportunities to local road haulers to fetch the product from RSA with their South African counterparts and deliver it at Sidvokodvo. There are currently 40% Swazi road haulers servicing this business. Local community has also benefited with the employment of eMaswati in the siding to do various jobs in the operation. Most of the truck operators prefer to fill up on fuel in Eswatini since the cost is lower than in the neighboring RSA. Currently ESR has a 3-year renewable contract with the Grinrod who ESRs customer. This project wouldn't be complete without the collaborative efforts with the Mozambique Railway operator (CFM) who provide much needed locomotive and crew support to haul the cargo to the port. The synergies exhibited by these played have made it possible to pull of the project.

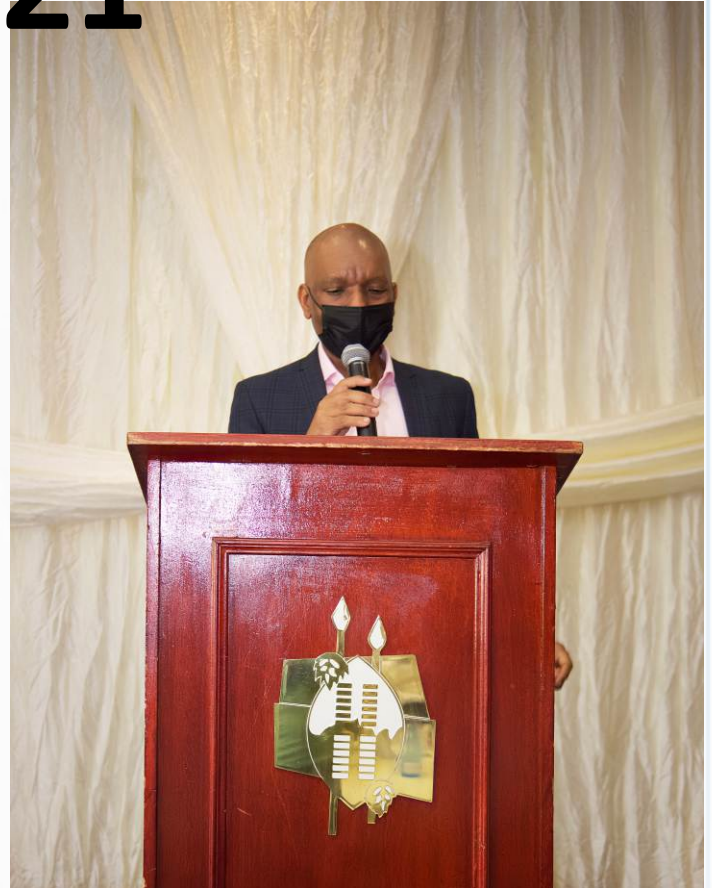


**Matsapha Station**

The visit concluded at Matsapha where the team saw the operation of the Matsapha station and the new timber project. ESR has moved a lot of timber which has been on the road from Bhunya to Richards Bay back onto rail. This is significant and beneficial to both road and rail as road haulers now move shorter profitable distances within Eswatini while leaving the longer haul to rail. The road will also get a breather because more heavy haulage means more stress for our roads. The Minister indicated happiness at the way the tour unfolded and emphasized the government's commitment to making sure that rail continues to thrive. He stated that rail projects are essential part of the economy and the projects shown to the team are paramount in stimulating economic activities across various sectors of Eswatini's economy.



# Board *Lunch* 2021



# Sidvokodvo Coal Siding *Launch*



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