

WALVIS BAY  
CORRIDOR  
GROUP



**Annual Review 2012/13**

# Contents

## Annual Review for period 1 September 2012 to 31 August 2013

<b>WBCG at a Glance</b>	<b>3</b>
Walvis Bay Corridor Group – Connecting Southern Africa to the rest of the world	3
<b>Corporate Philosophy</b>	<b>6</b>
Our Vision	6
Our Mission	6
Our Values	6
<b>Governance</b>	<b>8</b>
Board of Directors as at 31 August 2013	8
WBCG Members and Partners as at 31 August 2013	10
WBCG Team as at 31 August 2013	12
<b>Business Overview</b>	<b>14</b>
Chairperson’s Review	14
Chief Executive Officer’s Report	17
<b>Moving forward through Smart Partnering</b>	<b>24</b>
<b>Smart Partnering to Create Awareness</b>	<b>25</b>
Marketing and Information Sharing	25
<b>Smart Partnering towards Economic Growth</b>	<b>27</b>
Business Development	27
Regional Markets	27
International Markets	29
Growth Highlights	29
<b>Smart Partnering towards Regional Integration</b>	<b>30</b>
Projects	30
Infrastructure Development	30
Spatial Development Initiatives Programme	30
Cross Border Facilitation	31
Walvis Bay–Ndola–Lubumbashi Development Corridor Technical Committee	31
Trans Kalahari Corridor Secretariat	32
<b>Smart Partnering through the Wellness Service</b>	<b>33</b>
Support Programmes	33

# WBCG at a glance

## Connecting Southern Africa to the rest of the world

Established in 2000, the Walvis Bay Corridor Group (WBCG) engages in business development activities that will increase cargo for ports and corridors linked to it, while also engaging in the facilitation of corridor and infrastructure development.

We accommodate all modes of transport by using an integrated system of well-maintained tarred road and rail networks. The Walvis Bay corridors provide landlocked SADC countries access to the global market via the Trans-Kalahari, Trans-Capriivi, Trans-Cunene and the Trans-Oranje corridors.

The unique public-private partnership set-up of transportation and logistics stakeholders from both the public and private sector is our main organizational strength. One can clearly see that the partnership allows for the pooling of resources, expertise and authorities from both the regulators and the operators, forming an integrated transport and logistics service for potential customers.

Some of our main achievements over the years include the development branch offices of the WBCG in Zambia (Lusaka), South Africa (Johannesburg), Brazil (Sao Paulo) and the Democratic Republic of the Congo (Lubumbashi). We have also developed partnerships with various shipping lines to establish direct links to Walvis Bay from Europe, Asia and North America.

As part of its wider social responsibility, the WBCG has a well-established Wellness Service department which provides wellness support to our member companies throughout the region through various workplace programmes. We have also developed Roadside Wellness clinics in Katima Mulilo, Oshikango and Walvis Bay.

Namibia uses the Walvis Bay Corridor routes as an alternative trade route for the markets in Angola, Botswana, the Democratic Republic of Congo, Malawi, South Africa, Zambia and Zimbabwe. Cargo volumes along the Walvis Bay Corridor routes have grown from zero to more than 700 000 tonnes per annum since 2003.

As part of the Fourth National Development Plan (NDP4), the Government has made it a priority for Namibia to become a Logistics Hub for SADC countries. The desired outcome is for Namibia to establish itself as a regional leader in logistics and distribution so that the volumes of cargo handled is doubled by the year 2017.

The overall objective of the Namibian Logistics Hub is to implement sustainable institutional arrangements and mechanisms that would ensure the transformation of





**When spider webs unite they  
can tie up a lion.**

**African Proverb**

the Port of Walvis Bay and the Walvis Bay Corridors into economic stimulants for the socio-economic growth and development of the country. In order to achieve this, the Logistics Hub project will be managed under the umbrella of the WBCG. The future Logistics Hub will be developed with the support and direct involvement of the National Planning Commission under the auspices of the Ministry of Works and Transport, the WBCG and the Public-Private Partnership. This will enable the WBCG together with the Ministry of Trade and Industry to find suitable ways to promote and implement the Logistics Hub Plan once it is completed.

We have to continuously identify opportunities, plan, coordinate, market, advocate for infrastructure development and provide trade facilitation. It is therefore apparent that this unique institutional arrangement as a PPP is a perfect example of how government and the private sector work together to create an improved relationship. This enables us to integrate business potential and utilise transport and trade opportunities in order to create wealth in the region and beyond. This is vital for economic development within the region and for the growth of the private sector. Without this collaboration we will not reach the full potential of efficient and effective trade routes.

**Coming together is a beginning.  
Keeping together is progress.  
Working together is success.**

**Henry Ford**



# Corporate Philosophy

## Vision

We shall be the leading trade route for Southern Africa

## Mission

We are committed to:

- Facilitate and promote transport and trade along our secure and reliable corridors
- Provide “innovative” service offerings to our customers
- Consistently exceed our customers’ expectations
- Add value through our unique Public – Private – Partnership (PPP)
- Apply principles of good corporate governance

## Values

- Commitment to co-operate
- Professional service delivery
- Integrity



**No one can whistle a symphony.  
It takes a whole orchestra  
to play it.**

**H.E. Luccock**





# Governance

## Board Of Directors

as at 31 August 2013



**Mr. G.A. Uirab**  
Chairman



**Mr. W.C. Dempsey**  
Treasurer



**Mr. N.M. Daniel**



**Mr. H.I. //Garob**



**Mr. C.R. Faure**



**Mr. G. Simataa**



**Mr. T.N. Shaanika**



**Mr. N. Nghishekwa**



**Mr. T.T. Haimbili**



**Mr. A.T. Victor**



**Mr. H.H. Schmidt**



**Mr. F.A. Nittscher**



**Mr. C.M. Funda**



**Mr. W.H. Lottering**

# WBCG Members and Partners

## as at 31 August 2013

The WBCG members from the private sector are represented by:



**Namibian Ports Authority (NamPort)** manages and promotes the Ports of Walvis Bay and Luderitz as the preferred links for sea-borne trade with Namibia and the SADC countries.



**Container Liners Operations Forum (CLOF)** represents all entities associated with shipping activities.



**The Namibia Logistics Association (NLA)** represents the Namibian logistics industry. This includes small and large companies operating in road transport, freight forwarding, courier services and customs clearing.



**Walvis Bay Port Users' Association (WBP UA)** represents all entities associated with cargo, freight and shipping activities in the Port of Walvis Bay.



**TransNamib Holdings Ltd** is the only rail service provider in Namibia and specializes in the transportation of bulk and containerised freight, utilising a combination of rail and road transport to deliver its services.



**Namibia Chamber of Commerce and Industry (NCCI)** is the country's business chamber and therefore serves as a convenient central point of enquiry for any potential Corridor user who wishes to gain insight into Namibia's business community.



**Walvis Bay Municipality** represents the social-economic interests of the town of Walvis Bay, which is a tax haven for manufacturers, importers and exporters as it harbours both the Port of Walvis Bay and Export Processing Zone.



**Roads Authority** focuses on managing the national road network and on improving the standard of Namibian roads with a view to a safe and efficient road sector.

**The WBCG members from the Public sector are represented by:**



Ministry of Home Affairs

**The Ministry of Home Affairs and Immigration**, represented by the Department of Immigration. Their focus is on the activities and schedules of the immigration entry/exit points.



Ministry of Works & Transport

**The Ministry of Works and Transport**, represented by the Department of Transport, focuses on the maintenance of the existing road infrastructure (to avoid deterioration), upgrading road links to neighbouring countries and further development of port infrastructure (amongst others).



Ministry of Finance

**The Ministry of Finance**, represented by the Department of Customs and Excise, deals with all Namibian customs and excise issues. Namibia is a member of the Southern African Customs Union (SACU), as are Botswana, Lesotho, South Africa and Swaziland.



Ministry of Trade & Industry

**The Ministry of Trade and Industry**, represented by the Namibia Investment Centre, is Namibia's official investment promotion agency and first point of contact for investors. Its role is to attract, encourage and facilitate investment in Namibia. It offers a wide variety of services and investor incentives, and works closely with key ministries as well as service and regulatory bodies.

**The WBCG also offers Associated Membership to individual companies who believe that the Walvis Bay Corridor Development initiative could add value to their business offering. During the year under review, the following associated members of the WBCG include:**

- Vanguard Rigging (Pty) Ltd (South Africa)
- Africa Route Clearance Consultants (Pty) Ltd (South Africa)
- Paccon Logistics (Pty) Ltd (South Africa)
- Africa Union Cargo (Pty) Ltd (Namibia)

# WBCG Management

as at 31 August 2013



**Johnny M. Smith**  
Chief Executive Officer



**Sophia van Wyk**  
Manager:  
Finance & Administration



**Agnetha Mouton**  
Manager:  
Marketing & Communications



**Gilbert Boois**  
Manager:  
Spatial Development Initiative



**Edward Shivute**  
Programme Manager  
Wellness Service



**Siobhan Fox**  
WBCG South Africa  
Business Development  
Manager



**Andrew Sinyangwe Jr.**  
WBCG Zambia  
Business Development  
Manager



**Kabash Munung**  
WBCG DRC  
Business Development  
Manager



**Ricardo Latkani**  
WBCG Brazil  
Business Development  
Representative

**Light is the task where many  
share the toil.**

**Homer**



# Business Review

## Chairman's Report

- **Bisey Uirab**



We are confident that our strategy remains the right one for growing the business and to maximise stakeholder benefits. We thank all our members and stakeholders for their ongoing support and look forward to seeing you at our Information Sessions, to create a wider and stronger network for the Walvis Bay Corridor Group (WBCG).

In 2013, the WBCG continued to grow its volumes and expand its portfolio. This performance demonstrates both the long-term demand for our services and the confidence our stakeholders place in us.

The leaders of the Group have devoted considerable time and energy to fostering the vision, values, strategy and business priorities that we share, as well as to setting the standards for behaviour expected from everybody at the WBCG. Providing clarity on these core beliefs and making sure everyone in the Group understands them, will enable us to better serve our customers and secure a profitable future for our employees and stakeholders.

### **The transport and logistics environment**

The transport and logistics environment in the South African Development Community (SADC) continues to be challenging, despite Namibia being relatively well positioned to serve Europe and the Americas. The sector would benefit from reform to help improve efficiency, thus allowing the SADC region to become more competitive in a global marketplace.

We continue to adapt our business in line with customer expectations, which enables us to meet current challenges. We are responding to the ways in which our customers select our service through the execution of our regional branch offices and our other networks beyond the SADC region. We continue to research and survey our customers to better understand their needs. From a Namibian perspective, we continuously try to see how we can develop our infrastructure ahead of demand in order to provide capacity for new and additional business along the Walvis Bay Corridors. Namibia is poised to play a more important role within the SADC region, as a regional transport and distribution point for importers and exporters who want to expand their business and logistics in general.

### **Strategy to deliver shareholders value**

We have a clear Strategic plan that has guided us through our challenges to create continuous capacity and infrastructure development. It continues to provide a clear roadmap for future business development opportunities. We have been adapting systems and processes to meet the challenges of the current environment and are making strategic investments to position the business for the future.

Within the WBCG, when talking about our strategy, we start by emphasizing the big picture. We aim to ensure that we have a sound mix of good growth opportunities, strong stakeholder relationships and a prudent risk appetite that fortifies all of our activities. With these elements in place, we are confident that we have the big picture right and that we can consistently deliver the results expected by our members and stakeholders.

Over the years, we have carefully built a platform and business model that differentiates us from our competitors. We have a strong and growing foundation in most of our regional corridor markets and we also have significant operations in select international markets that enhance the WBCG's growth potential and diversification. Currently, our earnings between most of our markets are equally balanced.

In addition, we purposely built our businesses so that we have well-diversified exposure to different geographies and customer segments.

## **Driving growth across the group**

Infrastructure development and capacity building remains critical for future corridor development and developing the Walvis Bay corridors as the preferred trade routes for Southern Africa. Our business continues to grow. This past year volumes have grown by more than 31,000 tonnes, representing an increase of 5% against the previous financial year. Opportunities for increased growth still remain at large within the SADC region. Various marketing and business development efforts have been put in place during the period in review, in order to grow market share for the Port of Walvis Bay and the Walvis Bay Corridors. During our first year of operation in both Brazil and the Democratic Republic of the Congo, with the opening of branch offices in these countries, we have observed more interest from importers and exporters wanting to tap into these new and alternative trade routes.

Our members, specifically the private sector, must explore more business opportunities within these new markets and create capacity to carry this new business between Walvis Bay and the rest of the SADC region. It is also very encouraging to see how the Walvis Bay Municipality is growing. A greater number of traders, transporters, freight forwarders and logistics service providers from the region and abroad are creating new offices and partnerships with local companies in Namibia, aiming to grow their business along the Walvis Bay corridors.

This growth goes hand-in-hand with the efforts by the Ministry of Trade and Industry (MTI) and the Namibia Chambers of Commerce (NCCI) to tap into new markets and entice regional and international investors to Namibia, enabling them to enjoy the competitive advantages of our transport and logistics sector and expansion of their businesses.

## **Corridor expansion in the year ahead**

There continues to be good opportunities to increase the Walvis Bay corridor business within the SADC region. Our expansion programme is built from the bottom up, on a location-by-location basis. There are many regional and international markets which we believe to have the potential to offer an alternative trade route for the SADC region.

More balanced and consistent economic growth is returning around the globe, albeit at more moderate levels than before the financial crisis. Our business model is designed to benefit from this trend, as we have meaningful exposure to the faster growing regions of Latin America and Asia. Within the SADC Region, we are encouraged to see the growth of all the markets. Overall, we are confident in the macro-growth prospects for our businesses.





The WBCG has an enviable history of executing well against our strategies. We will continue to do the things we do, well. This includes focusing on our customers, building our businesses (both organically and otherwise) and leveraging our diverse and experienced senior leadership team.

As we move into the future, I would like to express my appreciation of my fellow Board members' continued support, participation and drive towards making Namibia a Logistics Hub through the Walvis Bay Corridor Group partnership. It remains our responsibility as leaders of this important initiative, to continue driving the Walvis Bay Corridor concept and the Logistics Hub project to deliver long-term value to our country and its people.

Lastly, let me also thank the members of the WBCG, the management of the WBCG, clients, development partners, SADC Governments and other stakeholders for their continued support in assisting the WBCG to deliver its objectives through various partnerships and for their cooperation which creates long term growth and adds value to Namibia and the SADC region.

# Chief Executive Officer's Report

- **Johnny M. Smith**



The past year has seen the consistent execution of our Strategic Plan for 2011 – 2016, while keeping a watchful eye on the future and adapting the business activities to capitalise on the changing conditions of the SADC economy. In view of a number of external challenges, our focus on the issues that we could control yielded solid results.

Our success is rooted in five core strengths: safety, security, transit time, corridor efficiency and the ease of doing business in Namibia. We have built these capabilities since the establishment of the Private-Public Partnership (PPP) through the WBCG. We believe that the unique way in which we have brought them together has been fundamental to our growth.

While other corridor routes may be strong in one of these areas or seek to extend into another, the WBCG uses its understanding of the needs of our customers to provide great content and value in a way that competitors are unable to match.

For us, everything starts with the customer. We have established direct, long-term relationships with various stakeholders across the SADC region and the international market. These relationships give us a better understanding of the needs of our customers – and enable us to stay focused on providing the services that best meet these needs.

## Seeing the Bigger Picture

We recognise that creating a durable business also means looking beyond our immediate commercial priorities to consider the impact that we have on the wider communities and markets in which we operate. We call this seeing the bigger picture.

We started making a significant and growing economic and social contribution to the Namibian and SADC economy. We provide a choice for customers in the SADC region in terms of trading their goods with international trading partners. The more successful we are, the more we contribute to the SADC region as a whole. In the long term it will have a positive effect on economies in the SADC region as it provides importers and exporters with alternative trade routes, thereby cutting costs and time to deliver products to the market and consumers, at a competitive cost.

## Marketing and Communications

We continued to increase awareness within the regional markets as well as with international markets. We delivered speeches and testimonials during various conferences in Southern Africa, which covered topics such intermodal transport, infrastructure development, business forums, mining conferences, logistics networks, ports conferences, trade missions and trade facilitation.

**Specific conferences and missions covered in Southern Africa included:**

- Intermodal Africa, Durban
- Infrastructure conference, Johannesburg
- WBCG & NGCL Annual Logistics Workshop, Walvis Bay
- IPAD Mining Conference in Lubumbashi, DRC
- Ports Evolution, Cape Town, South Africa
- Zimbabwe delegation to Namibia
- Africa Seaports Summit, Durban, South Africa
- Indian Ocean Ports & Logistics, Beira, Mozambique
- Mining Indaba, Cape Town, South Africa
- Maputo Infrastructure Conference, Mozambique
- Botswana delegation, Windhoek, Namibia
- Team Finland, Windhoek, Namibia
- Zimbabwe Trade Fair, Bulawayo
- 2nd Maximizing Port Africa Summit, Durban, South Africa
- Ports & Harbours, Johannesburg, South Africa
- Pan African Parliament Workshop, Walvis Bay, Namibia
- Zambia Information session

**Other conferences, exhibitions and missions that we participated in with international markets in Namibia and abroad included:**

- Africa/Singapore Investment Forum, Singapore
- Africa Trade facilitation Workshop, Addis Ababa, Ethiopia
- French delegation to Windhoek, Namibia
- Global Logistics Network, Bangkok, Thailand
- German Federation of Business Associations, Windhoek, Namibia
- Intermodal Expo, Sao Paulo, Brazil
- Visegrad Group Business Seminar (Poland, Hungary, Czech Republic and Slovakia), Windhoek, Namibia
- Portugal Mission, Windhoek, Namibia
- Study Tour to Finland, Helsinki
- Nigerian delegation, Windhoek, Namibia



## Regional and International Business Development

Regional growth and opportunities within the SADC region are continuously being followed up, through our regional branch offices within the DRC, South Africa and Zambia. This is the first year for our Lubumbashi office, which has mainly been focusing on creating awareness, building a stronger network, developing new partnerships and crafting the Port of Walvis Bay as an alternative trade route for the Katanga Province in Southern DRC. Although the main commodities for export are mining commodities, there is an opportunity for the import of consumables and construction materials. One of the main challenges along this route, apart from the border controls and delays at the Kasumbalesa border post, is that a big demand exists for additional road transporters who can serve the Walvis Bay-Katanga Province route. We have also facilitated fostering a stronger network between the Katanga Chamber of Commerce and the Namibia Chamber of Commerce, who is a member of the WBCG.

The South African market still remains very low, but special focus has been placed on meetings with shipping lines and main importers and exporters who also have an impact on business elsewhere in the region. The South African branch office has also continued to support business development in Botswana and growth within the Zimbabwe market.

The Zambian market still offers significant growth aspects, such as sugar and tobacco exports and increased exports of copper, but as this market gains more confidence in Walvis Bay, the volume of traffic increases in the Walvis Bay-Ndola-Lubumbashi Development Corridor. With a stronger partnership in business opportunities and trade along this corridor, we have used and continue to use our network within the Zambia Chamber of Commerce as an important link to grow Walvis Bay as the preferred trade route for the Zambian market.

As we went into our first year of our international branch office in Sao Paulo, Brazil, we have developed new partnerships, links with importers and exporters, co-operations with trade associations and potential new clients. We also continued to explore opportunities with various shipping lines that have expressed their interest in a direct call between Brazil and Walvis Bay, depending on the volumes along this international trade route.


We participated at the second biggest logistics trade fair in the world, which is held annually in Sao Paulo, Brazil. Other international events which we presented at included the Global Logistics Network in Bangkok, Thailand where we presented to more than 500 delegates from various parts of the world. We were invited by one of our member companies, Trade Ocean, who is part of this freight forwarding and logistics network. Further to this, we also presented at the Africa-Singapore business forum and had several meetings in Singapore to explore business potential from this region.

## Growing Our Corridors

Growing our corridors as an alternative trade route for various markets served via the Walvis Bay corridors has become a reality for consumers within the SADC region.

This past year, our corridor volumes have grown by 5%, but the slowdown is mainly due to a reduction of volumes along the TransCunene Corridor. We have seen positive growth of 8% respectively on the Walvis Bay-Ndola-Lubumbashi Development Corridor and 26% on the TransKalahari Corridor routes. More confidence through various shipments has brought increase in traffic flows for the Congolese market as well as the Botswana and Zimbabwe markets. Our continued business development campaign focused on creating stronger commodity flows along the various corridors for all the markets and thereby opening





more trade flows through the Port of Walvis Bay. Our corridor volumes have grown for all markets from 682,333 tonnes in 2011/12 to 714,109 tonnes for the 2012/13 financial years, with a more balanced market share between all markets that we are serving within the SADC region.

## Improving Trade Facilitation

We continue to strengthen our work in improving trade facilitation, thereby bettering measures that provide a faster and more secure corridor and trade route via Namibia for the SADC countries. Our partnership with United Nations Economic Commission for Africa (UNECA) has also been strengthened through trade facilitation cooperation, where I was elected as the Chairperson of the Africa Corridor Management Alliance, which was created in Addis Ababa, Ethiopia. Various Corridor Management Institutions debated on the establishment of this forum, which is seen as integral for Corridor Development in the long term within the African Continent.

A meeting was scheduled with the World Bank to discuss the Logistics Performance Indicator for Namibia. Updated information that will provide a more realistic reflection of the logistics improvements in Namibia, was presented. We had various meetings and participated in forums, where we were invited by the African Development Bank to share our experiences on how to improve trade facilitation across borders and along corridor routes within Southern Africa.

With some short term funding received from the Finnish Embassy, we were able to revisit and engage the DRC, Namibian and Zambian Governments on some outstanding matters pertaining to the Walvis Bay-Ndola-Lubumbashi Development Corridor. The opening of the new office at the Katima Mulilo/Sesheke border posts can be seen as a milestone to improved service delivery along this route, which has become a very important alternative for the Zambian importers and exporters.

## Stakeholder Engagement

Continuous engagement has taken place with shipping lines to attract them to Walvis Bay. This allows us to offer a wider choice for importers and exporters to various international markets served via the Port of Walvis Bay. After several discussions and support from the industry, United Continental Holdings (UAL) has set up an office in Namibia to expand its customer base and expand its future services via the Port of Walvis Bay. Following this, we have also presented to the Regional Management of MAERSK in Walvis Bay to create more awareness and understanding of the benefits of the Walvis Bay corridors.

During the past year we had several engagements with our members, sharing the strategic view of some of our projects, as well as covering operational matters to improve corridor performance. Some of these meetings included a general feedback and stakeholder discussion with the Namibia Logistics Association (NLA) and Walvis Bay Port Users Association (WBPUA), to gauge service delivery and expectations by members, as well as sharing business opportunities and plans for the various corridor markets. Consultative meetings with the Ministry of Works and Transport (MWT) were held to discuss ongoing projects as well as the importance of strategic infrastructure developments, especially pertaining to road and rail development. Consultative meetings were also held with the Ministry of Trade and Industry (MTI) to discuss the Spatial Development Initiative (SDI) project as well as the Logistics Hub project. The MTI provided financial support for the establishment of this project, which is a pillar of growth for the National Development Plan IV (NDP 4).



## Strategic partnerships and projects

As part of our initiative to create more capacity for future growth within the transport and logistics sector, we partnered with the Finnish Embassy in Namibia, to focus on three areas of Small and Medium Sized Enterprises (SME's) support during the past year. These areas include entrepreneurship training, training for the handling of abnormal cargo and freight forwarding training. More than 30 people were trained through this project. As part of their development, a selection of SME's accompanied us to Helsinki in Finland, where we had onsite visits to logistics companies as well as discussions with transport and logistics service providers.

The WBCG wellness efforts have made good progress for the period under review. This also covers the development of a new Strategic Plan for the Wellness Department. The development of this plan was made possible by funding received from Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ). In addition to this, we signed an agreement with GIZ to fund specific HIV/AIDS programs under the wellness programme to the tune of N\$900 377.00 for a period of 12 months. To expand our wellness service within the transport sector, we have also signed agreements with the Corridor Empowerment Project as well as Society of Family Health (SFH). This has strengthened our current programs, which serve the mobile population within the transport sector. Specific efforts were made to create sustainability for the Wellness Department. With its increased support from various donors and partners this department is close to becoming a profit centre, which is the objective in the long term.

Within this financial year, the SDI project focused mainly on sourcing information, meeting with stakeholders in Namibia, Botswana and Zambia to solicit project ideas and proposals. The Diagnostic Scoping Study was launched for Namibia with support from the Development Bank of Southern Africa (DBSA), to identify specific projects within Namibia along the various Walvis Bay corridors.

Following the inclusion of transport and logistics as one of the pillar sectors to accelerate economic development in Namibia's NDP 4, various discussions were held with the National Planning Commission (NPC) and the MWT to get this project off the ground. We were selected to drive this project, with the supervision of a Steering Committee, chaired by the NPC, with the MWT as Deputy Chair. A Project Manager was appointed to develop and manage the Logistics Hub for Namibia. One of the first objectives is to develop a Logistics Master plan for Namibia, building on the Integrated Regional Transport Master plan for Namibia. This project is very important for the WBCG, as it will pave our way for the next five years, with regard to all modes of transport, including port, rail, road and air transportation.

## A future of opportunities

We see these as exciting times, as the industry faces challenges and we adapt our business to the changing structure of transport and logistics. We have a robust operational Strategic Plan for 2011 to 2016 in place and we consistently look for opportunities to drive the long-term sustainability of the WBCG business.

However, we remain cautious about the year ahead, given the challenges of the economic outlook and consumer confidence.

I would like to thank the whole WBCG management and team for their hard work and enthusiasm over the last year. With their continued drive and determination, we can continue to deliver to our customers, our members and our shareholders, building a bigger and better business for the years to come. The support by the Board of Directors, including all our members and the continued commitment and funding that we have received and continue to receive from the donor community, for delivering our projects, remains critical for our future growth and development.

We are confident that our strategy remains the right one to grow the business and maximise our stakeholder returns. We thank all our members and stakeholders for their ongoing support, and look forward to seeing you at our information sessions to form a wider and stronger network for the WBCG.

## Growth Highlights

### WBCG Achievements for the period under review:

#### October 2012:

- WBCG launches its office in Lubumbashi, DRC
- WBCG CEO appointed as the interim Chairman of the Africa Corridor Management Alliance in Africa.

#### November 2012:

- WBCG launches its office in Sao Paulo, Brazil

#### December 2012:

- WBCG has a total of 4 branch offices including Brazil, the DRC, Gauteng and Zambia.

#### January 2013:

- Record volume increase of more than 54% during the past financial year.
- Vehicle imports via Walvis Bay generates more than N\$150 million for Namibia.
- Namport invests in additional mobile harbour cranes.
- The Society for Family Health joins hands with the WBCG Wellness Service with financial assistance to the value of N\$1.3 million.

#### May 2013:

- Vehicle imports for Zimbabwe via Walvis Bay generate more than P35 million for Botswana's Economy
- GIZ grants the WBCG Wellness Service over N\$900 000 to provide technical assistance for existing programmes.

#### July 2013:

- The WBCG Wellness Service conducts the first ever Moonlight HIV Testing of its kind in the Namibia transport sector.
- The WBCG Wellness Service and Corridor Empowerment Project sign agreement to continue providing on-site wellness screening services for transport workers.



**If everyone is moving forward together,  
then success takes care of itself.**

**Henry Ford**







## **Moving Forward Through Smart Partnerships**

Our biggest asset is our relationship with our key partners. These include public and private stakeholders from the various countries along which the Walvis Bay corridors operate, our public and private sector members and our strategic partners who collaboratively work with us to promote the corridors.

Our theme *"Moving forward through smart partnerships"* is indicative of our Public Private Partnership arrangement of how working together, through such smart partnerships, creates an improved relationship to integrate business potential and to utilise transport and trade opportunities, where without such collaboration we will not reach the full potential of improving economic development within the region.

# Smart Partnering to Create Awareness

## Marketing & Information Sharing

During the year under review, the Walvis Bay Corridor Group (WBCG) continuously strived to develop, maintain and strengthen relationships with our stakeholders in the transport community. Information was disseminated using various communication channels, in an ongoing effort to reach our Country's ultimate goal of being the leading trade route in Southern Africa.

We undertook numerous information sessions within the SADC region to create awareness of the Walvis Bay corridors using the port of Walvis Bay. We hosted "Beyond Borders" information sessions in Lusaka, Zambia and in Harare, Zimbabwe. This was done in partnership with the Zimbabwe Freight Forwarders Association, which strengthened the platform.

We participated in the Zimbabwe International Trade Fair in Bulawayo, as well as the 19th Intermodal South America trade fair, which took place in Sao Paulo, in Brazil. This trade fair focused on international trade, logistics, transport and cargo handling. Aiming at strengthening our relationship with our Zambian stakeholders, we sponsored and participated in the Zambia Chamber of Commerce and Industry luncheon in Lusaka.

To increase our international presence, the WBCG presented at the Southern African Netherlands Chamber of Commerce (SANEC) Business Roundtable, in the Netherlands held at The Hague. The activity contributed to our efforts of creating awareness amongst the relevant Dutch stakeholders. This presentation stems from the signing of a Memorandum of Understanding between the WBCG and SANEC in 2010, aimed at linking the business platform of SANEC in the Netherlands and the initiatives of the WBCG to provide business opportunities and encourage partnerships that contribute to a sustainable economic growth.

We continued to present and promote corridor development at various regional conferences in Botswana, Namibia, South Africa and Mozambique; as well as international conferences in Singapore, Ethiopia, Namibia and Thailand.

During the year under review, we extended our footprint and strengthened our presence by launching offices in Sao Paulo, Brazil and Lubumbashi, DRC.



We effectively used various marketing and communication tools at our disposal to increase awareness, enhance visibility and to expand our stakeholders. The media plays a crucial role in the dissemination of information, thus media releases highlighting successes and activities about the WBCG were distributed to the local and international media. In an effort to support the business development drive of our offices in the SADC region, we embarked on various advertising campaigns in key publications.

The second edition of the WBCG Guide was distributed to various Namibian embassies abroad, with the assistance of the Ministry of Foreign Affairs. The WBCG Guide is used as a promotional tool consisting of vital information pertaining to the Walvis Bay corridors and supports all marketing activities. These activities include information sessions, trade fairs and business development initiatives on the national, regional and international platforms. WBCG members use this publication to better inform their potential clients and stakeholders. Our electronic version of the Annual Review for 2012 updates our stakeholders on the activities and accomplishments of the WBCG. This publication was also successfully distributed.

Our bi-monthly electronic newsletter, the e-corridor was used to share our own and our members' happenings and triumphs. The WBCG website attracted 14 263 visitors during the year under review, an increase compared to the previous period which attracted 13 624 visitors. To strengthen the WBCG brand, we entered into a Memorandum of Understanding with African Ports Evolution. This allowed our brand to be represented on their website and in all literature which they distributed. It proved to be an ideal platform.

# Smart Partnering Towards Economic Growth

## Business Development

### Regional Markets

#### • South Africa

During the period under review, the Trans Kalahari corridor has seen improved levels of corridor traffic with regards to imports destined for Botswana. The total of tonnage moved amounted to 35,534 tonnes, which represents an overall increase of 5%.

We actively engaged with major shipping lines locally, including major logistics and freight companies, to promote the Port of Walvis Bay and to educate them on the alternative trade routes. This also supported our aim of increasing new calls at the Port of Walvis Bay to serve the SADC region more efficiently.

We continuously partnered and engaged on various platforms with the TransKalahari Corridor Secretariat (TKCS) on improving various cross-border matters to develop the route further.

The team engaged in various promotion and presentation opportunities nationally, emphasizing the benefits of using the Walvis Bay corridors through the Port of Walvis Bay. One-on-one meetings were held with strategic and target audiences within the freight forwarding, importers, exporters and shipping lines locally, where we have grown long-term relationships and thus been able to secure cargo flows on the various corridors.

#### • Democratic Republic of the Congo (DRC)

During the period under review, the WBCG office in Lubumbashi, DRC was officially opened by the Governor of the Katanga Province, Honourable Moïse Katumbi Chapwe. The launching of the office is aimed at increasing business presence within the DRC market to further enhance the growth of the Walvis Bay-Ndola-Lubumbashi Development Corridor (WBNLDC).

The first year in this office has seen us develop Walvis Bay as an important alternative route for the Katanga region in DRC. Since we entered the DRC market, major improvement in the volumes to and from the DRC were experienced with 169,134 tonnes being moved along the WBNLDC.



The mining industry is the main economic driver of the DRC market and constitutes 80% of the Government revenue, with the energy sector constituting 20% of the economy. We have been active in the DRC market with various promotion and presentation opportunities, including one-on-one meetings with strategic audiences with the freight forwarders, importers and exporters.

The engagements with key stakeholders have created relationships in the mining sector and with logistics companies, which have resulted in the offspring of new business. We have attended various mining platforms to create increased awareness. These include the INDABA Mining Conference in Cape Town, the IPAD Katanga Mining briefing and the DRC Mining Day in Lubumbashi, DRC. An information session was hosted, to increase awareness of the WBNLDC using the Port of Walvis Bay to all importers and exporters of the DRC.

#### • **Zambia**

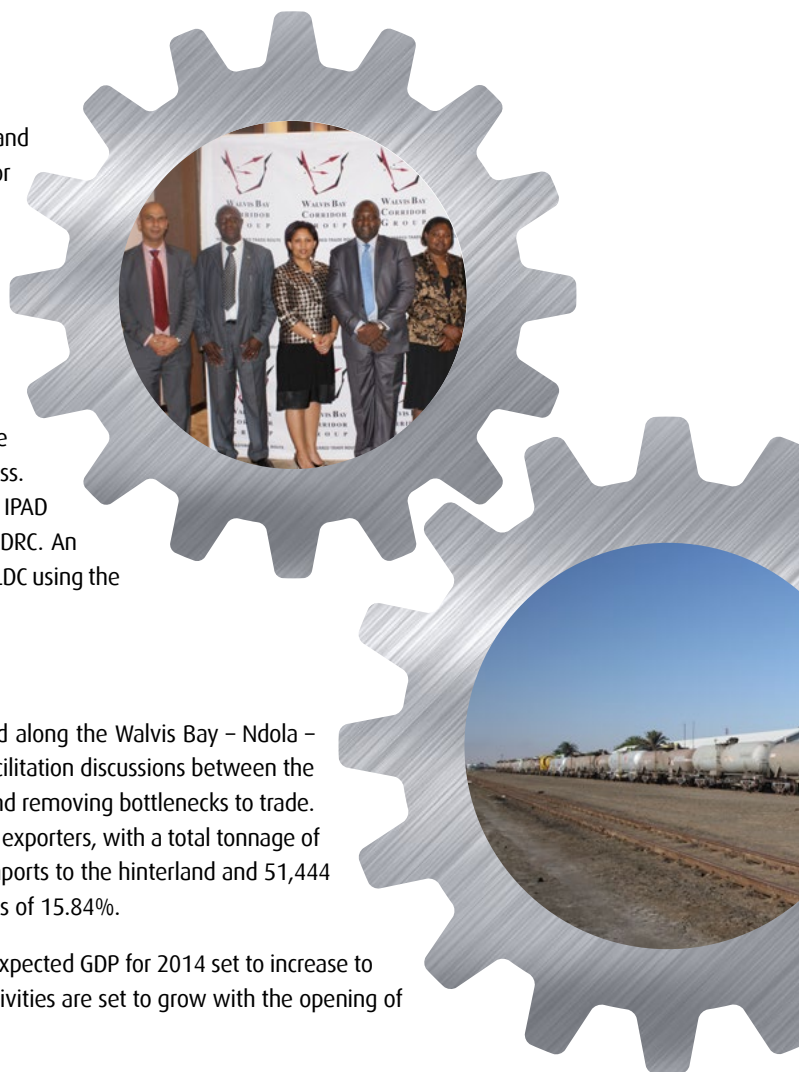
The period under review saw an increase in the goods transported along the Walvis Bay – Ndola – Lubumbashi Development Corridor. This was coupled with trade facilitation discussions between the DRC, Namibia and Zambia, aimed at increasing the flow of trade and removing bottlenecks to trade. The market saw increased confidence from Zambian importers and exporters, with a total tonnage of 206,353 tonnes moved, of which 154,909 tonnes accounted for imports to the hinterland and 51,444 tonnes attributed to exports. This represents an increase in volumes of 15.84%.

The local economy continues to grow with GDP at 6.8%, with the expected GDP for 2014 set to increase to 7.2%. This should also lead to an increase in exports, as mining activities are set to grow with the opening of new mines in the Central and Western Provinces of the country.

Trends, whether seasonal or cyclical, remained steady with a few downward variations, where declines in volumes were recorded for imports or exports for the same months. Four months of the year saw strong declines, which can be attributed to spending cuts in the mining industry. Though this did not have any seriously negative consequences on our volumes, it did however affect the overall performance, which was much lower than we had anticipated moving on this corridor. The overall slow annual growth can also be attributed to the lack of rail infrastructure for dry bulk and shortage of transport capacity.

In addition to our business development efforts, we were awarded a speaking opportunity at the Zambia International Investment forum. We had the opportunity to sponsor the Zambia Chamber of Commerce and Industry (ZACCI) AGM luncheon, where networking opportunities were created with the Ministry of Commerce Trade and Industry and Zambia Development Agency (ZDA). We hosted an information session of our own, which was well-attended by key stakeholders.

The Zambian market continues to grow for Walvis Bay, with more importers and exporters gaining confidence in the Walvis Bay route.





## International Markets

### • Brazil

With the establishment of the WBCG office in Sao Paulo, Brazil, efforts in raising awareness of a direct link from South America to Walvis Bay to serve Southern Africa, has yielded in positive results with Brazilian companies showing increased interest in using this route.

Namibia, through Walvis Bay offers the shortest trade route between Southern Africa and South America, hence providing a significant opportunity for current and future trade between SADC and Brazil as well as other countries in South America. Various commodities such as frozen chicken, meat, equipment, furniture and other consumables are currently being imported for Angola, Botswana, Zambia, Zimbabwe and the DRC.

During the year under review imports from Brazil via the Port of Walvis Bay for Southern Africa has also seen an increase in volumes. Business development efforts included various meetings with associations, agencies, companies and other potential importers and exporters to increase awareness of the Walvis Bay corridors, in various states in Brazil. To support the business development drive, the WBCG embarked on a trade visit, which included attending the 18th Intermodal South America trade fair in Sao Paulo, Brazil, with emphasis on international trade, logistics, transport and cargo handling. Company visits to shipping lines and transport operators were carried out, focusing on key areas such as transport facilitation.

## Growth Highlights

### Trans-Kalahari Corridor

The Trans-Kalahari Corridor comprises a tarred road linking the Port of Walvis Bay with Botswana Gauteng, South Africa and Zimbabwe. The Corridor stretches over 1900 km along Walvis Bay – Windhoek – Gaborone – Johannesburg/Pretoria. It is supported by a railway line from the Port of Walvis Bay to Gobabis (via Windhoek), where transshipment facilities are available, and continues from Lobatse in Botswana.

### Walvis Bay-Ndola-Lubumbashi Development Corridor (aka the Trans Caprivi Corridor)

The WBNLDC links the Port of Walvis Bay with Zambia, the southern Democratic Republic of Congo (DRC) and Zimbabwe. The Corridor runs via the former Caprivi Strip in north-eastern Namibia and enters Zambia via the Katima Mulilo bridge, which was completed in 2004. The Corridor stretches over 2,500 km and is supported by a railway line between Walvis Bay and Grootfontein, where transshipment facilities are available. The railway line resumes in Livingstone, Zambia.

### Trans-Cunene corridor

The Trans-Cunene Corridor links the Port of Walvis Bay with southern Angola up to Lubango, over a distance of 1,600 km. The Corridor and infrastructure is supported by the northern railway line, which presently extends from the Port of Walvis Bay to Ondangwa (the Nehale Station). The construction of the line from Ondangwa to Oshikango has been completed.

# Smart Partnering Towards Regional Integration

## Projects

### Infrastructure Development

Through our facilitation role, we have identified key infrastructural projects, which will assist in enhancing the efficiency of the Walvis Bay Corridors, required for social and economic growth in all the countries along which the trade routes traverse, with the support of our Government stakeholders.

During the year under review, the Namibian Cabinet was yet to pronounce themselves on the findings and recommendations of the feasibility study that would connect Namibia with Zambia via rail infrastructure along the WBNLDC. In addition to this, the two governments of Botswana and Namibia were negotiating a bilateral agreement on the development of the TKC rail and the port of Walvis Bay in Namibia that would connect Botswana with Namibia with specific emphasis placed on the transporting of coal.

The integrated Transport Master Plan of Namibia was concluded during the year under review. It includes the prioritised investment projects in all the modes of transport for consideration by Cabinet.

During the period under review, all the training and development activities for the SME logistics service providers including the training mission and study to Finland was undertaken successfully. This was a project funded by the Embassy of Finland aimed at enhancing the skills for SMEs to enable them to efficiently and effectively conduct their business activities.

### Spatial Development Initiative (SDI)

The Ministry of Trade and Industry (MTI) of the Republic of Namibia mandated the Walvis Bay Corridor Group (WBCG), through a Memorandum of Understanding signed 27 September 2011, to initiate and carry out specific activities to advance the SDIs in Namibia and to ensure that the country derives tangible benefits from the Initiative. The WBCG and DBSA signed a Service Providers Agreement during June 2012 to fund salary support and operational costs, as well as the diagnostic and scoping study along the Walvis Bay Corridors.





During the year under review, WBCG facilitated the first wave of stakeholder consultations with all relevant ministries, state – owned enterprises, Bank of Namibia, research institutions, and private sector stakeholders based in Windhoek, dealing with mining, oil and gas, agriculture, tourism, economic and industrial development, macro – economic planning during June 2013.

The WBCG facilitated the second wave of stakeholder consultations with regional councils, local authorities and private project promoters, in Omaheke region, Khomas region, Erongo region, Otjozondjupa region, Oshikoto region, Oshana region, Ohangwena region, Kavango region, and Caprivi region during July 2013 to August 2013.

The WBCG presented the SDI project to African Development Bank (AfDB) during July 2013 to consider funding diagnostic and scoping study in Botswana and Zimbabwe along the Trans-Kalahari Corridor (TKC), and in Zambia and DRC along the Walvis Bay-Ndola-Lubumbashi Development Corridor (WBNLDC).

During the period under review, administrative and programmatic review meetings were held between the WBCG and RSDIP in Johannesburg in March 2013 and August 2013, with another one in September 2013.

## **Cross Border Facilitation**

### **The Walvis Bay-Ndola-Lubumbashi Development Corridor committee**

The Memorandum of Understanding (MoU) signed between the Governments of the DRC, Namibia and Zambia, establishing the WBNLDC Committee is aimed at facilitating trade along the corridor, movement of persons and goods, regional and international transport; stimulate economic and social development in the territories of the contracting parties, transform the corridor into a development corridor, offer safe, fast and competitive transport and transit services that secure regional trade. The WBCG serves as the interim secretariat.

The WBCG was mandated by the three corridor member states to spearhead economic development activities along the WBNLDC aimed at mobilizing investment resources for the development of transportation, infrastructure, facilities and services in coordination with other economic sectors along the corridor.

During the period under review, the procurement for the consultancy for the pre-feasibility study for the rail link between Livingstone and Katima Mulilo via Kazungula has commenced. The African Development Bank (AfDB) has funded the study.

During the period under review, transit fees in the DRC have been done away with and only statutory charges are permissible.

During the period under review, the construction of the Divundu Bridge was completed. It forms part of the Walvis Bay-Ndola-Lubumbashi Development Corridor and is the only means of crossing the Okavango river to the north-eastern part of Namibia. It can now accommodate more than 60 tonnes.



## The TransKalahari Corridor Secretariat (TKCS)

The TKCS oversees the day-to-day administration and operations of the agreement under the Trans Kalahari Corridor Management Committee (TKCMC) leadership. It serves as the transmission belt for the regulation and oversees the development and implementation of seamless cross border trade/transport/passenger facilitation measures that enhance growth of corridor business, along the Trans Kalahari Corridor (TKC). The Secretariat was established on March 1, 2007 and is hosted by the WBCG. The Secretariat is jointly funded by Botswana, Namibia and South Africa, and is responsible for implementing and agreed action plan to realize the Trans Kalahari Memorandum of Understanding (MOU). The MOU spells out the three government's commitment to effectively address and improve crucial issues for cross-border transport and trade.

In pursuit of enhancing the smooth flow of trade along the TKC, the following accomplishments can be highlighted, during the review period:

- Establish One Stop Border Post between Trans Kalahari and Mamuno Border Posts: Feasibility study and presentation to Governments and private sectors in Botswana and Namibia completed. The Bilateral Agreement between Botswana and Namibia is yet to be concluded during 2014.
- Fencing of Corridor: The fencing of the TKC was completed in Botswana from Sekoma to Phuduhudu and from Kang to Palamaokue.
- Standardisation of Weighbridge Equipment: The weighbridge in Gobabis is completed.
- Establishment of Corridor Performance Monitoring System (CPMS): The proposal of a sustainable system was identified aimed at monitoring the movement of cargo on the TKC including import, export or transit cargo. The study report was completed and adopted by the Committee and implemented in October 2009, hence the TKCS is at the inception of this project and is currently working closely with the Ministry of Finance in Namibia regarding statistical data.
- Truck Stop Study: During the past year, the final draft of the feasibility study was completed with the second phase to be completed during 2014.




# Smart Partnering Through The Wellness Service

## Support Programmes

### WBCG Wellness Service

During the period under review, the WBCG Wellness Service shifted its focus from merely providing general HIV/AIDS/Wellness Services, to adopting a concept of facilitating the implementation of sustainable wellness programmes for the transport sector. The new shift aims to involve more strategic stakeholders, in order to allow for the pooling of more resources through the PPP model. The strategy also aims to evaluate the return on investments for the companies that are contributing to the wellness services within the sector, as well as attract potential members to joining our collective efforts. The interventions will be aligned with the new WBCG Wellness five-year strategic plan (2013-2017). The goal of this plan is to substantially advocate and increase activities that will focus on mobilizing the private sector companies to invest both financial and human resources that will ensure sustainable approaches in the long term. The WBCG wellness service sustainability concept was included in the overall strategic framework document of the WBCG as a key strategic initiative.


### WBCG Clinics Provide Access to Free Health Services



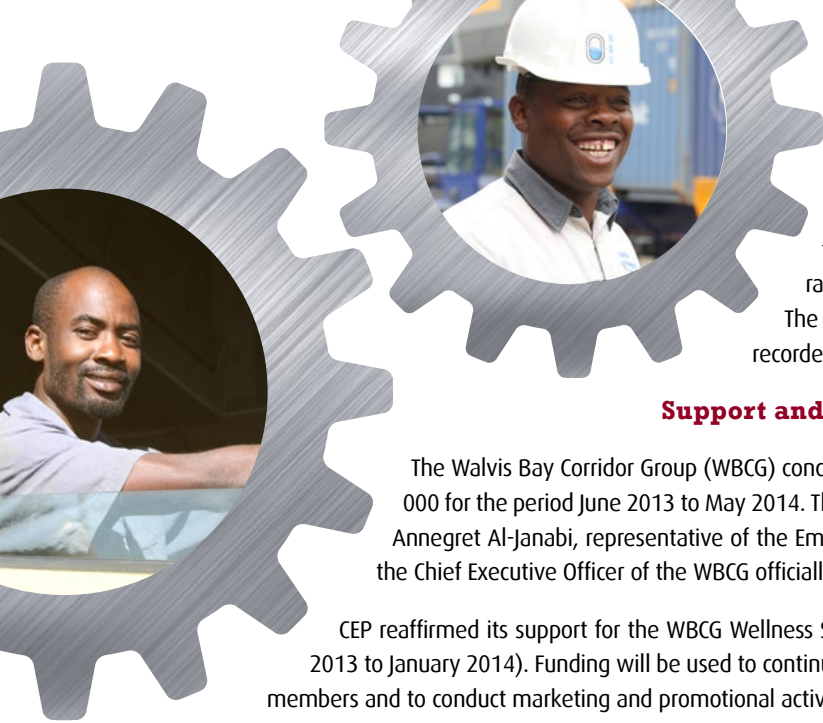
The WBCG's request to have the Ministry of Health and Social Services (MoHSS) supply Sexually Transmitted Infections (STIs), HIV test kits and Primary Health Care medication for the all WBCG Wellness Centres was approved. Employees from all our members companies can now access to free health services, including treatment at these centers located in Walvis Bay, Oshikango and Katima Mulilo. The WBCG continues to engage the private sector, encouraging them to contribute to the operations of the transport sector's HIV/AIDS and Wellness Programmes.

Several meetings with regard to the SADC Cross Border HIV Project were held, where project updates were shared. Key activities such as the provision of health services at the wellness clinics continued as medication is provided by the MoHSS. Phase 1 of the project ended on June 30, 2013 and an extension was granted until September 30, 2014. The WBCG officially took over the operations of the Walvis Bay wellness centre from North Star Alliance as of March 1, 2013 and is now mobilizing domestic resources to provide health services for Namibians.

### Moonlight Testing Initiative Introduced



In partnership with the Society of Family Health (SFH) and Kings Daughter Organisation, we introduced the concept of "Moonlight" testing, the first of its kind in the Namibian transport sector. This initiative entails visiting the hot spots and truck stops with a mobile wellness clinic between the hours of 17h00 and 23h00 (or "moonlight" hours) three times a week, to provide social behavioral change



communication and HIV Counseling and Testing services to key affected populations. These target groups include long distance truck drivers, sex workers and general populations, aiming to raise HIV prevention awareness and provide an HIV testing service. The “moonlight” testing initiative was launched in April 2013 and has recorded close to 2000 clients, who have participated in the campaign.

### **Support and Funding for the Wellness Service Continues**

The Walvis Bay Corridor Group (WBCG) concluded a funding agreement with GIZ to the tune of over N\$ 900 000 for the period June 2013 to May 2014. The agreement provides for technical and financial assistance. Ms. Annegret Al-Janabi, representative of the Embassy of the Federal Republic of Germany and Mr. Johny Smith, the Chief Executive Officer of the WBCG officially signed the agreement on June 21, 2013.

CEP reaffirmed its support for the WBCG Wellness Service by providing funding for a period of six months (August 2013 to January 2014). Funding will be used to continue with current periodic wellness screening interventions for the members and to conduct marketing and promotional activities for the project.

The MoHSS has agreed to supply the WBCG’s Wellness Initiative with HIV test kits for free. This public private partnership concept will ensure that all the member companies who intend to conduct wellness screening through WBCG Mobile clinic, will not be charged when providing HIV testing services for their employees. As an additional service, the WBCG will provide biometric services (such as testing for glucose, cholesterol, hemoglobin, blood pressure, body mass index, etc.) at an additional fee.

The President’s Emergency Plan for AIDS Relief (PEPFAR) and the Global Fund (GF) embarked on a collaboration project aimed at maximizing the efficient use of the limited HIV/AIDS prevention resources in Namibia. The WBCG as a beneficiary to these funds participated in this rapid assessment survey.

### **Continued HIV/AIDS Awareness Creation Activities**

The Wellness team delivered a presentation on the impact of HIV/AIDS in the transport sector across the SADC region to members of the Pan-African Parliament in Walvis Bay. The parliamentarians agreed that the issue of HIV/AIDS poses a greater threat to the sustainable development of various other projects in the region if it is not addressed. Therefore it was requested that the team deliver the same presentation on a higher level, at a meeting scheduled in South Africa later this year.

SFH conducted an annual review workshop with all partners implementing HIV/AIDS programmes for Key Affected populations such as truck drivers in Namibia. The WBCG’s wellness programme was rated as a best practice and effective programme amongst all partners implementing this programme. As a result, an extension of our agreement with SFH was granted for 2013, with revised funding and work packages. The revised agreement allowed for the procurement of a fully converted mobile wellness clinic for the Oshikango border.

The World Health Organization conducted a study to determine a percentage of truckers and sex workers that are infected with HIV at the border sites. The study was conducted in four other SADC countries. The results are expected to provide a baseline for the WBCG HIV/AIDS cross border initiative.

The WBCG and Dessert Soul signed an agreement that aims at creating awareness and HIV prevention interventions amongst migrant populations through Social and Behavior Change and Communication (SBCC) strategies in the Zambezi region until December 2013. This agreement will optimise our sensitisation campaign that was lagging behind due to funding issues.

The WBCG continued with its capacity building training workshops for peer educators and during the period under review over 160 employees were trained as peer educators.



**When was ever honey made with  
one bee in a hive?**

**Thomas Hood**