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Business 7 Article - By Lauren Davidson

TransNamib in disarray: at what cost?

It is no secret that the parastatal responsible for providing efficient and effective rail road services in Namibia, TransNamib, is in dire straits. From appointing new managerial and board members, to implementing a 180-day turnaround strategy, the organisation has failed to better its financial position and provide reliable railroad services to the country. The question we need to ask ourselves though is at what cost?

According to statistics released by the Motor Vehicle Accident Fund, there were 526 fatalities caused by road accidents in 2015, a large proportion of them involving trucks. The mining industry, for example, has reluctantly opted to transport approximately 787,000 tonnes of freight per annum by road that would normally be transported by rail, as a result of poor services rendered by the incapacitated parastatal. The forgone freight not only translates into significant lost revenue for the cash stripped parastatal, but also adds to the traffic of our very congested and already dangerous national roads.

Furthermore, if Namibia wishes to achieve optimal integration of its economy and become the Logistics hub of Southern Africa, with the development and expansion of the Walvis Bay port at the forefront, there is no doubt that a far reaching railroad network is needed as well as functioning locomotives.