

# **Appendix**

Supplement to the thesis on  
“What Constrains Southern African Countries  
from Further Improving Their Supply Chain Performance”

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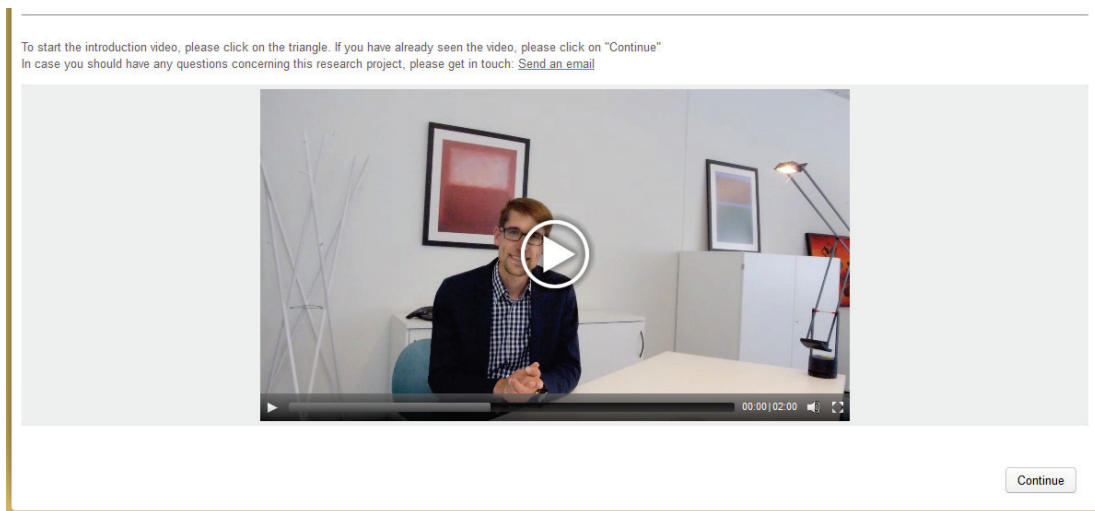
## Appendix A: Data Collection Instruments

This chapter, appendix A, presents the data collection instruments, that is, the online questionnaire as well as the interview guideline.

### The Questionnaire

First, the questionnaire starts with a 2-minute video introduction on the research project, the questionnaire as well as the researcher and organisational affiliation. Then, a short notice informs respondents about the minimum technical device requirements in order to complete the questionnaire (Figure 1).

**Figure 1: Introduction Video**



Second, respondents choose a supply chain area, which they feel able to evaluate. Respondents can choose between seaports, road transport networks, rail transport networks as well as manufacturing locations (Figure 2).

**Figure 2: Selection of Supply Chain Area**

The image shows a web form titled "Supply Chain Area Selection". At the top, there is a progress bar showing "10%". Below the title, there is a text block: "Please choose one of the following supply chain areas you feel able to evaluate." and "If you wish to evaluate more than one supply chain area, you will have the option to return to this page at the end of this session." Below this is a list of four radio button options: "Seaports", "Road Transport Networks", "Rail Transport Networks", and "Manufacturing Locations". At the bottom left is a "Back" button and at the bottom right is a "Continue" button.

Third, a task preparation allows respondents to familiarise themselves with the attribute structure (Figure 3).

**Figure 3: Preparation Task**

**Preparation**

Task time required: approx. 4 min.

We have described the **performance** of a **seaport** by 5 **characteristics**. Please read the following characteristics and their examples (using the mouseover). This will help you to answer the subsequent questions on the following pages.

Infrastructure   Operations   Public Policies and Services   Seaward Accessibility   Landward Accessibility

Each characteristic has 3 performance levels:

Good = Green   Fair = Orange   Poor = Red

Example: fictitious seaport 1 with evaluated characteristics:

Seaport 1				
Infrastructure	Operations	Public Policies and Services	Seaward Accessibility	Landward Accessibility
Fair	Poor	Good	Good	Poor

When you are done reading the characteristics and levels, please click on "Continue".

Back   Continue

Fourth, the task description of the ranking task as well as the ranking task are presented. A drag and drop function has been used to allow respondents to state a preference order. Because of the potential unfamiliarity of respondents with this type of task, if required, a video task description shows how to drag the 14 cards from the left to the right side (Figure 4) and then drop as well as sort the cards (Figure 5).

**Figure 4: Task Description of Ranking Task**

**Preferences for Fictitious Seaports**

1. Put yourself in the decision situation of being responsible for choosing the right seaport to be used by a forwarding/ shipping company.

2. Below there is a list of 14 fictitious seaports, please sort all seaports in descending order by your preference.

Please do that by:

- Moving all fictitious seaports with drag and drop from the left to the right,
- and sorting by your preference in descending order on the right side.
- Starting with your most preferred on top and then down to your least preferred at the bottom.
- Keep in mind, there is no correct answer, only your preference order matters.

3. The task takes approximately 9 minutes. After you have completed this task, the progress bar moves up to 66%.

[Click here for Video Task Description](#)

E.g.

- Access to shipping networks
- Access channels
- Fairways, e.g. length, depth, width
- New investment and maintenance of fairways
- Weather dependency, e.g. tidal range

Recap: The 5 characteristics, just as a help for the task below:

Infrastructure   Operations   Public Policies and Services   Seaward Accessibility   Landward Accessibility

Seaport 1				
Infrastructure	Operations	Public Policies and Services	Seaward Accessibility	Landward Accessibility
Fair	Poor	Good	Good	Poor

Figure 5: Ranking Task

Fifth, once respondents completed the ranking task, they move on to the questionnaire component on the performance measuring. Respondents choose one of the four countries. Based on their supply chain area choice – whether respondents chose seaports, road transport networks, rail transport networks or manufacturing locations – now respondents evaluate the attribute performance (Figure 6). An open-ended question text field underneath each scale allows respondents to illuminate their selection.

Figure 6: Performance Rating

Finally, respondents have the possibility to provide their personal and company details. Provided that a sufficient number of respondents provides their details, this will allow for segmented analyses of the data.

## The Interview Guideline

The guideline of the personal interviews is shown in Figure 7 below.

**Figure 7: The Interview Guideline**

### Interview Guideline

[Country's] = Angola/ Mozambique/ Namibia/ South Africa

[SC Area] = Seaport/ Road Transport Network/ Rail Transport Network/  
Manufacturing Location

#### Lead-In to the Theme

Identification of decision parameters

- How do you make your decisions on the choice of [SC Area; more specific e.g. sea-ports, road transport routes, rails transport routes, manufacturing locations]?  
(Further questioning: Which factors influence your decisions on the choice?)

#### Analysis of State

Identification of strong and weak positions and reasons behind

- How would you describe [Country's] current [SC Area] performance?
- Where do you see [Country's] [SC Area] strongly positioned?
- Which actions or lack thereof has led to this strong position?  
(Further questioning: specific actions, specific events, and point in time?)
- In any of these strong positions, do you fear deteriorations?
- Where do you see [Country's] [SC Area] weakly positioned?
- Which actions or lack thereof has led to this weak position?  
(Further questioning: specific actions, specific events, and point in time?)
- In any of those weak positions, do you see any progress?
- What consequences does this have on competitiveness of the economy?

#### Identification and Development of Actions for Improvement

Identification and prioritisation of improvement measures; identification of obstacles

- Which fields for improvement or further improvement do you see?  
(Further questioning if necessary in this question, instead of the next)
- Which actions are necessary to do so?
- Who is responsible to initiate these actions?  
(Further questioning: If any, what role do governmental initiatives play?)
- Which obstacles do you see?
- When you look at other countries' (e.g. your neighbouring and other SADC countries') [SC Area], is there any condition or practice you would like to adopt in your country?

#### Lead-Out

- Is there any question you would have expected, which I did not ask?



## Appendix B: Interview Documentation

This chapter, appendix B, presents the statements of interviewees concerning the questions of the interview guideline. All interviewee statements have been reviewed and checked for relevance to the research questions. Only relevant statements have been processed (extracted, interpreted, condensed) and are presented hereinafter.

### Question 1 – Decision Parameters

This section presents the statements of interviewees concerning question one of the interview guideline. Each interviewee statement is followed by its interpretation as well as extracted decision parameters.

#### Interviewee 1

Interviewee number one, a consultant in the freight forwarding industry in South Africa, made the following statements:

The decision on the transport mode is a trade-off between costs and time. Price is not always the decisive factor; time is often more important, for instance, in case of idle machinery or perishable goods. The initial stocking of warehouses and stores from overseas is usually done by air transport. Once a stable, frequent replenishment process by vessel is in place, the replenishment is shifted to maritime transport.	Statement 1a
The necessary pre-carriage to the port of origin needs to be taken into account. That is the reason why a transport from origin to destination by road is often faster and cheaper. This is particularly true if the vessel calls at additional ports between the port of origin and destination.	Statement 1b
A further important factor in the choice is the reliability of a sea-port.	Statement 1c

The interviewee states that costs and time are determinants in the choice of a transport mode. The importance of each determinant depends on the business case. Quicker transport modes are preferred for instance in case of initial stocking and time-

sensitive goods. These two determinants are interrelated and need to be traded off (1a).

The interviewee stated that pre-carriage to a port as well as additional port calls need to be taken into account as part of the transport mode decision. The pre-carriage as well as additional port calls add to the total transport distance and time and hence to the total transport costs as well. It can be assumed that an on-carriage from a port of destination has a similar effect and therefore can be regarded as a determinant in the choice of the transport mode as well (1b).

The interviewee states that reliability of seaport services is a determinant in the choice of a seaport (1c).

SC Domain	Decision Parameter	No.
Transport mode	Trade-off between costs and time; importance of each factor depends on business case	1a
	Necessity for pre- and on-carriage in maritime transport as well as additional port calls lead to additional distance, time and costs	1b
Seaport	Reliability of port services	1c

### Interviewee 3

Interviewee number three, a head of an organisation at a logistics service provider in South Africa, made the following statements:

The fastest method and lowest costs determine the transport routing.	Statement 3a
In case of a choice of a seaport, the vessel direction and the general condition of the seaport add to it.	Statement 3b

The interviewee states that time and costs are the main determinants in the decision on a transport mode and routing (3a).

The interviewee states that direction of a vessel as well as the general state of a seaport are determinants in the choice of a seaport (3b).

SC Domain	Decision Parameter	No.
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Transport mode and routing	Transport costs and time are main factors	3a
Seaport	Vessel direction	3b
	State of seaport	3b

#### Interviewee 4

Interviewee number four, a head of an organisation at a business association in South Africa, made the following statements:

The accessibility of a seaport location, including the costs and the modal approach, is of importance. The port of Maputo competes with the port of Richards Bay. In this competition, the decision parameters are the distance to the port, reliability, visibility, predictability, efficiency and costs involved in transit and export as well as ship requirements, e.g. allowable size. The sum of costs determines the competitiveness.	Statement 4a
Manufacturing companies do not want to pass on additional costs to their customers, e.g. costs of waiting at border posts.	Statement 4b
In South Africa, each seaport has its specialisation. For instance, whilst Durban is more suited for manufactured goods, Richards Bay is more suited for bulk goods.	Statement 4c
In Maputo, the container charges are too high, e.g. the handling charge. Therefore, even despite the proximity of citrus farms to the port of Maputo, they are exported via Durban.	Statement 4d

The interviewee states that the accessibility of a seaport is of importance. The interviewee states that distance for pre-carriage, available transport modes for pre- and on-carriage, reliability, transparency, predictability, efficiency and costs of transiting and exporting as well as vessel requirements to port dimensions are determinants in the choice between two competing seaports. The interviewee states that all costs occurring along a hinterland transport corridor determine the costs of a seaport (4a).

The interviewee states that waiting time for crossing borders results into additional costs. Since companies try to avoid passing on additional costs to their customers,

additional costs may turn the balance for the choice of a transport corridor and seaport. For this reason, time and costs at border posts can be regarded as determinants as well (4b).

The interviewee states that the specialisation of a seaport on certain goods plays a dominant role. Whilst some ports are specialised on general, containerised cargo, others are specialised on bulk goods (4c).

The interviewee states that the importance of the determinant costs for port services may outweigh the importance of distance and time. Even in case of lower transport distance and time, the port with the lowest costs may be the port and transport corridor of choice (4d).

SC Domain	Decision Parameter	No.
Seaport and hinterland transport	Transport accessibility of port	4a
	- Distance of pre-carriage	4a
	- Transport modes for pre- and on-carriage	4a
	- Reliability of hinterland transport	4a
	- Predictability of hinterland transport	4a
	- Transparency of hinterland transport	4a
	- Costs of hinterland transport	4a
	- Efficiency of hinterland transport	4a
	- Waiting time and resulting costs at border posts	4b
	- Vessel requirements to port dimensions	4a
	Sum of costs that occur along transport corridor	4a
	Specialisation of seaport on certain goods	4c
	Port dues; depending on level of port dues, higher costs may outweigh higher distance and time	4d

### Interviewee 5

Interviewee number five, a researcher at a university in South Africa, made the following statements:

Price is a major issue. There is a shift towards total logistics costs. We had a workshop with Transnet Freight Rail on why they are losing market share to road transport. The reason was that they focus on the mere transport costs instead on the total logistics costs. Rail is often not an option since its total logistics costs are higher than for road transport.	Statement 5a
Rail would be competitive, if it were reliable, there were sufficient capacity and it would be flexible and speedy.	Statement 5b

The interviewee states that costs, in particular total logistics costs, are a determinant in the choice between road and rail transport (5a).

The interviewee states that rail transport suffers from shortcomings in capacity, reliability, flexibility and speed. This statement indicates that capacity, reliability, flexibility and speed are determinants in the choice between road and rail transport as well (5b).

SC Domain	Decision parameter	No.
Transport mode: rail or road	Transport costs are major factor; total logistics costs are becoming more important	5a
	Availability of transport capacity	5b
	Reliability	5b
	Flexibility	5b
	Speed	5b

### Interviewee 7

Interviewee number seven, a head of a team at a logistics service provider in South Africa, made the following statements:

In the distribution business of finished vehicles in South Africa, the determinants are price, broad based black economic empowerment, the services and network you can provide as well as the reputation of the service provider. BBBEE is a competitive advantage to explore and is getting more and more important.	Statement 7a
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The interviewee states that the price of the transport service, the broad based black economic empowerment (BBBEE) status of a service provider as part of preferential procurement aspects, the set of transport services as well as the reputation of the service provider are determinants in the choice of a transport service provider. The interviewee states that the BBBEE status offers additional room for competitive differentiation and is becoming increasingly important in the choice of transport service providers (7a).

SC Domain	Decision Parameter	No.
Road transport operator	Price of transport services	7a
	BBBEE status of service provider is becoming more important	7a
	Service portfolio of service provider	7a
	Reputation of service provider	7a

### Interviewee 8

Interviewee number eight, a head of a division at a port operator in South Africa, made the following statements:

The connection to the hinterland is an important factor. The costs of importing and exporting are quite high in South Africa, according to the World Bank Doing Business report. Time and costs do not do well. For instance, the distance from Durban to Johannesburg is high.	Statement 8a
The efficiency of a seaport, e.g. ship turnaround times, play a role in the choice of a seaport.	Statement 8b

The interviewee states that the connection between a seaport and the hinterland is a determinant in the choice of a seaport. The interviewee states that costs and time as well as distance of import and export processes are key figures in this regard (8a).

The interviewee states that efficiency of seaport operations, e.g. vessel turnaround time, is a determinant in the choice.

SC Domain	Decision Parameter	No.
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Seaport	Hinterland accessibility	8a
	- Costs	8a
	- Time	8a
	- Distance of of pre- and on-carriage	8a
	Operational efficiency, e.g. vessel turnaround time	8b

### Interviewee 9

Interviewee number nine, a head of a division at a logistics service provider in South Africa, made the following statements:

There are two things: First, efficiency in terms of frequency of vessels, direct sailings, efficiency of the port, infrastructure and handling equipment. Second, costs. The location of the port is taken into account as well; for instance from the port of Durban to Johannesburg.	Statement 9a
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The interviewee states that efficiency and costs of a seaport determine the choice of a seaport. The interviewee states that efficiency of a seaport refers to the factors direct sailings, efficiency of the operations as well as state of the infrastructure and handling equipment. Beyond the geographical boundaries of a seaport location, the interviewee considers the distance of the on-carriage to the destination as a determinant (9a).

SC Domain	Decision Parameter	No.
Seaport	Efficiency of port	9a
	- Direct sailings / frequency of port calls	9a
	- Efficiency of operations	9a
	- State of infrastructure and handling equipment	9a
	Costs of port services	9a
	Distance of on-carriage to destination	9a

### Interviewee 10

Interviewee number ten, a head of team at a logistics service provider in South Africa, made the following statements:

First, South Africa is a large country; therefore, the proximity to markets is important. Second, there is a need for a critical mass, and that is why we do not really have competing options. The port of Durban it is not the best port in terms of performance; the port of Ngqura is better. However, the port of Ngqura is further away from the major market.	Statement 10a
There needs to be a national highway, which implies the following characteristics: condition of the road, risk of crime and minimisation of the kilometres travelled.	Statement 10b
We only choose rail transport for heavy and low value goods. For containers with a weight of more than 23 tonnes on road transport, there is a notional surcharge for higher fuel consumption. Rail transport has long and unreliable lead times; we only choose it if sufficient time is available. The risk of theft at the rail yards is high; there is a lack of security. Rail has a slight cost advantage, which multiplies in case of large volumes of containers.	Statement 10c
First, proximity to the market, second proximity to sources of supply, third transport infrastructure, fourth availability of a skilled workforce. In South Africa, we have a strange phenomenon: Manufacturing rose in outlying areas. The Apartheid government tried to attract locations in underdeveloped areas. The current government promotes some new industrial development trade zones, adjacent to seaports.	Statement 10d

The interviewee states that distance to the market is a determinant in the choice of a seaport. The interviewee states that the need for a critical cargo volume leads to an almost unrivalled specialisation of seaports on specific goods and industries (10a).

The interviewee states that the factors condition of the road, risk of crime and distance need to be taken into account in the choice of a road transport network (10b).



The interviewee states that due to high theft rates at rail yards, excessive fuel consumption beyond a total goods weight on roads as well as long and varying total transport time, rail transport only comes into consideration for low value, high weight as well as time-insensitive goods (10c).

The interviewee states that distance to markets, distance to sources of supply, transport infrastructure, skilled workforce as well as location incentives such as industrial development trade zones close to seaports are the most relevant factors in the choice of a manufacturing location (10d).

SC Domain	Decision Parameter	No.
Seaport	Distance to market	10a
	Need for critical cargo volume	10a
	There is almost unrivalled specialisation of ports on specific goods and industries	10a
Road transport	State of road infrastructure	10b
	Risk of crime on road transport routes	10b
	Distance of road transport routes	10b
Transport mode: road or rail	Goods characteristics	10c
	- Monetary value	10c
	- Weight	10c
	- Time-criticality	10c
	- Security of freight	10c
	Transport mode performance	10c
	- Transport time	10c
	- Predictability of transport time	10c
Manufacturing location	Distance to markets	10d
	Distances to sources of supply	10d

	Transport infrastructure	10d
	Availability of skilled workforce	10d
	Availability of industrial development trade zones close to seaport	10d

### Interviewee 11

Interviewee number eleven, a head of a division at a manufacturing company in South Africa, made the following statements:

There are two schools of thought, either closest to suppliers or closest to markets. In case of low value and heavy goods, manufacturing locations should be located close to consumers. In case of high value and light goods, goods are transport-worthy and long-distance transport justifiable. Then, there are other factors such as regulations.

Statement 11a

The interviewee states that goods characteristics, in particular value and weight, are major determinants in the choice of a manufacturing location. The interviewee states that the value and weight of goods decide on their transport cost-carrying capacity, either by minimising transport distance and locating close to the market or by making use of economies of scale in manufacturing and locating close to suppliers. By making these statements, the interviewee points to transport, manufacturing and supply chain costs as major determinants. The interviewee states that public policies are determinants in the choice of a manufacturing location as well (11a).

SC Domain	Decision Parameter	No.
Manufacturing location	Total supply chain costs	11a
	Either locating close to market or locating close to suppliers; depending on goods characteristics, transport cost-carrying capacity, economies of scale	11a
	Regulations	11a

**Interviewee 12**

Interviewee number twelve, a researcher at a university in South Africa, made the following statements:

The choice of a manufacturing location depends on where customers are located, transportation costs to customers, access to seaports and availability and arrangement of industrial policies, e.g. governmental incentive policies and industrial zones.	Statement 12a
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The interviewee states that distance to customers, transport costs to customers, access to seaports as well as the availability and arrangement of public policies are determinants in the choice of a manufacturing location (12a).

SC Domain	Decision Parameter	No.
Manufacturing location	Location of customers / distance to customers	12a
	Transport costs to customers	12a
	Access to seaports	12a
	Availability and arrangement of industrial policies	12a

**Interviewee 13**

Interviewee number 13, a head of organisation at an ocean freight forwarder and carrier in South Africa, made the following statements:

The choice of a seaport in South Africa is commodity-specific. The manufacturing industry is mainly located in the Gauteng Province. Two thirds of the actual industrial workforce is located in Gauteng. Manufacturing goods are exported via the port of Durban.	Statement 13a
From Johannesburg to Durban, 90 percent of manufacturing goods go by road to Durban. The road infrastructure from Johannesburg to Durban is very good; only empty containers go by rail.	Statement 13b

Each seaport in South Africa has its specialisation with regard to either goods type or proximity. The ports of Port Elizabeth, Ngqura and East London are used by the automotive and agricultural industry. The port of Durban is serving Durban and the Gauteng Province. The port of Cape Town is used for agricultural and textile products. A railway connects the port of Cape Town with the automotive industry in Gauteng. The ports of Richards Bay and Saldanha can accommodate Panamax vessels, they are chosen for minerals.	Statement 13c
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The interviewee states that the choice of a seaport depends on the type of goods. Seaports are specialised in type of goods that are dominant in their hinterland. By making this statement, the interviewee not only names type of goods and port specialisation as determinants, but also points to transport distance to a port as a determinant (13a).

The interviewee states that full loading units are mainly carried by road and only empty loading units are carried by rail transport. By making this statement, the interviewee points to differences in transport requirements between full and empty loading units and different transport characteristics of the two transport modes. From this, it can be concluded that the choice of a transport mode depends on the transport requirements and performance / characteristics of the alternative transport modes (13b).

The interviewee states that each seaport is specialised either on types of goods that are dominant in that region or on types of goods that have specific requirements to a port, which are best met by a port. The interviewee indicates that the availability of specific port characteristic and a capable hinterland connection, such as a capable rail transport service, allows a seaport to bridge even larger distances (13c).

SC Domain	Decision Parameter	No.
Seaport	Goods type; requirements to port	13a, c
	Port specialisation; characteristics	13a, c
	Distance to port	13a, c
	Connection to the hinterland / reach; available modes of transport, e.g. rail transport to extend economic hinterland of port	13c

Transport mode	Transport requirements of goods	13b
	Characteristics of transport mode	13b

### Interviewee 15

Interviewee number 15, a staff member at a manufacturing, retailing and service company in Namibia, made the following statements:

The shorter distance of the port of Walvis Bay compared to the port of Durban to the USA is considered a driving factor.	Statement 15a
The availability of a railway line from Walvis Bay to Gobabis on the way to landlocked Botswana is important.	Statement 15b
There is a dry port for landlocked Botswana.	Statement 15c
Namibia is building and maintaining good relationships with neighbouring countries.	Statement 15d
In Namibia, there is a lower risk of pirates and damages.	Statement 15e
The on-/off-loading as well as the cargo handling at the port is functioning well. Safety is a priority.	Statement 15f

The interviewee states that the distance of the main carriage to major maritime trading partners is a determinant factor. The distance from the port of Walvis Bay to ports in The United States is lower than between the port of Durban and ports in The United States (15a).

The interviewee states that the availability of a railway service from the port of Walvis Bay to neighbouring landlocked countries, such as Botswana, is a determinant in the choice of Walvis Bay as the preferred port (15b).

The interviewee states that there is a dry port for neighbouring landlocked countries such as Botswana. By making this statement, the interviewee suggests that the availability of a dry port for neighbouring countries is a determinant (15c).

The interviewee states that Namibia is fostering relations with neighbouring countries. By making this statement, the interviewee suggests that relations and cooperation between countries are a determinant in the choice of a seaport (15d).

The interviewee states that the risk of pirate attacks on cargo vessels and damages of cargo is relatively low. By making this statement, the interviewee compares the risk

of pirates in Namibia with other countries, presumably in western and eastern Africa. From this results that security on the port forelands as well as safety in the cargo handling operations at the port are determinants in the choice of a seaport (15e).

The interviewee states that (dis-)charging and cargo handling works well in the port of Walvis Bay. Safety receives much attention. Consequently, terminal performance and safety of port operations are regarded as determinants (15f).

SC Domain	Decision Parameter	No.
Seaport	Distance between port of origin and destination	15a
	Availability of railway service between port and neighbouring landlocked countries	15b
	Availability of dry port for neighbouring landlocked countries	15c
	Relations and cooperation with neighbouring countries	15d
	Security on port forelands, e.g. piracy	15e
	Safety of cargo handling operations	15e, f
	Terminal performance	15f

### Interviewee 18

Interviewee number 18, a head of team at a rail transport company in Namibia, made the following statements:

Costs of transport is the most important factor. Then there are the factors effectiveness, tonnages and volume to be moved as well as the speed.	Statement 18a
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The interviewee states that costs of transport is the most important factor in the modal choice. The functioning, volume and weight of goods to be moved as well as speed of the transport mode are determinants in the choice between road and rail (18a).

SC Domain	Decision Parameter	No.
Transport mode: road or rail	Costs of transport; most important factor	18a

	Transport requirements	18a
	- Volume	18a
	- Weight	18a
	Transport performance	18a
	- Functioning	18a
	- Speed	18a

### Interviewee 19

Interviewee number 19, a researcher at a university in Namibia, made the following statements:

Transport operators choose the route that exists, e.g. the road from Walvis Bay to Windhoek. Then, there are costs and reliability.	Statement 19a
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The interviewee states that the single route that exists determines the choice. By making this statement, the interviewee indicates that there is no choice between alternative road transport routes to the main port of the country. The choice of the road transport operators is made on the factors cost and reliability of transport services (19a).

SC Domain	Decision Parameter	No.
Road transport	Route that exists, due to lack of alternatives	19a
Transport operators	Costs of service	19a
	Reliability of service	19a

### Interviewee 20

Interviewee number 20, a head of an organisation at a freight forwarder in Namibia, made the following statements:

Irrespective of the cargo flow in detail, the port of Lüderitz is no alternative. The port of Lüderitz only serves the fishing industry.	Statement 20a
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Other cargo goes through the port of Walvis Bay. There is no choice between seaports.	
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The interviewee states that the choice of a seaport follows the origin and destination of the cargo. In case of an absence of similar, competing seaports, the choice of a seaport is pre-determined (20a).

SC Domain	Decision Parameter	No.
Seaport	Existing seaport; no competing alternatives	20a

### Interviewee 21

Interviewee number 21, a head of a division at a logistics service provider in Namibia, made the following statements:

Our customers often get options for road and rail. Railway is a bit cheaper, but turnaround times are higher.	Statement 21a
The rail price gets increased every year, due to inflation and diesel cost.	Statement 21b
There often are damages during the transshipment of cross-border transports.	Statement 21c

The interviewee states that the direct transport costs as well as turnaround times are determinants (21a, b).

The interviewee states that freight safety during transshipment in cross-border transport is a determinant in the modal choice as well (21c).

SC Domain	Decision Parameter	No.
Transport mode: road or rail	Costs	21a, b
	Transport time	21a
	Freight safety during cross-border transport	21c

### Interviewee 22

Interviewee number 22, a head of a team at an ocean freight forwarder and carrier in Namibia, made the following statements:



The choice of a seaport mainly depends on the commodity. Take for instance fish exports from Namibia. On-time delivery is quite important. Since the port of Cape Town is wind-bound, Walvis Bay becomes an option.	Statement 22a
Competition in the shipping market is tight. Costs are going up, e.g. fuel, terminal handling charges of the port company by six to seven percent per annum. Walvis Bay is one of the most expensive ports in southern Africa. South African ports are 10-15 % cheaper than Namibian ports.	Statement 22b
Security is an important factor. The port of Walvis Bay is one of the safest ports in Africa. Very little cargo is missing, warehouses are very secure and corruption and dodgy deals are low. The Walvis Bay cargo terminal is very efficient.	Statement 22c
From Namibia to Zambia, there is only one border crossing; from South Africa to Zambia there are more border crossings. For a truck to cross the Namibian border and go through customs it takes two to three hours; it is stable in duration. There are some fluctuations and congestion, but only during school holiday and peak seasons, at maximum 5 hours. To pass the Zambian border crossing, it takes between 2 hours and two days; there is variance. To pass the DR Congolese border it takes five to ten days; there is variance and corruption.	Statement 22d
In Walvis Bay, we do not have any port congestion. In Durban, vessels may wait for berthing two to three days outside the port. We do not see any congestion on our side.	Statement 22e

The interviewee states that the type of goods determines the importance of decision parameters and consequently the port. For instance, in case of perishable goods, time is of utmost importance. As part of it, weather-dependent seaward accessibility is a determinant (22a).

The interviewee states that competition in the shipping industry is fierce and the port of Walvis Bay is one of the most expensive ports in Southern Africa, more expensive than South African ports. By making this statement, the interviewee indicates that port charges are a determinant (22b)

The interviewee states that security is a determinant, for instance lost cargo at the port and its warehouses and corruption at the port. The interviewee states that the cargo terminal of the port of Walvis Bay is very efficient. By making this statement, the interviewee indicates that terminal efficiency is a determinant as well (22c).

The interviewee states that the number, duration and variation in duration at border crossings to neighbouring countries are determinants. In addition, corruption at border crossings plays a role (22d).

The interviewee states that availability of port capacity and the occurrence of congestion and delays are determinants (22e).

SC Domain	Decision Parameter	No.
Seaport	Transport requirements	22a
	- Time with regard to predictability and reliability	22a
	Port characteristics	22a
	- Weather-dependent seaward accessibility	22a
	Port charges	22b
	Security	22c
	- Loss of cargo	22c
	- Corruption	22c
	Terminal efficiency	22c
	Availability of port capacity; occurrence of congestion and delays	22e
Hinterland transport	Border crossings to hinterland	22d
	- Number	22d
	- Duration	22d
	- Variation in time	22d

	- Corruption	22d
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### Interviewee 23

Interviewee 23, a head of an organisation at a logistics service provider in Namibia, made the following statements:

Key determinants of the port of Walvis Bay are the convenience of the location, i.e. the connectivity to shipping lines and quick transit times to markets. The efficiency of the logistics option with regard to the port, customs, transport and price is important as well. There is to a certain extend a premium on the Walvis Bay port, higher costs compared to South African ports. The port is more expensive but quicker.	Statement 23a
The origin of the cargo is a determinant as well. For instance, due to significant volumes between the port of Hamburg and Walvis Bay, there are strong ties.	Statement 23b
Although it is much cheaper for cargo to go via Durban, Walvis Bay is not congested, therefore timelier.	Statement 23c
Road transport in Namibia and South Africa are similar in terms of costs and performance. The South African road transport network is more mature. However, from South Africa more borders need to be crossed to corridor markets.	Statement 23d
Many companies in Namibia are South African owned. That is why most consumer goods are imported in South Africa and road-freighted to Namibia.	Statement 23e

The interviewee states that connectivity to shipping lines and maritime transport times to markets as well as time and costs of the port, customs and hinterland transport are determinants (23a).

The interviewee states that the origin of cargo affects the volumes and thereby the connectivity to ports of destination; the origin of cargo is therefore a determinant as well (23b).

The interviewee states that there is a trade-off between costs and time. Whilst some ports provide shorter lead times, other ports offer lower port charges. Thus, port lead time and costs are determinants (23c).

The interviewee states that the state of the road transport network and as well as the number of border crossings between ports and hinterland countries are determinants (23d).

The interviewee states that the location of a company's headquarters affects the choice of a port. In turn, the port of choice determines the road transport route (23e).

SC Domain	Decision Parameter	No.
Seaport	Connectivity to shipping lines	23a
	Maritime transport time to market	23a
	Port costs	23a, c
	Port lead time	23a, c
	Customs lead time	23a
	Location of company's headquarters	23e
	Connectivity of port of origin to port of destination	23b
	Availability of capacity; occurrence of congestion	23c
Hinterland transport	Transport costs to hinterland	23a
	Transport lead time to hinterland	23a
	State of road transport network	23d
	Number of border crossings to destination	23d
Road transport routing	Port of choice	23e

#### Interviewee 24

Interviewee 24, a head of a team at a logistics service provider in Namibia, made the following statements:

The main determinants are price as well as efficiency and quality. Quality of transport services also includes reliability and safety. We try to offer a service of higher quality. Some goods are able to absorb a higher prices.	Statement 24a
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The interviewee states that price, efficiency and quality are major determinants in the choice of a road transport company. The interviewee specifies that goods differ in their ability to bear logistics costs, and the company tries to offer a higher quality service. By making this statement, the interviewee indicates that the type of goods is a determinant in the choice of a transport mode and road transport company as well.

SC Domain	Decision Parameter	No.
Road transport operator	Transport costs	24a
	Transport efficiency	24a
	Transport quality	24a
Transport mode	Goods type; cost-bearing capacity	24a

### Interviewee 25

Interviewee 25, a head of a team at a manufacturing company in Namibia, made the following statements:

100 years ago, there was water at the city centre in Windhoek. The drought affects us. We have a risk migration plan, to save water and migrate volumes to other manufacturing locations. Water requirements will become a determinant factor.	Statement 25a
We have a good railway system from Walvis Bay to Windhoek and a good road transport system to South Africa.	Statement 25b
You cannot set up a manufacturing plant at the coast. We have a lot of infrastructure. We do not want to expose ourselves to the weather.	Statement 25c

25 percent of our market is located at the coast, 30 percent in Windhoek and 30 percent up north. The transport-intensive nature of our business requires a central location for our manufacturing plant.	Statement 25d
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The interviewee states that the availability of water played a role in the location decision and, behind the background of the current drought, the availability of sufficient water will become even more important in the future (25a).

The interviewee states that the current location provides a good rail transport line to the port of Walvis Bay as well as a good road transport connectivity to customers, suppliers and other locations in South Africa (25b).

The interviewee states that the weather and climate conditions are good at the location. A location at the coast would not be feasible due to the exposure of infrastructure to the harsh environment (25c).

The interviewee states that a geographical location that keeps transport distance and costs low is important (25d).

SC Domain	Decision Parameter	No.
Manufacturing location	Availability of sufficient water	25a
	Local and regional transport networks accessibility to customers and suppliers, e.g. road, rail	25b
	Weather and climate condition	25c
	Transport distances and costs to markets	25d

### Interviewee 26

Interviewee 26, a head of a business association in Namibia, made the following statements:

In a competitive environment, it is always price. The risk of monopolies is high in Namibia. Because of the vast distances, the price has a determinant effect. Based on price, there are two	Statement 26a
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options that need to be taken into account: Either, it will be imported through the port of Walvis Bay – at the moment, we can discard Lüderitz – or through one of the bigger seaports in South Africa and then bringing it in by road transport. Because of the logistics infrastructure that exists between the two countries, you will always go for those two options.	
At the moment, rail is not functional at the moment – sadly. Rail transport would be an important consideration here as well.	Statement 26b
Because of the magnitude of the harbours, much bigger quantities can be imported and lead to much lower per-item landed cost. Despite the need for additional road transport to Namibia and because of the fierce competition in road transport, it is often cheaper to link onto the big orders to South African harbours. You only have few lines that will pass via the port of Walvis Bay.	Statement 26c
What are the factors that determine the price? It is the efficiency of the harbour and of the transport. I do not see time as a determinant in Namibia.	Statement 26d

The interviewee states that in a polypoly market situation, transport costs are major determinants. In Namibia, however, the risk of monopoly or oligopoly situations is high. This affects market prices. The importance of transport costs is particularly high, because transport distances are high and distances along with price per distance have a significant cost effect. The interviewee states that goods are imported either through the port of Walvis Bay or through a South African port. Whilst proximity to the port seems to be an argument for the choice of port of Walvis Bay, economies of scale and resulting cost decreases argue in favour for a South African port (26a).

The interviewee states that the availability of a railway transport service is a determinant in the choice of a seaport (26b).

The interviewee states that South Africa ports tranship much higher volumes and are therefore able to offer lower transport and transshipment costs per item. The interviewee states that South African ports have a higher number of port calls than the main Namibian port. By making this statement, the interviewee seems to point to port

connectivity to shipping lines and other ports as a determinant. High competition in road transport leads to low transport costs (26c).

The interviewee states that the efficiency of the port and seaport-related hinterland transport are determinant of the price for port and hinterland transport services. The interviewee states that price for logistics services is more important than the time; the importance of the factor price outpaces the time for logistics service (26d).

Domain	Decision Parameter	No.
Hinterland transport	Because of high distances high importance of costs	26a
	Costs are more important than time	26d
Seaport	Proximity to port	26a
	Availability of railway transport service	26b
	Maritime transport costs, e.g. economies of scale	26 a, c
	Port costs, due to efficiency and economies of scale	26 a, c, d
	Port connectivity to shipping lines and ports	26c
Road transport routing	Port of choice decides on road transport route	26a
	Transport infrastructure	26a
	Transport costs	26c

### Interviewee 27

Interviewee 27, a staff member at a retailing company in Namibia, made the following statements:

For perishable goods, the life span of products and therefore transportation time, particularly to outlying areas, is of utmost importance in the choice of a road transport route. In outlying areas, we look for distributors that have depots in those regions.

Statement 27a



Most our suppliers take full stock responsibility and arrange the distribution throughout Namibia. For instance, one of our suppliers was looking for a distributor that is able to distribute countrywide to all our stores by means of refrigerated trucks and merchandisers. Serviced transport routes and equipment vary between transport companies.	Statement 27b
We get most our products from South Africa.	Statement 27c

The interviewee states that in perishable goods, time is the most important determinant in the choice of a road transport route as well as road transport company. In remote areas, the availability of distribution centres is a determinant in the choice of a transport company (27a).

The interviewee states that for most stock keeping units, suppliers are responsible for replenishment and thus make the choice on transport companies and routing. The necessary transport routes to be serviced as well as requirements to transport equipment are determinants in the choice of a road transport company (27b).

The interviewee states that most of the company's products are sourced from South Africa. By making this statement, the interviewee indicates that the source of supply decides on the approximate transport route (27c).

SC Domain	Decision Parameter	No.
Road transport routing / company	In case of perishable goods, replenishment / transport time	27a
	In remote areas, availability of distribution centres	27a
	Necessary transport routes to be serviced	27b
	Requirements to transport equipment	27b
Road transport routing	Source of supply	27c

### Interviewee 28

Interviewee number 28, a head of a business association in Namibia, made the following statements:

<p>The choice of a seaport depends on the geographical market. People would go for the option that they perceive as the most convenient. Then there is the factor of costs involved. They have been using this port for many years, so they automatically choose it. The decision is linked to historical trade routes. Then there are other factors like safety and security, transit time involved. A reason why seaports in South Africa are chosen is the fact that decision makers are located there. Often, the decision is made in Johannesburg; the operations take place in foreign countries. The ease of doing business is important. It is easy to get hold of people in Durban or Walvis Bay, unlike with some of the neighbouring countries like Zambia, DR Congo and Angola. It differs; each country has its own business practice.</p>	Statement 28a
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The interviewee states that the place of destination and the convenience of the port location, e.g. in terms of transit time, as well as the costs of using a port are major determinants. There is an adherence to traditional seaports and seaport-related routes. The interviewee states that port safety and security at a seaport are determinants in the choice of a seaport. The location of the decision maker is a determinant in the choice of a seaport; a seaport close to the location of the decision maker are often preferred. The ease of doing business at a port location is a determinant (28a).

SC Domain	Decision Parameter	No.
Seaport	Convenience of port location with regard to place of destination, e.g. transit time	28a
	Costs of using a port	28a
	Traditional seaports and transport routes	28a
	Port safety and security	28a
	Location of the decision maker	28a
	Ease of doing business at a port location	28a

**Interviewee 29**

Interviewee number 29, a head of an organisation at a logistics service provider in Angola, made the following statements:

Shipping lines that go to Angola do normally go to most ports in Angola. In the north, Cabinda is served by the port of Pointe Noire in the Republic of Congo, since there are no direct roads from Luanda to Cabinda. Vessels drop their cargo off in the port of Pointe Noire and the cargo is transported on road to Cabinda. The port of Soyo is a major port as well; it is concentrated on oil trade. In the port of Ambriz and Dande, there are major manufacturing companies for the oil industry. The port of Lunda has an oil dedicated area as well as general cargo terminals. The port of Luanda serves the largest market of the country. At the port of Amboim, there are manufacturing companies for the oil industry; there is no commercial port. The port of Lobito is quite an important port for consumer items and minerals. Going further south, there is the port of Namibe, a very big port as well.	Statement 29a
Santa Clara is the land border crossing to the south. A lot of fruits and vegetables come from South Africa; a lot of stuff comes from Namibia. It is quite a busy area. I think there are some privileged agreements with regard to the free movement of goods and personnel between countries of the southern African region; and Angola is part of it. Normally, the trucks cross without much of a problem. You also have some borders to the north. The port of Matadi in the DR Congo has many problems; it is neither a good port nor an easy port. The road from Matadi to Kinshasa is bad. Kinshasa could be served by the Angolan ports. Luanda could be used as a transshipment hub – that should be developed and we are interested in that. We would like to see more business on this corridor.	Statement 29b

The interviewee states that many seaports in Angola have their specialisation. Whilst some ports are mere oil-dedicated ports, other ports host the oil equipment manufacturing industry, are either oil-related and general cargo seaports, or only general cargo seaports. From this results, that the choice of a seaport in Angola is at least largely

determined by the type of goods and port specialisation. The interviewee states that the choice of a seaport also depends on the distance to the destination as well as availability of a seaports hinterland transport infrastructure (29a).

The interviewee indicates that the origin of cargo is a determinant in the choice of road transport routes. The existence of favourable trade agreements as well as the functioning of border crossings are conducive to trade between countries. The availability of road cross-country transport corridors could open up new transport and trade routes and thus represents a determinant in the choice of transport routes (29b).

SC Domain	Decision Parameter	No.
Seaport	Type of goods and port specialisation	29a
	Distance to destination	29a
	Availability of hinterland transport infrastructure	29a
Road transport routing	Origin of cargo	29b
	Existence of favourable trade agreements	29b
	Functioning of border crossings	29b
	Availability of cross-country transport corridors	29b

### Interviewee 31

Interviewee 31, a staff member at a consultancy in South Africa, made the following statements:

I have done many location analyses to find out where distribution centres should be located. At the macro level, I usually used a center of gravity analysis to see where the market is and balance it with the supply from suppliers. On the micro level, there are other factors such as availability of transport services and electricity.	Statement 31a
With regard to manufacturing locations, there are two basic principles: The first is weight gaining; the second is weight losing.	Statement 31b

In the case of weight gaining, the location should be located close to the market; in case of weight losing, the location should be located close to the origin. These two principles dominate the decision, although there are other factors, such as the availability and costs of water, of electricity and of transport as well as free trade zones, industrial rebates and tax benefits. For instance, low transport costs may shift the decision from close to the origin to close to market or a lack of water at the market may shift the decision the other way around. Below the line, because supply chains compete, the most important parameter are total logistics costs.

The interviewee states that for distribution centres, the most important determinant are overall costs of supply and distribution. Then, there are further determinants such as availability of transport services and electricity (31a).

The interviewee states that for manufacturing locations, the most important determinant are total logistics costs along the supply chain. Total logistics costs depend on goods and processing characteristics and resulting transport costs, availability and costs of input materials and services, such as water, electricity and transport, as well as public incentives, such as benefits resulting from free trade zones or tax rebates (31b).

SC Domain	Decision Parameter	No.
Distribution centres	Overall costs of supply and distribution; i.e. distance to customer and suppliers	31a
	Availability of transport services	31a
	Availability of electricity	31a
Manufacturing location	Total logistics costs along the supply chain	31b
	Goods characteristics and resulting transport costs	31b
	Availability and costs of input materials and services	31b

	- Water	31b
	- Electricity	31b
	- Transport	31b
	Public incentives, e.g. benefits resulting from free trade zones or tax rebates	31b

### Interviewee 37

Interviewee number 37, a head of an organisation at a logistics service provider in South Africa, made the following statements:

It depends where it is going in southern Africa. If it is going to the Gauteng area, then Durban is the natural port. If its bulk cargo, then Richards Bay is your natural port. For the motor industry situated in Port Elizabeth, then Port Elizabeth would be your port. The export and imports from the Cape province, like fruits and all of it, go through the port of Cape Town. For southern Africa, that are the main ports that you are going to use.	Statement 37a
In most of the African countries, price is more important than the actual service, because the end user is poor. You had a look at the gross domestic product of those countries; you know what I am talking about.	Statement 37b
For Zimbabwe, one would use either Durban or Beira. Walvis Bay is an alternative; it is the most efficient, but expensive port in southern Africa. For Zambia, because of the efficiency, a number of our customers make use of Walvis Bay. They make use of the port of Daressalam, which is not that efficient and expensive. Still a lot make use of the port of Durban. In southern Congo, the copper-rich area for cargo out, they make use of Daressalam, Durban, Beira and Walvis Bay. Angolan ports are no option, because there is no road from there to the hinterland countries. There is a railway line being built from Lobito into the Congo, for copper exports. That is the shortest possible route to	Statement 37c

Lobito; it was built up to the border of the DR Congo. For Botswana, Durban is still the preferred port; Walvis Bay is an alternative. To Mozambique, you have got Maputo, Beira and Nacala. Nacala serves southern Malawi. There is a railway line that runs there; it works during off-rainy season. Every year when the rain comes, the railway stops. The roads are basically not existent. The northern part of Malawi is served by Daressalam. A lot of importers to Malawi use Durban.	
It depends what cargo and how urgent it is. You can have dedicated vehicles from Durban to these countries. If you are willing to pay, it can be there in three days shorter than normal. If it is emergency cargo, then price does not matter. There is airfreight as well.	Statement 37d
There is an imbalance between cargo going in and out from Walvis Bay or Durban to Zambia or DR Congo. There is either less cargo going in or the other way around. That does not change. That also plays a role, because your transport is worked on a round trip. If you can fill it up, it is more cost effective and your endproduct is cheaper.	Statement 37e

The interviewee states that the distance to a port that is able to handle the type of cargo is a major determinant. The interviewee indicates that ports have aligned their business model to the type of cargo that is dominant in their hinterland (37a).

The interviewee states because of the low income of the average population, goods are not able to carry high logistics costs. For this reason, the price of transport is a major determinant in the choice of a transport mode and routing (37b).

The interviewee states that the distance between the source or destination to the port, the efficiency of the port, the costs of port services as well as the hinterland accessibility and available transport modes such as road and rail transport are determinants in the choice of a seaport (37c).

The interviewee states that the type of cargo and time criticality are determinants in the choice of the transport mode and routing options. Urgent cargo is able to carry higher transport costs and allow for the use of dedicated vehicles and air freight (37d).

The interviewee states that the volume and availability of capacity on road transport is a determinant in the choice of road transport routes. In order to minimise transport costs, if possible cargo is allocated to available capacity on planned routes (37e).

SC Domain	Decision Parameter	No.
Seaport	Distance to port that is able to handle type of cargo	37a, c
	Ports have aligned their business model to type of cargo that is dominant in their hinterland	37a
	Efficiency of port	37c
	Costs of port services	37c
Hinterland transport	Availability of road transport	37c
	Availability of rail transport	37c
Transport mode and routing	Because of low income of average population, goods are not able to carry high logistics costs; high importance transport costs and price	37b
	Urgent cargo is able to carry higher transport costs and allow for use of dedicated vehicles and air freight; type of cargo and time criticality	37d
Road transport routing	Volume and availability of transport capacity	37e

#### Interviewee 41

Interviewee number 41, a head of a team at a rail transport company in South Africa, made the following statements:

Firstly, it is the volume, the frequency as well as the distance. I think those three things, mostly the volume and the distance, will determine which mode and route they want to use.	Statement 41a
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The interviewee states that primarily the cargo volume and the transport distance, followed by the required transport frequency are the determinants in the choice on the mode and routing. The interviewee does not make an explicit distinction between the



determinants in choice on the transport mode and routing. This could be due to the fact, that the mode already sets the direction for the transport routing. Nonetheless, the interviewee remains mute on the precise decision procedure and determinants.

SC Domain	Decision Parameter	No.
Transport mode and routing	Cargo volume	41a
	Transport distance	41a
	Transport frequency	41a

#### Interviewee 42

Interviewee number 42, a head of a team at an ocean freight forwarder, carrier and port operator in Angola, made the following statements:

Luanda is the biggest port, the port that has the most business into Angola. Lobito is the second biggest port. Namibe and Cabinda have a lower total volume coming in. What is important to consider is the depth of a seaport, for example, what kind of vessels we can bring in. Another important factor is the efficiency of the terminal operator, for example how well organised are the crane operations. That all has an impact to the importer, my main stakeholder.	Statement 42a
Before our company started to operate the terminal, at that time the terminal did not work 23 hours per day, they did not have any berthing organisation, they did not have crane spare parts and they did not know where the container should be. Vessels were waiting for months. Operating in Angola was very expensive. That also has an impact on the importer and end customer.	Statement 42b

The interviewee states that the relevance of a seaport in terms of market size, the allowable size of vessels with regard to draft as well as the terminal efficiency are major determinants (42a).

The interviewee indicates that the terminal efficiency refers to determinants such as water depth of a port, terminal operating hours, organisation of berthing, loading, unloading and yard operations as well as vessel waiting times. These factors in turn

determine the terminal operating costs and consequently the costs of imports and consumer goods on the local market (42b).

SC Domain	Decision Parameter	No.
Seaport	Relevance of seaport in terms of market size	42a
	Allowable size of vessels with regard to draft	42a
	Terminal efficiency	42a
	- Water depth of port	42b
	- Terminal operating hours	42b
	- Organisation of berthing, loading, unloading and yard operations	42b
	- Vessel waiting times	42b
	Terminal operating costs and costs of imports and consumer goods on local market	42b

## Question 2 to 15 – State and Actions for Improvement

This section presents the statements of interviewees concerning question two to 15 of the interview guideline. Each statement is followed by its interpretation as well as extracted core statement.

### Southern Africa

This section presents, interprets and condenses the statements on the southern African region.

#### Interviewee 1

Interviewee number one, a consultant in the freight forwarding industry in South Africa, made the following statements:

The number of seaports in southern Africa is good. Each seaport has its strengths, weaknesses and specialisation. The port of Richards Bay is used for coal exports. The port of Saldanha

Statement  
SA-01-01

is used for iron ore exports. Saldanha has an excellent railway line. The port of Durban serves the Toyota plant. The port of Ngqura serves the VW plant. The port of Cape Town is used by the food processing industry; its operations are prone to strong winds. There is a railway line from Cape Town to Johannesburg. East London mainly serves the Mercedes Benz plant. That is why there is no rail railway line from East London to Johannesburg. The port of Walvis Bay is very efficient, reliable and the risk of labour strikes is lower than in South Africa. Yet, there is no railway linkage to Johannesburg. The port of Lüderitz is well suited for heavy cargo to South Africa.	
The interviewee states that the number of seaports in southern Africa is sufficient and each port has its strengths, weaknesses as well as specialisation. Whilst some ports are focussed on bulk goods, other ports are focused on containerised goods or vehicles. The ports are aligned to the type of cargo that dominates their hinterland. Some seaports have their main market close by, whilst others serve markets that are more distant and are linked by a railway line to their economic hinterland.	Interpretation
Number of seaports in southern Africa is sufficient	Core Statement
Each seaport has strengths, weaknesses and specialisation	
Some are focussed on bulk goods, others on containerised goods or vehicles	
Ports are aligned towards type of cargo that dominates their hinterland	
Some ports have main market close by, others serve more distant markets and are linked by railway line to hinterland	

### Interviewee 3

Interviewee number three, a head of an organisation at a logistics service provider in South Africa, made the following statements:

Today, there is still no open trade between African countries, in contrast to countries in the European Union.	Statement SA-03-01
The interviewee states that free trade between countries on the African continent still does not exist. In the European Union, a customs union allows free trade for half a century.	Interpretation
Free trade between countries on African continent still does not exist; in EU, customs union allows free trade for half century	Core Statement

#### Interviewee 4

Interviewee number four, a head of an organisation at a business association in South Africa, made the following statements:

The countries Angola, Mozambique, Namibia and South Africa have similarities, although there are differences in their stage of economic development. Angola and Mozambique still need to develop their strategies and regulations.	Statement SA-04-01
The interviewee states that there are some common characteristics between Angola, Mozambique, Namibia and South Africa, albeit these four countries show differences in the stage of development of their economies. There are differences in maturity of their economic strategies and public policies. Whilst Angola and Mozambique still need to develop economic strategies and public policies, Namibia and South Africa already have it in place.	Interpretation
Common characteristics between Angola, Mozambique, Namibia and South Africa, albeit differences in stage of development of economics	Core Statement
Whilst Angola and Mozambique still need to develop economic strategies and public policies, Namibia and South Africa already have it in place	

**Interviewee 6**

Interviewee number six, a researcher at a university in South Africa, made the following statements:

In order to foresee the future development of transport networks in southern Africa, we need to extend our geographical scope to the north. At the moment, the main corridors stretch from Walvis Bay to Maputo and from Durban to the northern countries.	Statement SA-06-01
The interviewee states that the development of transport networks in countries in the northern part of southern as well as east Africa will significantly influence the development of transport networks in southern Africa. At the moment, the main transport corridors go through seaports in southern Africa, even to the northern countries.	Interpretation
Development of transport networks in northern part of southern as well as east Africa will significantly influence development of transport networks in southern Africa	Core Statement
Currently, main transport corridors go through seaports in southern Africa, even to northern countries	
In Bagamojo, Tanzania, a large port and industrial development project is under construction, which will be part of the new Chinese maritime silk route – a long-term view.	Statement SA-06-02
The interviewee states that Chinese are planning to set up a new maritime silk route. There is a new port development project at Bagamojo in Tanzania, which will be part of the new silk route	Interpretation
Chinese are planning to set up new maritime silk route	Core Statement
New port development project at Bagamojo, which will be part of new silk route	

In Tanzania, Chinese built infrastructure to the copper fields; the infrastructure was however not adapted to the harsh environment and deteriorated rapidly. The railway transport renaissance will be Chinese. Since just-in-time procedures do not work with railway transport, there will be new Chinese airports.	Statement SA-06-03
The interviewee states that there are new railway construction projects from Tanzania to the copper fields. Despite initial difficulties, the Chinese will quickly learn how construct infrastructure that is adapted to the harsh environment on the African continent. They will make rail transport an important mode of transport on the African continent again. Because rail transport is not suited for time-critical transport, new airports will take up this role in the new Chinese maritime silk route strategy.	Interpretation
There are new railway construction projects from Tanzania to copper fields; despite initial difficulties, Chinese will make rail transport important mode of transport on African continent again	Core Statement
Rail transport is not suited for time-critical transport; instead new airports will take up this role	
Once the Lobito railway line and the port of Bagamojo are in place, there will be two additional alternative routes to export goods from the landlocked countries in the north of southern Africa.	Statement SA-06-04
The interviewee states that new port and railway construction projects, like in Tanzania the port of Bagamojo and Angola the Lobito Corridor, will provide alternatives to established transport corridors in southern African countries. By making this statement, the interviewee indicates an expected shift in transport volume from the south more to the north of southern Africa.	Interpretation
New port and railway construction projects, e.g. in Tanzania and Angola, will provide alternatives to established transport corridors in southern Africa	Core Statement

Shift in transport volume from the south more to the north of southern Africa is expected	

**Interviewee 35**

Interviewee 35, a staff member at a consultancy in Germany, made the following statements:

My impression is that in many countries on the African continent there are great visions of how logistics networks should be developed. However, it often lacks in precise plans and actions on how these visions can be achieved. That should be kept at the back of one's mind.	Statement SA-35-01
The interviewee states that many countries on the African continent have ambitious visions on the development of their logistics networks. Often, these visions are, however, not underpinned by plans and actions. By making this statement, the interviewee indicates that many countries still have to provide the proof that visions are followed by plans and actions.	Interpretation
Many countries on African continent have ambitious visions of development of their logistics networks; visions are often not underpinned by plans and actions	Core Statement
Many countries still have to provide proof that visions are followed by plans and actions	
Because of the smaller size of vessels that call at southern African ports, compared to European ports, the performance of the port is usually not a major issue in southern African ports. Rather, a major issue is the linkage between the port and the hinterland transport. Port performance considerations often stop at the container yard. The immediate hinterland is often not able to handle the traffic volume. Ports are often not linked to the	Statement SA-35-02

<p>railway. Often, the rail speed is low. In order to provide a sufficient transport frequency, there is a need for more equipment. This, however, increases the costs of the transport system.</p>	
<p>The interviewee states that because of smaller vessel sizes that call at ports in southern Africa compared to Europe, the requirements to port performance are lower and ports in southern Africa do not have to meet the same requirements as ports in Europe. Hence, port performance is often not a major constraint in ports in southern Africa. Rather, the linkage between ports and their hinterland transport is a major constraint in many countries in southern Africa. Often, the capacity of the hinterland transport is not sufficient, there is no direct linkage between ports and rail networks, or the performance of rail transports is not sufficient to provide the necessary service level or cost competitiveness.</p>	Interpretation
<p>Because of smaller vessel sizes that call at ports in southern Africa compared to Europe, requirements to port performance are lower and ports do not have to meet same requirements</p>	Core Statement
<p>Port performance is often no major constraint in ports in southern Africa</p>	
<p>Linkage between ports and hinterland transport is major constraint in many countries in southern Africa</p>	
<ul style="list-style-type: none"> <li>- Often, capacity of hinterland transport is not sufficient</li> </ul>	
<ul style="list-style-type: none"> <li>- Often, there is no direct linkage between ports and rail networks</li> </ul>	
<ul style="list-style-type: none"> <li>- Often, performance of rail transport is not sufficient to provide necessary service level or cost competitiveness</li> </ul>	
<p>In southern Africa, the typical gauge size is cape gauge. In eastern Africa, there are a number of projects, which will make use of standard gauge. Different gauge sizes between southern and eastern Africa impede interregional rail transport on the African continent. For instance, in South Africa and Angola, the</p>	<p>Statement SA-35-03</p>



typical gauge size is cape gauge; in the Republic of the Congo, there are different gauge sizes.	
The interviewee states that whilst in southern African countries, the typical gauge size is cape gauge, in eastern African countries many planned railway projects consider standard gauge. Different gauge sizes among countries on the African continent impede cross-country and interregional rail transport. This in turn impedes cross-country and interregional trade.	Interpretation
Whilst in southern African countries, typical gauge size is cape gage, in eastern African countries, many planned railway projects consider standard gauge	Core Statement
Different gauge sizes among countries on African continent impede cross-country and interregional rail transport and trade	

### Interviewee 36

Interviewee 36, a head of a division at a manufacturing company in Germany, made the following statements:

The countries you chose are quite similar. These countries have typical characteristics of emerging countries, have to overcome typical challenges with regard to logistics, are mineral resource abundant and have high transport distances and time.	Statement SA-36-01
The interviewee states that there are many similarities between Angola, Namibia and South Africa. The countries have typical characteristics of emerging economies, face similar logistics challenges, have rich minerals resources and have high transport distances and time.	Interpretation
There are many similarities between Angola, Namibia and South Africa, i.e. typical characteristics of emerging economies, similar logistics challenges, rich minerals resources, high transport distances and time	Core Statement

## Angola

This section presents, interprets and condenses the statements on Angola.

### Interviewee 1

Interviewee number one, a consultant in the freight forwarding industry in South Africa, made the following statements:

The port of Luanda is the busiest port in Angola. At the moment, the port of Lobito is being rehabilitated. However, the downfall of the oil price and collapse in revenues may represent an obstacle.	Statement AO-01-01
The interviewee states that the port of Luanda is the port that handles the most cargo volume in Angola. The port of Lobito is being rehabilitated. The decline of the oil price and resulting decline of public income may however impede the ongoing rehabilitation.	Interpretation
Port of Luanda handles most cargo volume in Angola	Core Statement
Port of Lobito is being rehabilitated	
Decline of oil price and public income may impede rehabilitation	
In Angola, the corridors go from the east to the west; there are no linkages from the north to the south.	Statement AO-01-02
The interviewee states that transport corridors in Angola stretch horizontally from the ports to the hinterland. There are no vertical linkages and no network structure.	Interpretation
Transport corridors stretch horizontally from ports to hinterland; there are no vertical linkages and no network structure	Core Statement
The Angolan road infrastructure is not sufficient to bear the high weight of copper. At the moment, neither railway nor road transport is an option for copper transport from Zambia to sea-ports in Angola.	Statement AO-01-03

The interviewee states that the bearing capacity of the road infrastructure is not sufficient for heavy cargo. It lacks an adequate railway transport system in Angola. Because of the insufficient bearing capacity and the lack of an adequate railway system, Angola is currently not an alternative transport and export route for cargo from neighbouring countries.	Interpretation
Bearing capacity of road infrastructure is not sufficient for heavy cargo	Core Statement
It lacks an adequate railway transport system in Angola	
Because of insufficient road infrastructure and rail transport system, Angola is not alternative transport and export route for cargo from neighbouring countries	
In Angola, you can forget about railway transport. At the moment, the Benguela railway company is rehabilitating the line from Lobito to the DR Congo and to the Copperbelt in Zambia. In the past, this line was competitive. The war has changed that. Zambia is at the same time served by the Port of Daressalaam in Tanzania.	Statement AO-01-04
The interviewee states that prior to the war, rail transport was competitive and rail transport was an alternative mode of transport in Angola. During the war, the rail transport system has been destroyed. Since then, rail transport is no alternative mode of transport anymore. Currently, the Benguela railway company is rehabilitating the railway from the port of Lobito to neighbouring Zambia and DR Congo. There are alternative transport linkages to from east Africa to landlocked Zambia.	Interpretation
Prior to war, rail transport was competitive and alternative mode of transport	Core Statement
During war, rail transport system has been destroyed	
Since then, rail transport is no alternative mode of transport anymore	

Benguela railway company is rehabilitating railway from port of Lobito to neighbouring Zambia and DR Congo	
There are alternative transport linkages to from east Africa to landlocked Zambia	
Angola is retrieving its strength in agricultural production. However, foreign investors will face significant language barriers, and red tape is much more pronounced than in South Africa.	Statement AO-01-05
The interviewee states that a revival of significant agricultural production in Angola is imminent. Foreign investors will encounter barriers, such as the low proficiency of the English language and the relatively high level of officialism.	Interpretation
Revival of significant agricultural production in Angola imminent	Core Statement
Foreign investors will encounter barriers, such as low proficiency of English language and relatively high level of officialism	

## Interviewee 2

Interviewee number two, a researcher at a university in South Africa, made the following statements:

Due to the poor road conditions, Angola heavily relies on airfreight. Since there is more inbound than outbound cargo, the outbound leg is a problem.	Statement AO-02-01
The interviewee states that the state of the road infrastructure is poor in Angola. This makes airfreight an important mode of transport.	Interpretation
State of road infrastructure is poor	Core Statement
Because of poor state of road transport infrastructure, airfreight is important mode of transport	

**Interviewee 6**

Interviewee number six, a researcher at a university in South Africa, made the following statements:

In the 70s and 80s, the beginning of the war in Angola blew up the transport infrastructure. It was not possible anymore to export copper from the copper fields in Zambia via Angola. From then on, copper was exported via Tanzania and South Africa, in spite of the much larger distance to South Africa and the need to change traction units.	Statement AO-06-01
The interviewee states that during the 1970s and 1980s, the war has destroyed the existing transport infrastructure, including road and railway infrastructure and thereby rendered transport from the hinterland and landlocked countries through Angola and Angolan seaports impossible. Since then, Angola was not an alternative transport corridor anymore. From then on, despite larger distances and higher logistical effort, freight from the hinterland countries has been rerouted through either Tanzania or South Africa; newly emerging alternative transport routes have been established.	Interpretation
During the 1970s and 1980s, war has destroyed transport infrastructure, including road and railway infrastructure	Core Statement
Destroyed infrastructure rendered transport from hinterland and landlocked countries through Angola and Angolan seaports impossible	
Since then, Angola was no alternative transport corridor anymore	
Despite larger distances and need to change traction units, freight has been rerouted through either Tanzania or South Africa	
Newly emerging alternative transport routes have been established	

In Lobito, an investment is made to rebuild the Lobito corridor to the DR Congo. However, it takes years to re-operate the railways there; it is not just the infrastructure, but also smooth operations. Wait five years, then the North-South Corridor will get under pressure.	Statement AO-06-02
The interviewee states that there are investments to rehabilitate the railway from Lobito to the Angolan hinterland as well as hinterland countries, like to the DR Congo. However, this not only entails the rehabilitation of the rail infrastructure but also the implementation of smooth railway operations – a process, which will take at least five years. Once operational again, the Lobito corridor will represent an alternative to established transport corridors and threaten the North-South Corridor via South Africa.	Interpretation
There are investments to rehabilitate railway from Lobito to Angolan hinterland as well as hinterland countries, like DR Congo	Core Statement
This not only entails rehabilitation of rail infrastructure but also implementation of smooth railway operations; this will take at least five years	
Once operational again, Lobito corridor will represent an alternative and threaten North-South Corridor via South Africa	

### Interviewee 9

Interviewee number nine, a head of a division at a logistics service provider in South Africa, made the following statements:

An issue in Angola is to get money, the exchange control is difficult.	Statement AO-09-01
The interviewee states that due to the scarcity of foreign exchange and exchange control, it is difficult to get foreign exchange in Angola.	Interpretation

Due to scarcity of foreign exchange and exchange control it is difficult to get foreign exchange	Core Statement

**Interviewee 21**

Interviewee number 21, a head of a division at a logistics service provider in Namibia, made the following statements:

Angola's roads are terrible; they are being rehabilitated.	Statement AO-21-01
The interviewee states that the road infrastructure is poor in Angola. Currently, roads are being rehabilitated.	Interpretation
State of road infrastructure is poor	Core Statement
Roads are being rehabilitated	

**Interviewee 22**

Interviewee number 22, a head of a team at an ocean freight forwarder and carrier in Namibia, made the following statements:

In Angola, everything moves so slowly. A lot of power is sitting with the government. They have elections next year, but probably the same situation as in South Africa will occur. Some issues are sorted out for weeks and the people keep on voting the established leaders.	Statement AO-22-01
The interviewee states that things change only slowly in Angola. By making this statement, the interviewee indicates that the speed of doing business and progress in the development of the economy is low in Angola. The government, the established political leadership, is very powerful and despite the upcoming presidential elections, the general situation will not change. The elections require some actions, but they will change neither the established political system nor the state of the economy.	Interpretation

Speed of doing business and progress in development of economy is low	Core Statement
Established political leadership is very powerful in Angola	
Upcoming presidential elections, will require some actions, but will neither change political system nor state of state of economy	

### Interviewee 29

Interviewee number 29, a head of an organisation at a logistics service provider in Angola, made the following statements:

Many things are happening in this country. Unfortunately, the oil crisis has stopped many projects. This is a young country with many needs.	Statement AO-29-01
The interviewee states that there are many projects underway in Angola; however, the decline in revenues from oil business has led to a stoppage of many projects. The country is young and there are many needs. By making this statement, the interviewee indicates that there is a need for the country to catch up in various aspects.	Interpretation
Many projects are underway in Angola; decline in revenues from oil business has, however, led to stoppage of many projects	Core Statement
There is need for country to catch up in various aspects	
I have been to many countries in Africa. You talk to the government; they listen to you. They are very pro-active, very open. Because of the oil crisis, all the investments are stalled.	Statement AO-29-02
The interviewee states that the government listens to the needs of companies and strives to improve the performance of the economy. The decline in revenues from oil has however led to a temporary stoppage of many investments.	Interpretation



Government listens to needs of companies and strives to improve performance of economy; decline in revenues from oil has led to temporary stoppage of many investments	Core Statement
The import procedures are simple. Of course, the customs code is an Angolan and they have their own rules. If you prepare your documents accordingly, there are no bottlenecks in the port. If you do not, you wait for six to eight weeks. We do a lot for the oil industry; they have emergencies and get cargo even on a Sunday. If exporters do not follow the rules, there is shouting that Angola is a complicated country. It is just that you should have asked the question before. We send our customers written procedures and recommend them to follow them.	Statement AO-29-03
The interviewee states that import regulations are simple and available in advance. To ensure a reasonable import time, importers only have to comply with it. Excessive import time occurs if exporters and importers do not comply with import regulations.	Interpretation
Import regulations are simple and available in advance; to ensure reasonable import time, importers only have to comply with it	Core Statement
Excessive import time occurs if exporters and importers do not comply with import regulations	
Everything is computerised in customs. When you have all your documents ready, you send them to a broker, because in the lusofon countries, they have still maintained what we had in Europe 50 years ago, a customs house broker. Once you have the duty note, you make a bank transfer, not paid in cash. The banking industry in this country is very efficient. Then either customs inspects the cargo or if you are a reputable company, they will release the cargo. Normally, it is fast. Our KPIs for clearing cargo at the port is between six to seven days.	Statement AO-29-04

The interviewee states that customs import document processing is done electronically and customs clearing lead time is good. The performance of the banking system is good. It takes six to seven days to clear import cargo at the port.	Interpretation
Customs import document processes are done electronically	Core Statement
Customs clearing lead time is good	
Performance of banking system is good	
It takes six to seven days to clear import cargo at port	
The government pays its civil servants good salaries. In the customs department, nobody has ever asked me for money as corruption or to accelerate processes. Because of their good salaries, they do not have to look for extra sources of revenue. In other countries, you have to pay for every stamp you receive.	Statement AO-29-05
The interviewee states that corruption at customs is very low. The salary of customs officials is good and there is, thus, no need to look for additional income. This stands in contrast to other countries, where customs officials ask for informal payments.	Interpretation
Corruption at customs is very low	Core Statement
Salary of customs officials is good; there is no need to look for additional income	
In other countries, customs officials ask for informal payments	
Right now, the biggest weakness is the crisis of the currency. We cannot get enough US-Dollars to import; factories and supermarkets face shortages. The oil price came down from 100 to almost twenty. Angola is not the master of its own destiny; the country relies on international markets.	Statement AO-29-06

The interviewee states that currently the biggest weakness of the economy is the significant decrease of the oil price and revenues from oil business. The shortage of foreign exchange leads to shortages of input goods, both for private households as well as companies. Because of the dependency of the oil price on international markets, the country is dependent on the market.	Interpretation
Biggest weakness is significant decrease of revenues from oil business and lack of public funds	Core Statement
Shortage of foreign exchange leads to shortages of input goods, both for private households and companies	
Because of the dependency of oil price on international markets, country is dependent on international oil market	
Another challenge that the government faces in this country is electricity. Right now, it is winter and the electricity supply is quite stable. Wait for three months and all the aircons are running; then we might have cuts. There are lots of projects with countries to improve the electrical system.	Statement AO-29-07
The interviewee states that electricity supply is a weakness in Angola. Whilst during winter demand and supply of electricity is in balance, during summer an increased need for electricity causes power cuts. Projects to increase electricity supply are underway.	Interpretation
Electricity supply is weakness; during winter demand and supply of electricity is in balance, during summer increased need for electricity causes power cuts; projects to increase electricity supply are underway	Core Statement
One of the biggest challenges the government faces is education. Young people are not trained enough and cannot find a job. The Angolan population is young. When we employ our staff, we first train them. More specialised schools would help Angola	Statement AO-29-08

a lot. Getting well-trained people is still a challenge; even in the oil industry with its high number of expatriates. Foreigners will leave sooner or later. The Angolan population can take over; but they need to get educated and trained properly.	
<p>The interviewee states that education is a weakness in Angola. Many Angolans are not sufficiently educated and thus do not find a job. The company needs to train new staff before they meet the expectations. The lack of sufficiently educated and trained people in Angola even affects the oil industry with its high number of foreign staff. The interviewee states that there is a need for specialised schools to qualify people. Because foreign staff leaves the country after a certain period, at some point in time Angolans need to take over their job. This, however, requires that Angolans are sufficiently educated and trained.</p>	Interpretation
Education is weakness in Angola	Core Statement
There is lack of sufficiently educated and trained employees	
Many Angolans are not sufficiently educated and do not find job	
Company needs to train new staff before they meet expectations	
There is need for specialised schools to qualify people	
Because foreign staff leaves country after certain period, Angolans need to take over; this requires that Angolans are sufficiently educated and trained	
<p>This country is still young. Angola became independent in 1975 and from then on, the country was at war. Although Angolans fought against each other, many countries such as South Africa, Russia, Cuba and America fuelled the war. Angola was a theater of international confrontation. Whenever there are rich resources, as with diamonds in the south and oil in the north of Angola, everybody is interested.</p>	<p>Statement AO-29-09</p>

<p>The interviewee states that since the independence in 1975, the country was at war. The abundance of mineral resources has raised the attention of many countries and intensified the war. By making this statement, the interviewee indicates that the abundance of mineral resources in Angola is both a blessing and a curse. On the one hand, the country can economically benefit from the resources; on the other hand, the foreign desire for resources has intensified the war and prevented the country from progress in the development of the economy. It is only for few years that the country has the chance to continue its path of stability and development of the economy.</p>	<p>Interpretation</p>
<p>Since independence in 1975, country was at war</p> <p>Country can economically benefit from abundance of natural resources; foreign desire for resources has intensified war and prevented country from progress in development of economy</p> <p>Only for few years country has chance to continue its path of stability and development of economy</p>	<p>Core Statement</p>
<p>Basic education, higher education and specialised education were my number one priority. Number two would be to increase local food production. To achieve food sufficiency, you need good roads, good seaports, good airports, input materials and processing machinery. All the milk for example is imported. Angola does not lack cows, but infrastructure for distribution either does not exist or is too expensive. Imports from Europe or South Africa are cheaper. The same goes for rice. My third priority would be general infrastructure such as electricity. In order to produce, you need reasonably priced electricity. Once you are self sufficient, you can start exporting to neighbouring countries.</p>	<p>Statement AO-29-10</p>
<p>The interviewee states that the most important areas for improvement are, first, education, i.e. basic education, higher education and specialised education, second, supply, manufacturing and distribution systems, i.e. adequate seaports, road</p>	<p>Interpretation</p>

<p>transport systems, airports, supply of input goods as well as processing machinery, for local food production as well as, third, general infrastructure, such as electricity.</p> <p>It does not lack potential in agricultural production; It lacks an adequate supply and distribution system. There is either a lack of logistics options or the costs of logistics exceed the allowable logistics costs of products. The same applies to electricity supply. Only once these factors are in place, the country could consider exporting.</p>	
<p>Most important areas for improvement are education, supply and distribution system for local food production as well as general infrastructure</p>	Core Statement
- Basic education, higher education and specialised education	
- Adequate seaports, road transport systems, airports, supply of input goods as well as processing machinery for local food production	
It does not lack potential in agricultural production; it lacks an adequate supply and distribution system.	
There is either lack of logistics options or costs of logistics exceed allowable logistics costs of products	
There is need for improvements in electrical infrastructure and costs of electricity	
Only once these factors are in place, country could consider exporting	
<p>There is a huge demand for goods in this country, but there is not enough supply. Prices are too high. Since December 2014, the value of the local currency is coming down and is increasing the price of import goods. International trade becomes more difficult. This was a dollar-based economy until the government decided to abolish the dollar as a legal currency three years ago.</p>	<p>Statement AO-29-11</p>

The interviewee states that the demand for goods significantly exceeds the supply of goods in Angola. The supply of goods is limited by the high costs of import goods. The devaluation of the local currency against major international currencies makes import goods even more expensive. Some years ago, not only international but also domestic trade relied on US-Dollars. The lack of foreign exchange in Angola limits international trade.	Interpretation
Demand for goods significantly exceeds supply of goods in Angola	Core Statement
Supply of goods is limited by high costs of import goods	
Devaluation of local currency against major international currencies makes import goods even more expensive	
Lack of foreign exchange limits international trade	
Currently, the lack of money is an obstacle. Less money is coming in and less money is available for public spending. If everything goes back to normal, the government will support the various policies and increase the conditions of the people. The port efficiency is in the newspaper every day; the government is saying, produce more then you have to import less and you can use the money to buy capital products.	Statement AO-29-12
The interviewee states that the biggest weakness is the lack of funds in Angola. The government and public is aware of the necessary areas for improvements, but the lack of funds prevents these improvements projects from realisation. Provided that the oil price and revenues recover, the projects will be realised.	Interpretation
Biggest weakness is significant decrease of revenues from oil business and lack of public funds	Core Statement
Government and public is aware of necessary areas for improvements	
Lack of funds prevents improvement projects from realisation	

If oil price and revenues recover, projects will be realised	
If everybody agrees to 75 or 80 US \$ a barrel, Angola should come back on its feet very quickly. However, this is wishful thinking. Angola is not the only country which exports oil. The African countries do not have their own destiny at hands.	Statement AO-29-13
The interviewee states that if the oil exporting countries would agree to an oil price at the level before the decay at the end of 2014, the country would recover from its economic downturn and continue the rehabilitation of the economy. However, that is an unlikely event, because of the large supply of oil and high number of oil exporting countries. The price of Angola's oil is determined by demand and supply at international markets.	Interpretation
If oil exporting countries would agree to oil price at level before decay, country would recover from its economic downturn and continue rehabilitation of economy	Core Statement
That is unlikely event, because of large supply of oil and high number of oil exporting countries	
Before the crisis, there was congestion at the port; there is no congestion anymore. Unfortunately, the volumes have significantly decreased. In 2014, there was a waiting time of 14 days for vessels to be berthed. Today, the port is almost empty and the cranes are idle.	Statement AO-29-14
The interviewee states that the port of Luanda was congested before the decay of the oil price. The congestion of the port caused significant waiting time for vessels. The decay of the oil price led to a significant reduction of volumes at the port and eliminated the congestion.	Interpretation
Port of Luanda was congested before decay of oil price	Core Statement
Congestion of port of Luanda caused significant vessel waiting time	



Decay of oil price led to significant reduction of volumes at port and eliminated congestion	
The port is not as good as Singapore or Rotterdam, but it is not among the worst port either.	Statement AO-29-15
The interviewee states that performance of the port of Luanda is neither very good nor very poor. By making this statement, the interviewee indicates that there is room for improvement in port performance.	Interpretation
Performance of port of Luanda is neither very good nor very poor	Core Statement
There is room for improvement in performance at port of Luanda	
Luanda needs a bigger port with a more efficient delivery system. The access roads to the port are in a poor condition.	Statement AO-29-16
The interviewee states that the port of Luanda is in need for higher capacity. The state of the access roads to the port is poor. The landward accessibility of the port needs to improve.	Interpretation
Port of Luanda is in need for higher capacity	Core Statement
State of access roads to port of Luanda is poor	
Landward accessibility of port needs to improve	
Because the port works 24 hours 7 days a week, you can leave the port at any time. However, all customs offices close on Friday at 3 p.m. until Monday morning, both at the port as at land borders such as Santa Clara. This is one thing that the government should look at.	Statement AO-29-17
The interviewee states that working times of customs is a weakness, both at the port as well as at the landborders. Whilst cleared goods can be picked up even on weekends, customs does not work on weekends and non-cleared goods cannot	Interpretation

cross the border. The government should address this weakness.	
Working times of customs is weakness at port and land borders	Core Statement
Cleared goods can be picked up even on weekends, customs does not work on weekends and non-cleared goods cannot cross borders	
Government should address this weakness	
The road conditions are bad. Even the roads that link the country itself are in bad condition. We need more roads.	Statement AO-29-18
The interviewee states that the state of the road infrastructure is poor on domestic as well as cross-broder routes. There is a need for more roads.	Interpretation
State of road infrastructure is poor on domestic and cross-border routes	Core Statement
There is need for more roads	
They are talking about the new customs system Sydonia World. What happens now is that our documents have to be rewritten at the Namibian side. You are loosing time. The intention of the United Nations is to have all countries of Africa to have the same customs software.	Statement AO-29-19
The interviewee states that the country is planning to implement a new customs IT system that would set a standard for import and export documents between countries. This would eliminate the need to create new customs documents at borders and reduce the time to cross borders.	Interpretation
Country is considering to implement new customs IT system that would set standard for import and export documents between countries	Core Statement

This would eliminate need to create new customs documents at borders and reduce time to cross borders	
DR Congo and Zambia are not that far. Angola is a perfect point of entry for those countries. There is some trade, but it can improve a lot. I do not think the government is currently making up a corridor strategy; private companies are working on that. We are very interested to take cargo for instance from Luanda to Kinshasa. Our company has to invest more to see how we could do business on these routes.	Statement AO-29-20
The interviewee states that that there is trade on the routes between Angolan ports and neighbouring countries; volumes are however low. Due to the proximity to the DR Congo and Zambia, Angola would be an ideal logistics gateway. Although private companies are interested in offering their logistics services on routes to neighbouring countries, the government does not seem to focus on building up transport corridors. Private companies would first need to clarify the market potential.	Interpretation
There is trade on routes between Angolan ports and neighbouring countries; volumes are however low	Core Statement
Due to proximity to DR Congo and Zambia, Angola would be ideal logistics gateway	
Private companies are interested in offering logistics services on routes to neighbouring countries; government does not focus on building up corridors	
Private companies would first need to clarify market potential	
Even the railways are missing. Road transport is dangerous in Angola; many accidents happen. Because there is neither a capable passenger rail transport nor a metro in Luanda, cars are the primary mode of passenger transport in Luanda and impede freight transport.	Statement AO-29-21

The interviewee states that because of high accidents rates, road transport is dangerous in Angola. Rail infrastructure does not exist. In Luanda, the intense use of cars for passenger transport causes congestion and impedes freight transport.	Interpretation
Rail infrastucture does not exist in Angola	Core Statement
Because of high accidents rates, road transport is dangerous	
In Luanda, intense use of cars for passenger transport causes congestion and impedes freight transport	
A capable railway transport system would help a lot. Most of the agricultural land is outside of big cities. Transport is very expensive. The government has financed about 32 logistics centres throughout the country, where farmers can bring their food and that centre would then distribute it. Even local food in the super-market is expensive because of the lack of infrastructure and the high costs of transport.	Statement AO-29-22
The interviewee states that not only import goods are expensive in Angola, but also locally produced goods. High prices of local goods result from high transport costs. Because most agricul-tural land is outside of economic centres, an adequate rail transport system would facilitate the distribution and foster the production of agricultural products. The government has fi-nanced logistics centres throughout the country to improve trade and transport.	Interpretation
Not only import goods are expensive, also locally produced goods	Core Statement
High prices of local goods result from high transport costs	
Because most agricultural land is outside of economic centres, adequate rail transport system would facilitate distribution and foster production of agricultural products	
Government has financed logistics centres throughout country to improve trade and transport	

<p>Nigeria grows rice. The Nigerian population is about 200 millions; the Angola is only 25 millions. Nigeria did not go through the same kind of civil war as Angola did. Nigeria’s economy is well diversified; there is even textile, wheat and flower production. The Nigerian government set up import bans on certain products to increase local production. The Angolan government has to create a business environment that motivates people to invest for instance in agriculture. Ivory coast, Cameroon and Ghana are exporting pineapple; Angola can export pineapple as well. However, what is the point if you cannot distribute and sell it?</p>	<p>Statement AO-29-23</p>
<p>The interviewee states that in contrast to other countries on the African continent, such as Nigeria, Angola does not have a large agricultural industry. However, the country has the potential to become an exporter of many agricultural goods. A number of factors that contribute to the manufacturing and export intensity of these countries, such as a high population and a lack of wars on their own territory, do not exist in Angola. The government should establish an environment that incentivises people to produce agricultural goods. There is a need for an adequate distribution system to market locally produced agricultural goods.</p>	<p>Interpretation</p>
<p>In contrast to other countries, Angola does not have large agricultural industry; country has potential to become exporter of many agricultural goods</p>	<p>Core Statement</p>
<p>Number of factors that contribute to their manufacturing and export intensity, such as high population and lack of wars, do not exist in Angola</p>	
<p>Government should establish environment that incentivises people to produce agricultural goods</p>	
<p>There is need for adequate distribution system to market locally produced agricultural goods</p>	

Agriculturally speaking, not in industrial manufacturing, before the independence, this country was very prosperous.	Statement AO-29-24
The interviewee states that before the independence, before the war in Angola, the country had a well performing agricultural industry.	Interpretation
Before independence, country had well performing agricultural industry	Core Statement
South Africa is producing a lot of things at reasonable price. South Africa is a big supplier here. A portion of it could be done here as well. South Africa has good roads, has a good railway system, many airlines compete against each other. That brings transport and goods prices down. Tourists spend a lot of money there.	Statement AO-29-25
The interviewee states that many goods in Angola are imported from South Africa. The road and rail transport system is good in South Africa and there is competition in the air transport industry. The country has a large manufacturing industry. The high performance of the transport system allows South Africa to provide goods at reasonable prices. By making this statement, the interviewee indicates that an adequate logistics system would allow Angola to market locally produced goods and to strengthen its manufacturing industry.	Interpretation
Many goods in Angola are imported from South Africa	Core Statement
Road and rail transport system is good in South Africa and there is competition in air transport industry; country has large manufacturing industry	
High performance of transport system allows South Africa to provide goods at reasonable prices	
Adequate logistics system would allow Angola to market locally produced goods and to strengthen its manufacturing industry	

We are importing foreign inflation. This is a vicious circle that has to stop. We need to produce our own basic goods, such as milk, medicine, manufacturing of shoes, paint, bricks, cement.	Statement AO-29-26
The interviewee states that due to the high share of import goods of its total consumption, foreign inflation rates affect the costs of goods consumption in Angola. In order to reduce price surpluses from foreign inflation, basic goods, such as dairy, medicine, construction and clothing products, need to be produced in Angola.	Interpretation
Due to high share of import goods of its total consumption, foreign inflation rates affect costs of goods consumption in Angola	Core Statement
To reduce price surpluses from foreign inflation, basic goods, such as dairy, medicine, construction and clothing products, need to be produced in Angola	

### Interviewee 30

Interviewee number 30, a head of a division at a petroleum company in Angola, made the following statements:

The war destroyed our transport system. We did not have a modern supply chain system; we only had a view of transport from A to B.	Statement AO-30-01
The interviewee states that the country is still at the transportation, handling and storage stage of logistics and supply chains. The country does not have a supply chain system as it is common in developed countries. The war has destroyed the transport infrastructure.	Interpretation
Country is still at transportation, handling and storage stage of logistics and supply chains; supply chain system as it is common in developed countries does not exist in Angola	Core Statement
War has destroyed transport infrastructure	

<p>The number one factor of today's state of supply chain performance in Angola is the war. The second factor is an outcome of the war, the inward looking view on transport and the economy in Angola. Because the military needed supply chains to run the war, they might have a different view. Their equipment supplies came from abroad, mainly by vessel and airplane, and they needed infrastructure to distribute their supplies. You cannot maintain a war without a good supply chain.</p>	<p>Statement AO-30-02</p>
<p>The interviewee states that the war is the reason that explains the state of supply chain performance in Angola. The war has isolated the country. During war, improvements in commercial cross-country supply chain performance were of little importance. Because of the war, the situation of military cross-country supply chains was very different. In order to wage the war military equipment had to be imported to and distributed in Angola.</p>	<p>Interpretation</p>
<p>War explains state of supply chain performance in Angola</p>	<p>Core Statement</p>
<p>War has isolated country</p>	
<p>During war, improvements in commercial cross-country supply chain performance were of little importance</p>	
<p>Situation of military cross-country supply chains was very different; to wage war military equipment had to be imported and distributed</p>	
<p>There are two main reasons why we need to increase our supply chain performance. First, the country is growing and there is a growing need for goods. The government and the private sector have to collaborate in order to increase our supply chain performance. Second, we are no longer in war; we are being integrated in international supply chains. To be part of it, we need to be able to keep pace with their performance.</p>	<p>Statement AO-30-03</p>



<p>The interviewee states that two main reasons explain the need for improvements in supply chain performance in Angola. First, the population and the economy of the country are growing; thus, there is an increasing demand for goods. Second, as part of the development of the economy, the country is more and more integrated in cross-country supply chains. In order to smoothly integrate into cross-country supply chains, the country needs to provide a compatible supply chain performance. The government and the private sector are responsible to plan and take actions to improve the supply chain performance of the country.</p>	<p>Interpretation</p>
<p>Two main reasons explain need for improvements in supply chain performance</p> <ul style="list-style-type: none"> <li>- First, population and economy of country are growing; thus, there is an increasing demand for goods</li> <li>- Second, country is more and more integrated in cross-country supply chains; to smoothly intergrate into cross-country supply chains, country needs to provide compatible supply chain performance</li> </ul> <p>Government and private sector are responsible to plan and take actions to improve supply chain performance</p>	<p>Core Statement</p>
<p>I believe that our economy will grow in size. As an economy, we need to comply with the world-class performance standard. When I look at people's behaviour, education and attitude, I think it will take us more than 15 years to achieve. Although we have about ten universities, the quality of education is still poor. This was different in the 1980s.</p>	<p>Statement AO-30-04</p>
<p>The interviewee states that the population and economy will continue to grow in the future. In order to smoothly integrate into international supply chains, the country needs to close the gap to the international standard of supply chain performance. However, this will take at least 15 years. The behaviour, attitude and</p>	<p>Interpretation</p>

education of the population is not as it is supposed to be. Education is not as good as it was shortly after independence. Although a number of higher education entities exist, the quality of educations is poor.	
To smoothly integrate into international supply chains, country needs to close gap to international standard of supply chain performance; this will take at least 15 years	Core Statement
Behaviour, attitude and education of population is not as it is supposed to be	
Education is not as good as it was shortly after independence; although number of higher education entities exist, quality of education is poor	
First, we need improvements in infrastructure, i.e. roads, telecommunication, seaports and airports. Second, we need improvements in fiscal regulation. The government forces people to pay taxes before they even earn it. We need to attract investors by allowing them to earn money. For instance, the government should not collect revenues for goods before they come into the country but rather once they have added value. The same applies to road and air transport. The costs of transport to and within Angola impedes business. The government should provide incentives for companies to trade and invest.	Statement AO-30-05
The interviewee states that there are two main areas for improvement. First, there is a need for improvements in road, telecommunication and seaport as well as airport infrastructure. Second, there is a need for improvements in fiscal regulation. The regulatory system of trade and doing business is not conducive. The government should establish a regulatory system that brings companies to do more business in Angola and charge companies for public services once they have created value.	Interpretation
There are two main areas for improvement:	Core Statement

- There is need for improvements in road, telecommunication and seaport as well as airport infrastructure	
- There is need for improvements in fiscal regulation; government should establish regulatory system that brings companies to do more business and charge companies for public service once they have created value	
The best infrastructure is worth nothing if I do not have the right people to run the business. Look at the roads, six years after rehabilitation they are deteriorated. Sound planning and execution is not a virtue of the Angolan population. We need to prepare the people for change. This may represent an obstacle to an increase in supply chain performance.	Statement AO-30-06
The interviewee states that in addition to improvements in infrastructure, there is a need for improvements in qualification of people. People are living for today, instead of setting up long-term plans and successively putting those plans into action. If people do not advance their attitude and behaviour, this may hinder improvements in supply chain performance in Angola.	Interpretation
There is need for improvements in qualification of people; people are living for today, instead of setting up long-term plans and successively putting plans into action	Core Statement
If people do not advance their attitude and behaviour, this may hinder improvements in supply chain performance	
Supply chains are a big area for corruption. You almost have no structure, but you have large needs. People do not have a sense of developing long-term relationships. You have a good opportunity for corruption. Corruption is an issue in Angola. Governmental regulations have always been there, but one of the consequences of the war is that there are shortcuts for everything and people make use of it.	Statement AO-30-07

The interviewee states that the low maturity of supply chains in Angola, the people’s short-term oriented view and need to participate in economic wealth provide a conducive environment for corruption in Angola. There is no lack in public policies that prescribe a formal way; rather during the war, the common behaviour to bypass the formal way has established.	Interpretation
Low maturity of supply chains, people’s short-term oriented view and need to participate in economic wealth provide a conducive environment for corruption	Core Statement
There is no lack of public policies that prescribe formal way; rather during war, common behaviour to bypass the formal way has established	
A good example to look at is South Africa. The way they develop their infrastructure, the way they link the country and the way they design their policies is good. Even their people are qualified and trained. That should be transported to Angola.	Statement AO-30-08
The interviewee states that because of its strategy and actions of developing the infrastructure, transport linkages, public policies as well as education and training of people, South Africa is a good example that Angola should look at and adopt from.	Interpretation
Because of its strategy and actions of developing infrastructure, transport linkages, public policies as well as education and training of people, South Africa is good example that Angola should look at and adopt from	Core Statement
The main ports for general goods are the port of Luanda, port of Lobito, port of Namibe and port of Cabinda. The war destroyed the equipment of the port of Namibe, but it is recovering. The port of Soyo has a terminal for general cargo, but is mainly an oil and gas port. The population there is small. Those ports have been extended; there were a number of upgrades. Luanda and Lobito are the only deepwater ports in Angola. Most imports and	Statement AO-30-09

exports go through the ports. Ports are the most developed part of supply chains in Angola.	
The interviewee states that the country has four major ports for general cargo; they differ from the major ports for oil and gas. These are the port of Luanda, the port of Lobito, port of Namibe and port of Cabinda. During the war, the equipment of the port of Namibe has been destroyed, but it is being rehabilitated. In recent years, these ports have been extended and upgraded. The port of Luanda and port of Lobito are the only deepwater ports in Angola. The share of cargo that enters or leaves the country through its ports is high, thus ports are of high importance in Angola. The ports are the most developed of all parts of supply chains in Angola.	Interpretation
Country has four major ports for general cargo; they differ from major ports for oil and gas; these are port of Luanda, Lobito, Namibe and Cabinda	Core Statement
During war, equipment of port of Namibe has been destroyed but is being rehabilitated	
In recent years, ports have been extended and upgraded	
Port of Luanda and Lobito are only deepwater ports in Angola	
High share of cargo that enters or leaves country through ports; thus ports are of high importance in Angola	
Ports are most developed of all parts of supply chains in Angola	
The ports are the strongest part of supply chains in Angola. A lot of investments have been made and processes improved. We hired consultancies to help to modernise our infrastructure and processes. For example, an English consultancy helped to improve our customs. The ports are the only part where you have good visibility.	Statement AO-30-10

The interviewee states that the ports are the best performing part of supply chains in Angola. The ports provide the highest visibility of goods of all part of supply chains in Angola. This is because of the improvements and investments in port infrastructure and processes as well as customs.	Interpretation
Ports are best performing part of supply chains in Angola	Core Statement
Investments and improvements in port infrastructure and processes as well as customs explain port performance	
Ports provide highest visibility of goods of all part of supply chains in Angola	
We used to have good roads, but they have been destroyed during the war. Six years ago, with the reconstruction of the country the government managed to rehabilitate the main roads that link the country; with the exception of the road that links Luanda and Soyo as well as secondary or tertiary roads. The material that has been used was not the best. Today, most of them are damaged again.	Statement AO-30-11
The interviewee states that prior to the war, the country had a good road transport infrastructure. During the war, the road transport infrastructure has been destroyed. Some years ago, the main road infrastructure, apart from a section between Luanda and Soyo, has been rehabilitated. The state of secondary and tertiary roads is still poor. The recently rehabilitated main road infrastructure deteriorated in the meantime. The quality of the road construction material that has been used was not sufficient.	Interpretation
Prior to war, country had good road transport infrastructure; during war, road transport infrastructure has been destroyed	Core Statement
Some years ago, main road infrastructure, apart from section between Luanda and Soyo, has been rehabilitated; rehabilitated road infrastructure deteriorated in meantime	

State of secondary and tertiary roads is still poor	
Quality of road construction material that has been used was not sufficient	
The gap you see between the end of the war and the point in time when the rehabilitation in Angola began, six years ago, is the demining process. That was the first step before you could build new houses, relocate people and before you could rehabilitate roads and railways. This process took at least seven years. You cannot miss it. When we did the dredging in Soyo in 2007, we still found land mines in the port. All strategically important areas have been mined.	Statement AO-30-12
The interviewee states that during the war strategically important locations have been mined. The country had to be demined before rehabilitation measures could start. It was only about eight years after the end of the war that the country could start rehabilitating residential and transport infrastructure.	Interpretation
During war, strategically important locations have been mined	Core Statement
Country had to be demined before rehabilitation measures could start	
It was only about eight years after end of war that country could start rehabilitating residential and transport infrastructure	
There is not much rail transport. There are three railways in Angola, the Caminho the Ferro de Luanda from Luanda to Malanje, the Caminho de Ferro de Benguela from Benguela to Luena and Zambia and the Caminho de Ferro de Moçâmedes from Namibe to Menongue. This one is supposed to be extended to Namibia, Mozambique and South Africa. From Luanda to the south, there is only a road, no railway.	Statement AO-30-13
The interviewee states that not much freight is carried on rail. There are three major railways in Angola, namely a line from	Interpretation

Luanda to Malanje, a line from Benguela to Luena and a line from Namibe to Menongue. A railway from Luanda to the south does not exist. There are plans to extend the line from Namibe and connect it to the rail network in Mozambique, Namibia and South Africa.	
Not much freight is carried on rail	Core Statement
Three major railways in Angola, namely a line from Luanda to Malanje, from Benguela to Luena and from Namibe to Menongue	
Railway from Luanda to south does not exist	
There are plans to extend line from Namibe and connect it to rail network in Mozambique, Namibia and South Africa	
Manufacturing is new to Angola. For the past four years, we have developed an industrial zone for non-oil and gas in Luanda.	Statement AO-30-14
The interviewee states that local manufacturing is new to Angola. An industrial zone has been established in Luanda.	Interpretation
Local manufacturing is new to Angola	Core Statement
Industrial zone has been established in Luanda	
For Angola, the main driver is oil and gas. The oil and gas industry has a very peculiar supply chain. It is an imported supply chain, imbedded in the oil and gas company structure. It is an internal supply chain. Those companies already bring a ready-made supply chain.	Statement AO-30-15
The interviewee states that the most important contributor to the Angolan economy is the oil and gas sector. Their supply chain however differs significantly from the supply chain of manufacturing goods. Oil and gas supply chains are tailored and limited to these products.	Interpretation



Most important contributor to Angolan economy is oil and gas sector	Core Statement
Oil and gas supply chain differs significantly from supply chain of manufacturing goods; oil and gas supply chains are tailored and limited only to these products	
For seven years, you see some local content demand. Before, importing was considered as normal. The government issued laws that required investors to create local benefits, which allowed the supply chain being developed. They even forced the oil and gas industry to open up their supply chains.	Statement AO-30-16
The interviewee states that seven years ago, the government started issuing and enforcing local content legislation for both the oil and gas as well as non-oil and gas sector in order to help local supply chains to develop and create benefits for the population. Prior to this, importing goods was the typical case.	Interpretation
Seven years ago, government started to issue and enforce local content legislation for both oil and gas as well as non-oil and gas sector in order to help local supply chains to develop and create benefits for population; prior, importing goods was typical case	Core Statement
Many years ago, because of the war and the land mines, agricultural production stopped. In the 1980s, Angola used to be one of the top five coffee producers in the world. We used to produce high quality cotton. It was only two years ago, that coffee production started again in Angola. After the war, people became lazy, because oil and gas is easy money.	Statement AO-30-17
The interviewee states that prior to the war, the country was one of the top coffee producers and produced high quality cotton. The war has led to a collapse of agricultural production in Angola. After the war, oil production turned out to be the more profitable business and it was only two years ago that coffee production has been resumed in Angola.	Interpretation

Prior to war, country was one of top coffee producers and produced high quality cotton; war has led to collapse of agricultural production in Angola	Core Statement
After war, oil production turned out to be more profitable business and it was only two years ago that coffee production has been resumed in Angola	
Angola has a huge agricultural potential, but it does not have the necessary road infrastructure any more. There is no adequate road infrastructure to enable effective supply chains.	Statement AO-30-18
The interviewee that it is not the lack of potential for agricultural production but rather the lack of a road transport system that allows the country to distribute agricultural goods adequately.	Interpretation
No lack of potential for agricultural production but rather lack of road transport system that allows country to distribute agricultural goods adequately	Core Statement

### Interviewee 32

Interviewee number 32, a head of an organisation at a freight forwarding company in Angola, made the following statements:

Since the crisis, the economic situation is much more difficult. Many companies left the country.	Statement AO-32-01
The interviewee states that the oil crisis brought about a difficult business environment.	Interpretation
Oil crisis brought about difficult business environment	Core Statement
Due to the lack of foreign exchange, we have difficulties to get spareparts. This was different before the oil crisis. Between 2005 and 2015, it was much easier. You could get almost everything. 2014 was a fantastic year.	Statement AO-32-02

The interviewee states that between 2005 and 2015 the economy was flourishing; almost every good was available on the market in Angola. Since the outbreak of the oil crisis, there is a lack of foreign exchange and, as a result, a lack of import goods, such as spareparts.	Interpretation
Between 2005 and 2015 economy was flourishing; almost every good was available on market in Angola	Core Statement
Since outbreak of oil crisis, there is lack of foreign exchange and, as result, a lack of import goods, such as spareparts	
Since the end of the war, everything has improved.	Statement AO-32-03
The interviewee states that since the end of the war almost everything that affects supply chain performance has improved.	Interpretation
Since end of war almost everything that affects supply chain performance has improved	Core Statement
I cannot make any comment on the future prospects. It all depends on the oil price. If the oil price goes up, the economy will go well. If oil price goes down, the economy will go down.	Statement AO-32-04
The interviewee states that because of the high dependency of the economy on the international oil price, future prospects on the development of the economy cannot be made. If the oil price goes back to the level before the crisis, the economy will continue to flourish. If the oil price remains low, the economy will continue to ail.	Interpretation
Because of high dependency of economy on international oil price, future prospects on development of economy cannot be made	Core Statement
If oil price goes back to level before crisis, economy will continue to flourish	

If oil price remains low, economy will continue to ail	
Running manufacturing operations is the responsibility of the private sector. Running logistics operations, such as ports and railway lines is a public and private responsibility. In port and railway operations, the government should engage in partnerships with the private sector.	Statement AO-32-05
The interviewee states that in contrast to manufacturing operations, seaport and railway operations are subject to the governments's responsibility. The government should enter into public-private partnerships to run ports and railways.	Interpretation
In contrast to manufacturing operations, seaport and railway operations are subject to governments's responsibility	Core Statement
Government should enter into public-private partnerships to run ports and railways	
The lack of money is the only obstacle on the way to further improvements. Oil represent 95 percent of the total public income.	Statement AO-32-06
The interviewee states that the lack of foreign exchanges represents the only obstacle on the way to the rehabilitaton and strengthening of the economy. Because of the almost exclusive dependency of the public income on oil exports, the international oil price decides on the economic situation.	Interpretation
Lack of foreign exchange represents only obstacle on way to rehabilitaton and strengthening of economy	Core Statement
Because of almost exclusive dependency of public income on oil exports, international oil price decides on economic situation	
You cannot plan with the eyes of Europe. In my opinion, this is not the main problem. The main problem here is we need to have funds in order to provide the conditions to grow. Then there	Statement AO-32-07

is a second level of problems. The government is currently investing in electrical infrastructure in order to solve power problems in 2017.	
The interviewee states that the business environment in Angola is very different from European countries. Differences in the business environment are, however, not a major explanatory factor for the difficult situation of the economy. The major problem is the lack of foreign exchange, which is needed to sort out infrastructure deficiencies, such as electrical infrastructure deficiencies.	Interpretation
Business environment is very different from European countries; this is not major explanatory factor for difficult situation of economy	Core Statement
Major problem is lack of foreign exchange, which is needed to sort out infrastructure deficiencies, such as electrical infrastructure deficiencies	
Angola is a country with strong potential. The crisis is an obstacle. The government will find a way to develop the country. That is what they are doing right now. It will take time. In one or two years, the economic situation will return to normal.	Statement AO-32-08
The interviewee states that the country has a lot of economic potential. The decay of the oil price has, however, interrupted the country's rehabilitation. The government is busy developing the country and will continue to do so. The crisis is expected to come to an end within the next two years.	Interpretation
Country has lot of economic potential	Core Statement
Decay of oil price has, however, interrupted country's rehabilitation	
Government is busy developing country and government will continue to do so	
Crisis is expected to come to an end within next two years	

The transshipment volume dropped by 50 per cent from 2015 to 2016.	Statement AO-32-09
The interviewee states that from 2015 to 2016 port handling volumes dropped significantly.	Interpretation
From 2015 to 2016, port handling volumes dropped significantly	Core Statement
Port charges are high because operations, in particular crane movements, are slow in Angola. It takes more time to discharge vessels and this increases costs. This applies to all main commercial ports in Angola, Luanda, Cabinda, Lobito and Namibe.	Statement AO-32-10
The interviewee states that due to slow crane movements, it takes more time to unload and load vessels and this in turn increases port charges at Angolan ports.	Interpretation
Due to slow crane movements, it takes more time to unload and load vessels and this in turn increases port charges in Angola	Core Statement
The ports have a lot to improve, for instance the interface to road transport, the interface with rail.	Statement AO-32-11
The interviewee states that there is much need for improvement in Angolan ports, for instance the interface between ports as well as road and rail transport.	Interpretation
There is much need for improvement in Angolan ports, e.g. interface between ports as well as road and rail transport	Core Statement
It takes between five to ten days to import goods from vessel arrival to warehouse availability. If everything is correct, it may even take only three to five days. Export is more complicated. Procedures are complicated. Export processes are slow. Export takes at least seven days.	Statement AO-32-12

The interviewee states that it takes less time to import goods than to export goods. In contrast to import processes at the port, export processes are complicated and slow.	Interpretation
It takes less time to import goods than to export goods; in contrast to import processes at port, export processes are complicated and slow	Core Statement
Importing goods is routine in Angola, whilst exporting is only starting now. That is why it takes less time to import goods than export goods. Two years ago, there were no exports, only spare parts to be repaired. At the moment, they are starting to create an export routine.	Statement AO-32-13
The interviewee states that two years ago, virtually no exports went through Angolan ports, only imports. It is only now that the country is starting to export goods. In contrast to import processes, export processes are not subject to an established routine.	Interpretation
Two years ago, virtually no exports went through Angolan ports, only imports	Core Statement
It is only now that country is starting to export goods; in contrast to import processes, export processes are not subject to established routine	
Since the end of the war, port performance improved. More shipping lines and higher volumes come to Angola. Until the beginning of 2015, the industry was growing a lot.	Statement AO-32-14
The interviewee states that since the end of the war, port performance significantly improved; more shipping lines called at Angolan ports and ports recorded higher volumes. This development lasted until the outbreak of the oil crisis.	Interpretation

Since end of war, port performance significantly improved; more shipping lines called at Angolan ports and ports recorded higher volumes; development lasted until outbreak of oil crisis	Core Statement
The government has rehabilitated the road infrastructure in Angola. Now, the task is to maintain the quality of the road infrastructure. There is a lack of money and resulting problems with the quality of the roads.	Statement AO-32-15
The interviewee states that the road infrastructure has been rehabilitated and now it is necessary to invest in road infrastructure maintenance. However, the lack of foreign exchange does not allow adequate investments in maintenance.	Interpretation
Road infrastructure has been rehabilitated and now it is necessary to invest in maintenance	Core Statement
Lack of foreign exchange does not allow adequate maintenance	
The government is responsible to drive those projects. They need the support of private companies.	Statement AO-32-16
The interviewee states that the government is responsible to drive road infrastructure maintenance. The interviewee states that the government is reliant on support from private companies. By making this statement, the interviewee indicates that maintenance measures should be carried out by private companies.	Interpretation
Government is responsible to drive road infrastructure maintenance	Core Statement
Maintenance measures should be carried out by private companies	
There is a rail terminal not far away from the port. Rail transport is not much used yet, mainly trucks.	Statement AO-32-17



The interviewee stated that close to the port of Luanda, there is a rail terminal; however, rail transport is not used much in Angola. Road transport is the main mode of transport.	Interpretation
Close to port of Luanda, there is a rail terminal; however, rail transport is not used much in Angola	Core Statement
Road transport is main mode of transport	
Before the beginning of the oil crisis, the government was trying to finalise the rehabilitation of the railway between Lobito and Zambia. Now they are developing the railway from Namibe in order to connect with Namibia in the future. The government is running many projects.	Statement AO-32-18
The interviewee states that prior to the decay of the oil price, the government rehabilitated or was busy rehabilitating the railway from the port of Lobito to Zambia, the Benguela railway line. The government is currently busy rehabilitating the railway line from the port of Namibe in order to connect with Namibia in the future. The government is carrying out a number of projects. By making this statement, the interviewee indicates that the government is busy and willing to develop the country's economic performance and takes actions.	Interpretation
Prior to decay of oil price, government rehabilitated or was busy rehabilitating Benguela railway line	Core Statement
Government is currently busy rehabilitating railway line from port of Namibe to connect with Namibia in the future	
Government is busy and willing to develop country's economic performance and takes actions	
The country needs to increase its exports of non-oil goods and reduce its dependency on oil. Agriculture should be developed, such as timber, fish and industry. Industry includes everything that can be produced in Angola and is currently imported.	Statement AO-32-19

The interviewee states that there is a need to reduce the country's dependency on oil by increasing the production and export of goods in Angola. This could include goods for local demand as well as timber and fish for export.	Interpretation
There is need to reduce country's dependency on oil by increasing production and export of goods in Angola; e.g. goods for local demand as well as timber and fish for export	Core Statement

### Interviewee 33

Interviewee number 33, a head of an organisation at a freight forwarding company in Angola, made the following statements:

The crisis has changed the situation in Luanda and Angola totally. Before the crisis, the city of Luanda was highly congested; now congestion is significantly lower. The economic situation is very bad. The country is bankrupt. People do not have money anymore.	Statement AO-33-01
The interviewee states that the decay of the oil price has led the country into an economic crisis. The economic situation is poor and business volume as well as income decreased significantly.	Interpretation
Decay of oil price has led country into an economic crisis	Core Statement
Economic situation is poor and business volume as well as income decreased significantly	
There is a large gap between import and export volumes in Angola. There is much more import than export volume.	Statement AO-33-02
The interviewee states that there is a large imbalance between import and export volumes in Angola. Import volumes significantly exceed export volumes.	Interpretation
There is large imbalance between import and export volumes in Angola; import volumes significantly exceed export volumes	Core Statement

Bureaucracy in Angola is not worse than in Portugal or France, but public entities do not have the necessary capacity to process the documents within reasonable time. This applies for instance to customs clearance as well as licensing and certification by ministries.	Statement AO-33-03
The interviewee states that customs import processes and foregoing necessary licensing and certification processes take too much time. This is not caused by higher administrative requirements compared to other countries, such as Portugal or France, but rather by insufficient staff capacity.	Interpretation
Customs import processes and foregoing necessary licensing and certification processes take too much time	Core Statement
This is not caused by higher administrative requirements compared to other countries, such as Portugal or France, but rather by insufficient staff capacity	
In the port of Luanda, we were facing problems with paying port charges for many years. We often lost two days before we got our cargo because of inefficient and deficient payment processes. In 2015, the port of Luanda implemented an IT system. Now it is efficient. We get our invoice online; we pay online and get the receipt online. This has accelerated the import process.	Statement AO-33-04
The interviewee states that in the past because of inefficient payment processes, import processes often took more time. The implementation of a new IT system now allows online invoicing and payments and thereby has reduced the time to import goods.	Interpretation
In past because of inefficient payment processes, import processes often took more time	Core Statement
Implementation of new IT system now allows online invoicing and payments and has reduced time to import goods	

Bromangol, a governmently-mandated company, inspects all food imports. The process is taking too much time. This increases import time.	Statement AO-33-05
The interviewee states that the cargo inspection of food imports is taking too much time. All foods imports are physically inspected by a governmently-mandated private company.	Interpretation
Cargo inspection of food imports is taking too much time	Core Statement
Foods imports are physically inspected by governmently-mandated private company	
These days there is a surge in inspection. Because of the crisis, since the first quarter 2015 cargo dropped by 50 per cent. Construction materials, FMCG and vehicles dropped significantly; vehicles even dropped by 80 per cent. This increases the inspection rate.	Statement AO-33-06
The interviewee states that the decay of the oil price and resulting economic crisis in Angola has caused imports, such as construction materials, fast moving consumer goods and vehicles, to significantly decline. Because of lower volumes, the share of physically inspected goods by customs increased significantly.	Interpretation
Decay of oil price and resulting economic crisis has caused imports, e.g. construction materials, fast moving consumer goods and vehicles, to significantly decline	Core Statement
Because of lower volumes, share of physically inspected goods by customs increased significantly	
Customs is reasonably fast, we cannot really complain. Customs staff is trained by an English consultancy. They have implemented customs processes and trained many people in Angola. They did a good job. Customs is one of the governmental organisations, which is efficient.	Statement AO-33-07

The interviewee states that the performance of customs in Angola is good. A foreign consultancy has introduced new customs processes and trained customs staff in Angola. Customs is one of the well-performing public organisations in Angola.	Interpretation
Performance of customs in Angola is good	Core Statement
Foreign consultancy has introduced new customs processes and trained customs staff in Angola	
Customs is one of the well-performing public organisations in Angola	
What I have heard about Namibia, the port of Walvis Bay is good. But Angolan ports are not bad. Luanda has improved over the last ten years. In Luanda, in some container terminals, productivity is good. Productivity in Lobito and Namibe is low.	Statement AO-33-08
The interviewee states that port performance at the port of Walvis Bay is supposed to be higher than port performance of the port of Luanda. During the last ten years, the performance of the port of Luanda has improved; at some terminals, the performance is good. The performance at the port of Lobito and Namibe is poor.	Interpretation
Port performance at port of Walvis Bay is supposed to be higher than port performance of port of Luanda	Core Statement
During the last ten years, the performance of the port of Luanda has improved; at some terminals performance is good	
Performance at port of Lobito and Namibe is poor	
The road infrastructure has been improved during the last 15 years. The roads are not maintained enough and the roads around the port are not in good condition. This is causing problems.	Statement AO-33-09
The interviewee states that during the last 15 years, the state of the road infrastructure has been improved. The state of access	Interpretation

roads to the port of Luanda is however poor. The level of maintenance is insufficient to sustain the state of road infrastructure. The road infrastructure is deteriorating.	
During last 15 years, state of road infrastructure has been improved	Core Statement
State of access roads to port of Luanda is poor	
Maintenance is insufficient to sustain state of road infrastructure	
Road infrastructure is deteriorating	
In Namibia, they are keen on ensuring that trucks comply with loading regulations. In Angola, apart from bridges, there are no load limitations. This damages the roads and trucks.	Statement AO-33-10
The interviewee states that in contrast to Namibia, road transport regulation such as load limitations does not exist. This leads to an accelerated deterioration of the road infrastructure.	Interpretation
In contrast to Namibia, road transport regulation, e.g. load limitations, does not exist; this leads to accelerated deterioration of road infrastructure	Core Statement
Angola is late in its development; they have many things to do. 15 years ago, there was no banking system, only two banks. Payments were made in cash. Today, you do not need cash anymore. They made great improvements. In transport regulation, there is a lot to do. There was no regulation for port safety. This is taking time. Namibia did not have a war; Angola was in war for 30 years. That makes a huge difference.	Statement AO-33-11
The interviewee states that due to the war, the state of the economy in Angola is left behind. Countries that did not have a war on their own territory are much more economically developed. Despite a number of improvements during the last 15 years, for instance in the banking and port sector, the economy of Angola	Interpretation

is still in need for much development, for instance in the regulation of transport.	
Due to war, state of development of economy in Angola is left behind; countries that did not have war on their own territory are much more developed, such as Namibia	Core Statement
Despite number of improvements during last 15 years, e.g. in banking and port sector, economy is still in need for much development, e.g. in regulation of transport	
There are three railways in Angola. The Moçâmedes line in the south is only used for some iron ore and granite mines. There is a line between Luanda and Malanje; it is not used much, only one trip per week. The Benguela railway has been rehabilitated. It is used for passenger services, but you cannot really use it for cargo. There are one or two trips between Lobito and Luena. There are talks to export timber through the port of Lobito as well as talks between Angola, Zambia and Congo to extend the rail network to mines in Zambia. They did not reach any agreement yet. We should probably start with exporting of commodities from inside of Angola.	Statement AO-33-12
The interviewee states that there are three railway lines in Angola: a line from Luanda to Malanje, a line from Lobito to Luena and a line from Namibe. The line from Namibe is used for iron ore and granite exports. The line from Lobito is used for passengers, but cannot be used for cargo. None of the lines is frequently served. There are plans to extend the line from Lobito to Zambia for mining exports. However, before extending its railway to neighbouring countries, the country should start carrying and exporting its own commodities.	Interpretation
There are three railway lines in Angola	Core Statement
- Line from Luanda to Malanje	

- Line from Lobito to Luena; is used for passengers, but cannot be used for cargo; there are plans to extend line from Lobito to Zambia for mining exports	
- Line from Namibe; used for iron ore and granite exports	
None of lines is frequently served	
Before extending its railways to neighbouring countries, country should start carrying and exporting its own commodities	
Transport in Angola is mainly done by truck. It is the right decision to invest in the rail network, but investing in rail infrastructure is not enough. Now they have to create incentives that people make use of it and make rail transport efficient.	Statement AO-33-13
The interviewee states that most freight in Angola is carried on road. The interviewee states that it is reasonable to invest in the rail system of Angola. Investments in infrastructure are however not sufficient to bring companies to make more use of rail transport in Angola. The railway line operations need to be improved as well.	Interpretation
Most freight in Angola is carried on road	Core Statement
It is reasonable to invest in rail system of Angola; investments in infrastructure are however not sufficient to bring companies to make more use of rail transport; operations need to be improved as well	
The public owns and operates the rail transport system in Angola. There were talks to privatise the railways, but perhaps nobody is interested.	Statement AO-33-14
The interviewee states that there are plans to let the private sector engage in rail transport in Angola. However, because of a lack of interest of the private sector this may have not gotten off the ground.	Interpretation



There are plans to let private sector engage in rail transport; because of potential lack of interest of private sector this may not have gotten off ground	Core Statement
The government is responsible to create incentives, to create platforms to load and discharge waggons. A privatisation is probably the best way. However, railways require huge investments and maintenance. It is not easy.	Statement AO-33-15
The interviewee states that the government is responsible for bringing companies to make more use of rail transport in Angola. For instance, the government should ensure that loading and unloading facilities are provided. A privatisation would probably be the best option to ensure that rail transport becomes more important in Angola. However, operating a rail transport system requires significant investments. Since the private sector cannot or is not willing to bear the risk of such long-term investment, the public ownership and operation remains the only option.	Interpretation
Government is responsible for bringing companies to make more use of rail transport	Core Statement
Government should ensure that loading and unloading facilities are provided	
Privatisation would probably be best option to ensure that rail transport becomes more important in Angola	
Operating rail transport system requires significant investments; since private sector cannot or is not willing to bear risk of such long-term investment, public ownership and operation remains only option	
It is very difficult to make statements on the future prospects of Angola. The economy is totally dependend on oil. In oil products, the country is competitive. These products are, however,	Statement AO-33-16

<p>very specific. For one year, the government is saying the economy needs to diversify. Last year, because everything was expensive, from housing to salaries, Angola was not competitive at all. The 60 per cent devaluation of the Kwanza is giving Angola an opportunity. The question is, will they take it? The country has to increase local manufacturing.</p>	
<p>The interviewee states that the state of the economy mainly depends on oil production and exports. Oil exports are, however, specific. By making this statements, the interviewee seems to indicate that oil does not have many interfaces to other products and thus does not provide much room for a extension of the country's manufacturing base to related products. Since the outbreak of the oil crisis, the government is intensifying its interest in diversifying the manufacturing base of Angola. The oil crisis has shown that the high dependence on oil production and exports puts the state and development of the economy at high risk, since a fluctuation of the oil price brings a leverage to public and private income of the country. For this reason, the manufacturing base of the country needs to be expanded. The weakness of the local currency would make exports to other countries affordable and provides an opportunity for Angola.</p>	Interpretation
<p>State of economy mainly depends on oil production and exports</p>	Core Statement
<p>Oil does not have many interfaces to other products and does not provide much room for extension of manufacturing base</p>	
<p>Since outbreak of oil crisis, government is intensifying its interest in diversifying manufacturing base of Angola</p>	
<p>Oil crisis has shown that high dependence on oil production and exports puts state and development of economy at high risk, since fluctuation of oil price brings leverage to public and private income of country</p>	
<p>Manufacturing base of country needs to be expanded</p>	

Weakness of the local currency would make exports to other countries affordable and provides opportunity for Angola	
There is an opportunity in agriculture. However, before we think about export, we need to think about basic goods and local consumption. The maize mills even import their maize flour.	Statement AO-33-17
The interviewee states that before the country is planning to export goods, local supply of basic goods needs to be ensured. At the moment, even basic input goods that could be produced in Angola are imported.	Interpretation
Before country is planning to export goods, local supply of basic goods needs to be ensured	Core Statement
At the moment, even basic input goods that could be produced in Angola are imported	
To promote manufacturing in Angola, you need to give confidence to investors that they will be fair with the taxes and contracts. Sometimes Angola is difficult with regard to taxes. These days, due to the weakness of the currency in Angola, nobody wants to invest in Angola. If you earn money in Angola, you earn Kwanza but you cannot convert it into major international currencies.	Statement AO-33-18
The interviewee states that currently there is little confidence in the economic situation and business environment of the country. The low demand for the Angolan currency abroad limits the value of profits that have been earned in local currency and limits the value of doing business in Angola. To make companies wanting to invest and intensify manufacturing in Angola, the government should ensure that the regulatory environment, such as dealing with taxes and contracts, is conducive.	Interpretation
Currently there is little confidence in economic situation and business environment of country	Core Statement

Low demand for Angolan currency abroad limits value of profits that have been earned in local currency and limits value of doing business in Angola	
To make companies wanting to invest and intensify manufacturing, government should ensure that regulatory environment, such as dealing with taxes and contracts, is conducive	

### Interviewee 34

Interviewee 34, a head of an organisation of a manufacturing company in Angola, made the following statements:

We are still building up our supply chain and partners in Angola. The fact that almost all goods are imported in Angola indicates that the import logistics system works. Since our customers import all goods, they must have optimised their logistics.	Statement AO-34-01
The interviewee states that the company is still in the process of establishing its logistics and supplier network in Angola. The fact that manufacturing companies in Angola heavily rely on import input goods and are able to cope with it indicates that a reasonable supply chain performance can be achieved in Angola.	Interpretation
Fact that manufacturing companies in Angola heavily rely on import input goods and are able to cope with it indicates that reasonable supply chain performance can be achieved in Angola	Core Statement
I do not think that logistics may represent a constraint in the future. The availability of foreign exchange may rather represent a constraint, if there is no foreign exchange to pay for import goods.	Statement AO-34-02
The interviewee states that instead of logistics performance, the availability of foreign exchange in Angola may constrain the economic performance of Angola in the future.	Interpretation

Instead of logistics performance, availability of foreign exchange in Angola may constrain economic performance in future	Core Statement
The slowness in Angola is also a result of corruption. Often, it only works if you are willing to pay an additional amount. The understanding of the need for transparency is low. People often tell you, during the war, the country claimed high victims of the population. Now the population has the right to benefit from the economic recovery of the country.	Statement AO-34-03
The interviewee states that the demand for bribe contributes to the lack of speed of processes. The war has been waged at the expense of the Angolan population; people perceive that they are now entitled to participate in the economic recovery of the country.	Interpretation
Demand for bribe contributes to lack of speed of processes	Core Statement
War has been waged at expense of Angolan population; people perceive that they are now entitled to participate in economic recovery of country	
The main market is in Luanda. For this reason, we only use the port of Luanda for imports.	Statement AO-34-04
The interviewee states that the main market of the country is in Luanda. That is the reason why the company only makes use of the port of Luanda for its imports.	Interpretation
Main market of country is in Luanda; thus, port of Luanda is mainly used	Core Statement
One of the factors that are most annoying is time. Waiting time at the port or slow freight forwarding processes are issues. It often takes more time than necessary to import goods and we need to pay for excessive container storage. It often takes more time for the freight forwarder to ensure import compliance. We	Statement AO-34-05

do not provide any financial support, thus we have to accept that it may take more time. In the past, I have seen it two times that the amount invoiced by freight forwarders exceed the quote by 30 per cent due to higher import duties. Import duties are known in advance and we cannot pass such sudden cost increases on to our customers. From my point of view, the process between customs and import agents is not transparent.	
The interviewee states that process time is a weakness in Angola. Unless any bribe is paid, port and customs services often take more time than necessary. The company does not provide any financial support to ensure a reasonable import time; thus, the company has to accept higher import time. The process between customs officials and import agents is not transparent.	Interpretation
Process time is weakness; unless any bribe is paid, port and customs services often take more time than necessary	Core Statement
Company does not provide any financial support to ensure reasonable import time; thus, company has to accept higher import time	
Process between customs officials and import agents is not transparent	
The high number of vessels waiting to be berthed indicates that port capacity of the port of Luanda is not sufficient. There is a need for more berths and higher depths to handle more and larger vessels. There were plans to increase the capacity, but up to now, nothing happened.	Statement AO-34-06
The interviewee states that high waiting time prior to berthing indicates that there is a lack of capacity at the port of Luanda. There is a need for more berths and higher depth at the port of Luanda. Although there were plans to expand the port, there are no actions yet.	Interpretation
High waiting times prior to berthing indicates that there is lack of capacity at port of Luanda	Core Statement

There is need for more berths and higher depth at port of Luanda	
Although there were plans to expand the port, there are no actions yet	
It takes 22 days to transport goods from Europe to Angola by vessel. It takes another 15 to 20 days until the goods are available at my warehouse.	Statement AO-34-07
The interviewee states that the carriage by sea from Europe to Angola takes 22 days. The port handling and import process take additional 15 to 20 days. By making this statement, the interviewee indicates that the port handling and import time is excessively high.	Interpretation
Carriage by sea from Europe to Angola takes 22 days; port handling and import process take additional 15 to 20 days, that is excessively high	Core Statement
Because of the current crisis, the stock level of our customers as well as of our warehouse is low and, thus, I need to ensure that there is a fast replenishment. 15 to 20 days until warehouse availability are too long and pose a risk to our customers' operations.	Statement AO-34-08
The interviewee states that due to the crisis, stock levels of the company and its customers are low. The excessively high port handling and import time lead to high replenishment time. Low stock levels and long replenishment times put the company's and its customer's operations at risk.	Interpretation
Due to crisis, stock levels of company and its customers are low	Core Statement
Excessively high port handling and import times lead to high replenishment time	
Low stock levels and long replenishment times put company's and its customer's operations at risk	

Road transport works generally well. However, we only make use of road transport within the Luanda Province. Within the Luanda Province, we arrange the transport to the customers. Outside of the Luanda Province, customers arrange their transport.	Statement AO-34-09
The interviewee states that in the Luanda Province, road transport performance is good.	Interpretation
In Luanda province, road transport performance is good	Core Statement
Because of the current economic crisis, companies in Angola buy less products and services of our industry. However, because of the abundance of Kwanza, they place fewer orders abroad and more orders in Angola. Below the line, despite the crisis, our business is benefitting.	Statement AO-34-10
The interviewee states that although the economic crisis has led to lower business volume, the abundance of the local currency brings customers to purchase less goods from foreign and more goods from local suppliers.	Interpretation
Although economic crisis has led to lower business volume, abundance of local currency brings customers to purchase less goods from foreign and more goods from local suppliers	Core Statement
In Angola, we only assemble imported parts. At the moment, we do not have local manufacturing. We are considering local manufacturing of parts and there is a market potential. There are a few potential suppliers. These suppliers are not able to meet our requirements. There is a number of problems: The supplier's staff had difficulties reading the technical drawing. They do not meet the required degree of production accuracy. The supplier expected us to procure the input materials and foreign exchange. At the moment, because of the lack of local suppliers, local procurement is hardly possible.	Statement AO-34-11



<p>The interviewee states that there is a market potential for local manufacturing and the company is planning to produce in Angola. There are a few potential suppliers. The staff of the suppliers is, however, not sufficiently qualified to meet the necessary production quality. The scarcity of foreign exchange makes it difficult for potential suppliers to procure import input materials. The lack of capable suppliers impedes local manufacturing in Angola.</p>	Interpretation
<p>There is market potential for local manufacturing and company is planning to produce in Angola</p>	Core Statement
<p>There are a few potential suppliers</p>	
<p>Lack of capable suppliers impedes local manufacturing in Angola</p>	
<p>Staff of suppliers is not sufficiently qualified to meet necessary production quality</p>	
<p>Scarcity of foreign exchange makes it difficult for potential suppliers to procure import input materials</p>	
<p>Due to relatively low import volumes in the past, 90 per cent of our supplies are imported via airfreight; only 10 per cent via seafreight. I am planning to turn this around and aim at 30 per cent airfreight and 70 per cent seafreight. Higher business volumes and import volumes more and more justify seafreight. Airfreight should only be used for emergencies.</p>	<p>Statement</p> <p>AO-34-12</p>
<p>The interviewee states that up to now, because of low business volume, the import volume did not justify seafreight. Almost all imports came to Angola by airfreight. Rising import volumes are, however, increasingly justifying seafreight. The company is planning to intensify the use of seafreight and to limit the use of airfreight to emergencies.</p>	Interpretation

Up to now, low import volume did no justify seafreight; almost all imports came to Angola by airfreight; rising import volumes are increasingly justifying seafreight	Core Statement
Company is planning to intensify use of seafreight and to limit use of airfreight to emergencies	
I do not believe that the country is able to become an export country for other goods than oil within the next ten years. Too many gaps need to be closed before the country can produce at an international performance level. The local price level is too high to become competitive.	Statement AO-34-13
The interviewee states that the country cannot become a meaningful exporter of any other good than oil within the next ten years. There are many weaknesses that have to be sorted out before the country can become an exporter of non-oil goods. The price level is too high in Angola to become price-competitive in foreign markets.	Interpretation
Country cannot become meaningful exporter of any other good than oil within the next then years	Core Statement
Many weaknesses have to be sorted out before country can become an exporter of non-oil goods	
Price level is too high in Angola to become price-competitive in foreign markets	
In order to move towards local production, the country should improve the education of people and increase knowledge transfer from other countries. The country made intensive use of expatriates but missed to transfer that knowledge to its local population. The government issued a law that imposes a 10 per cent tax on contract volumes if foreign technicians are employed. In a project, I lost 10 per cent, because there was no adequate alternative to foreign technicians. Once the local population is	Statement AO-34-14

sufficiently educated, I could establish local production. These are the most important areas for improvement.	
The interviewee states that although the economy of Angola made intensive use of foreign knowledge and workforce, the knowledge has not been transferred to the local population. The country still relies on external knowledge and workforce. In order to increase the accumulation of knowledge at the local population, the government imposed a tax on the use of foreign workforce. However, due to the lack of sufficiently qualified local workforce, a preferential employment of local over foreign workforce cannot be fully realised. Education of the population has to be improved before the country is able to establish a manufacturing industry that rests upon local workforce.	Interpretation
Although economy made intensive use of foreign knowledge and workforce, knowledge has not been transferred to local population; country still relies on external knowledge and workforce	Core Statement
To increase accumulation of knowledge at local population, government imposed tax on use of foreign workforce	
Due to lack of sufficiently qualified local workforce, preferential employment of local over foreign workforce cannot be fully realised	
Education of population has to be improved before country is able to establish manufacturing industry that rests upon local workforce	
In order to put this into practice, I would implement a dual vocational education system, similar to the German system. Instead of penalising companies if they make use of expatriates, the government should support companies if the use of foreign staff supports local value creation. Our staff complement includes 48 local people and 2 expatriates. All our maintenance services for existing products have been done by local staff. This has only been achieved by support of foreign staff and foreign education	Statement AO-34-15

and training. Only for new installations, because of high demands to qualification, I cannot forego foreign staff.	
The interviewee states that in order to improve the qualification of local workforce, the country should adopt a vocational education system, consisting of learning at school and training at a company. Instead of punishing companies for making use of foreign knowledge that does not exist in Angola, the government should support companies that find a way to do business and create employment in Angola.	Interpretation
To improve qualification of local workforce, country should adopt vocational education system, consisting of learning at school and training at company	Core Statement
Instead of punishing companies for making use of foreign knowledge that does not exist in Angola, government should support companies that find way to do business and create employment in Angola	
The government should provide public vocational education. In similar projects in Kenia, the government supports companies' educational efforts and students. That does not exist in Angola. This would work in Angola as well. This however requires funds.	Statement AO-34-16
The interviewee states that the government is responsible to provide public vocational education. In other countries, such as Kenia, the government supports the educational effort of companies and students. The government of Angola should provide similar support. However, that the current lack of funds could represent an obstacle.	Interpretation
Government is responsible to provide public vocational education	Core Statement
In other countries, such as Kenia, government supports educational effort of companies and students; government should provide similar support	

Current lack of funds could represent obstacle	
The strengthening of agriculture is even more important. For instance, malt, wheat, rice, potatoes, onions are only some examples of basic food products that can be produced locally. This is constrained by the lack of sufficiently qualified people.	Statement AO-34-17
The interviewee states that even more important than establishing industrial manufacturing industry is the re-establishing of the agricultural industry in Angola. A variety of agricultural product could be produced in Angola. The lack of sufficiently qualified people impedes the re-establishing of the agricultural industry in Angola.	Interpretation
Even more important than establishing industrial manufacturing industry in Angola is re-establishing of agricultural industry	Core Statement
Variety of agricultural products could be produced in Angola	
Lack of sufficiently qualified people impedes re-establishing of agricultural industry in Angola	
The government is fully responsible to improve the education system. The country is controlled by a few people, thus, it is their responsibility.	Statement AO-34-18
The interviewee states that because of the high political and economic centralisation of the country, the government is responsible to improve the educational system of the country.	Interpretation
Because of high political and economic centralisation of country, government is responsible to improve educational system of country	Core Statement

### Interviewee 35

Interviewee 35, a staff member at a consultancy in Germany, made the following statements:

During the war, the transport infrastructure has been destroyed. In 2002, 2003 the country started to rehabilitate the transport infrastructure and they have achieved a good status.	Statement AO-35-01
The interviewee states that during the war the transport infrastructure in Angola has been destroyed. With the end of the war, the country began to rehabilitate the transport infrastructure. Since the end of the war, significant improvements in transport infrastructure have been achieved.	Interpretation
During war, transport infrastructure in Angola has been destroyed	Core Statement
With end of war, country began to rehabilitate transport infrastructure	
Since end of war, significant improvements in transport infrastructure have been achieved	
Many projects in Angola are still in a feasibility study stage.	Statement AO-35-02
The interviewee states that many projects in Angola are still at the feasibility and planning phase and have not be realised yet.	Interpretation
Many projects in Angola are still in feasibility and planning phase and have not been realised yet	Core Statement
We spoke to many shipping lines about the performance of the port of Luanda and they had not much positive to say about the port. Capacity constraints exist on the seaward and landward side of the port. On the landside, the port traffic is limited by the city. The city is not able to handle the amount of traffic. On the seaside, it takes much time to handle vessels.	Statement AO-35-03
The interviewee states that shipping lines complained about the performance of the port of Luanda. On the seaside, the handling speed of vessels is not sufficient. On the landside, the cargo and	Interpretation

traffic volumes exceeds the transport capacity of the immediate hinterland.	
Shipping lines mainly complained about port performance at port of Luanda	Core Statement
On seaside, handling speed of vessels is not sufficient	
On landside, cargo and traffic volumes exceeds transport capacity of immediate hinterland	
I can only comment on the quality of the port of Cabinda once it is complete in two years.	Statement AO-35-04
The interviewee indicates that the port of Cabinda is being extended. The port performance can only be evaluated once the port expansion is completed.	Interpretation
Port of Cabinda is being extended	Core Statement
Performance of port of Cabinda can only be evaluated once port expansion is completed	
Two years ago, a concession to operate a terminal of the port of Lobito has been awarded to CMA-CGM. There are still many issues to sort out. The port has a huge potential; it is already the second largest port in Angola.	Statement AO-35-05
The interviewee states that a foreign shipping line operates a terminal of the port of Lobito. The port of Lobito still has many weaknesses. The port of Lobito has a huge market potential. The port is already the port with the second largest cargo volume in Angola.	Interpretation
Foreign shipping line operates a terminal of port of Lobito	Core Statement
Port of Lobito still has many weaknesses	
Port of Lobito has huge market potential	
Port of Lobito is already port with second largest cargo volume in Angola	

<p>The container terminals of the port of Luanda work generally well. One container terminal is operated by Sogester. Productivity is fair. The major problem is the water depth limitation. It is not sufficient to handle large vessels. The port of Luanda can handle vessels up to 12.5 metres, Lobito up to 11 metres. Whilst a deepening of the port of Luanda is a technical challenge due to the construction of the quay wall, the port of Lobito can be deepened without any major technical challenges.</p>	<p>Statement AO-35-06</p>
<p>The interviewee states that the performance of the container terminal of the port of Luanda is fair. A terminal is operated by the company Sogester. The water depth of the port of Luanda and Lobito sets a boundary to the size of vessels that can call at these ports. Whilst the port of Luanda offers a depth of 12.5 metres, Lobito provides a depth of 11 meters. In order to accommodate larger vessel, the ports would need to be deepened. Unlike the port of Lobito, a deepening of the port of Luanda would require major technical changes to the quay wall.</p>	<p>Interpretation</p>
<p>Performance of container terminal of port of Luanda is fair</p>	<p>Core Statement</p>
<p>A terminal of port of Luanda is operated by company Sogester</p>	
<p>Water depth of port of Luanda and Lobito sets boundary to size of vessels that can call at these ports</p>	
<p>Port of Luanda offers depth of 12.5 metres</p>	
<p>Port of Lobito provides depth of 11 meters</p>	
<p>To accommodate larger vessel, ports would need to be deepened</p>	
<p>Deepening of port of Luanda would require major technical changes to quay wall</p>	
<p>At the port of Luanda, vessels need to accept considerable waiting time before berthing. Waiting time of two to three weeks, that</p>	<p>Statement AO-35-07</p>



is even more pronounced at the port of Cabinda with its current capacity. It is hoped that this will change with the new port.	
The interviewee states that the waiting time of vessels prior to berthing are high in Luanda. With two to three weeks, waiting time are even higher at the port of Cabinda. A reduction of waiting time is expected once the expansion of the port of Cabinda is complete.	Interpretation
Waiting time of vessels prior to berthing are high in Luanda	Core Statement
With two to three weeks, waiting time is even higher at port of Cabinda	
Reduction of waiting time is expected once expansion of port of Cabinda is completed	
The state of the road infrastructure is not that good. It is often stated that the further you go the east of the country, the worse the road infrastructure becomes. During rainy season, roads are damaged or destroyed. Although the road infrastructure is being improved and maintained, factors such as flooding make this a difficult undertaking.	Statement AO-35-08
The interviewee states that the road infrastructure is fair to poor in Angola. The state of the road infrastructure is decreasing from the west to the east of the country. The infrastructure of the roads has been improved and is being maintained. During rainy season, road maintenance remains a challenge.	Interpretation
Road infrastructure is fair to poor	Core Statement
State of road infrastructure is decreasing from west to east of country	
Roads Infrastructure has been improved and is being maintained	
During rainy season, road maintenance remains challenge	

The road, which connects the port of Cabinda and the DR Congo is in a very good condition. Some years ago, is has been newly constructed by a Chinese company.	Statement AO-35-09
The interviewee states that the road that connects the port of Cabinda and the DR Congo has been newly constructed and is now in a very good state.	Interpretation
Road that connects port of Cabinda and DR Congo has been newly constructed and is in very good state	Core Statement
The need to provide informal payments in order to cross borders increases transport costs significantly. Another major aspect is the insufficient security situation in the east of Angola. Cargo theft and truck hijacking are major barriers of cross border transport.	Statement AO-35-10
The interviewee states that the request for informal payments increases the costs of cross border transport. Theft of cargo and hijacking of trucks in the east of the country places a burden on cross border transport. The securitiy situation in the east of the country is insufficient.	Interpretation
Request for informal payments increases costs of cross border transport	Core Statement
Theft of cargo and hijacking of trucks in east of country places burden on cross border transport	
Security situation in east of country is insufficient	
In 2014, the Benguela line has been rehabilitated. The expectation is that this line will allow transporting cargo from Zambia and from the east of Angola to the coast.	Statement AO-35-11
The interviewee states that in 2014, the Benguela railway line has been rehabilitated. The Benguela line is expected to trigger transport from Zambia and the east of Angola to the port of Lobito.	Interpretation

In 2014, Benguela railway line has been rehabilitated	Core Statement
Benguela line is expected to trigger transport from Zambia and east of Angola to port of Lobito	
There is a plan to rehabilitate the railway line that connects the north east of the country with the port of Luanda. As far as I know, there is still a need to carry out a feasibility study.	Statement AO-35-12
The interviewee states that plans exist to rehabilitate the line from Luanda to Malanje. The interviewee assumes that the feasibility study of this rehabilitation project is still not complete yet.	Interpretation
Plans exist to rehabilitate line from Luanda to Malanje	Core Statement
Feasibility study of rehabilitation project is still not complete yet	
Currently, the economy is reliant on the oil industry. Angola is a large country; there is a market for manufactured goods. There are already approaches to industrial production. The country is rich in natural resources, which could not just be exported but also be processed in Angola. I think there is a potential for local production.	Statement AO-35-13
The interviewee states that the county has a large domestic market and there is a market potential for locally produced manufacturing goods. At the moment, however, the economy relies on oil production and export. There are already some undertakings of industrial production in Angola. The country is rich in natural resources. These resources should not be exported unprocessed, but rather be processed in Angola first.	Interpretation
County has large domestic market and there is market potential for locally produced manufacturing goods	Core Statement
At the moment economy relies on oil production and export	
There are already some undertakings of industrial production	

Country is rich in natural resources; resources should not be exported unprocessed, but rather be processed in Angola first	
If the country is moving towards industrial production, the country needs to ensure that it is able to bring their goods to export markets, whether it is to other African countries or Europe. However, currently it lacks the frequency and efficiency of transports to the seaports.	Statement AO-35-14
The interviewee states that adequate performance of the transport system is a prerequisite for the country to become an exporter of locally produced goods. At the moment, the transport performance to seaports is not adequate, for instance there is a lack of frequency and efficiency.	Interpretation
Adequate performance of transport system is prerequisite for country to become exporter of locally produced goods	Core Statement
At the moment, transport performance to seaports is not adequate, e.g. there is lack of frequency and efficiency	
It is possible for the country to move to industrial production. At the moment, however, the high reliance on oil exports does not suggest a move towards industrial production.	Statement AO-35-15
The interviewee states that the country has the potential to become a location for industrial production. The high reliance of the economy on oil production and export does, however, not speak in favour for a shift towards industrial production.	Interpretation
Country has potential to become location for industrial production	Core Statement
High reliance of economy on oil production and export does not speak in favour for shift towards industrial production	
At the beginning of the 2000s, there was a significant increase in foreign direct investment in China. This is probably needed in	Statement AO-35-16

Angola as well in order to bring know-how to Angola. At the moment, foreign direct investment mainly targets at the oil industry.	
The interviewee states that the country is in need for foreign direct investments and knowledge spillover, similar to that in China at the early 2000s, in non-oil-related industries.	Interpretation
Country is in need for foreign direct investments and knowledge spillover, similar to that in China at the early 2000s, in non-oil-related industries	Core Statement
The lack of foreign direct investment in non-oil industries could result from the government's short-term view of profits from the oil business. This is not just an Angolan problem, but of many other African countries as well. All the people I spoke to agreed that it often lacks a long-term view on business. Short-term profits are often preferred.	Statement AO-35-17
The interviewee states that in Angola and many other countries on the African continent, governments do not apply a long-term view on the development of their economies. Like the Angolan government, quick profits are preferred over profits that only pay off in the long run.	Interpretation
In Angola and many other countries on African continent, governments do not apply long-term view on development of their economies; quick profits are preferred over profits that only pay off in long run	Core Statement

### Interviewee 36

Interviewee 36, a head of a division at a manufacturing company in Germany, made the following statements:

In August 2014, there were first signs that shale gas exploration will cause problems to the Angolan economy and population. In the third quarter, the Angolan central bank started to save their	Statement AO-36-01
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foreign exchange. Now, we have reached a stage where no foreign exchange is available. Liabilities and foreign exchange are in balance. There are no US-Dollars left. The country is bankrupt. The economy is not able to cater for itself.	
The interviewee states that in the third quarter 2014, potential effects of the oil price decline became visible and the national bank started to manage their foreign exchange. In 2016, there was no surplus in foreign exchange anymore; foreign exchange only sufficed to service liabilities. Due to the lack of an own manufacturing industry in Angola, the country is dependent on imports. The scarcity of foreign exchange, however, limits imports and thus places a burden on the economy of Angola.	Interpretation
In third quarter 2014, potential effects of oil price decline became visible and national bank started to manage foreign exchange	Core Statement
In 2016, there was no surplus in foreign exchange anymore; foreign exchange only sufficed to service liabilities	
Due to lack of own manufacturing industry, country is dependent on imports; scarcity of foreign exchange however limits imports and places burden on economy	
If there is an opportunity in Kenya, people invest. In Angola, people always wait for the government to take actions. However, because Angola has to tackle so many issues in order to develop well these countries are difficult to compare. A better-suited country to compare is Ethiopia – a geographically large country, a population of 90 million people, economic centres that are far away from each other, a difficult terrain for goods distribution. Due to the size of the local market, high-scale production becomes more and more economically feasible and imports less profitable. The country is on the way to become self-supporting. The only thing that still has to come is access to sophisticated capital markets. Countries on the African	Statement AO-36-02

continent should realise that although their individual economic size is often not sufficient to justify local production, if they allow free movement of goods and people, they would form much larger markets. By doing so, they would achieve the critical volume. Tariffs and visa requirements have already been eliminated in the SADC.	
The interviewee states that in contrast to people in Angola, people in Kenia do not only rely on governmental actions on the way to develop the economy but become active in an entrepreneurial way. Angola has, however, in contrast to Kenia, many more weaknesses to sort out. Angola should rather be compared to Ethiopia, a country that faces many similar barriers, such as large distances between economic centres and a challenging transport geography. The large size of the population is supporting local manufacturing in Ethiopia. Despite population sizes that do not justify local large-scale manufacturing in many African countries, they can achieve the critical demand for local production by reducing border barriers, such as controls, tariffs and visa requirements. By making this statement, the interviewee indicates that a reduction of barriers between markets in southern African would enable countries, such as Angola, to achieve the critical volume to establish local manufacturing.	Interpretation
In contrast to Angola, people in Kenia do not only rely on governmental actions to develop economy but become active in entrepreneurial way	Core Statement
Angola has, however, in contrast to Kenia, many more weaknesses to sort out	
Angola should rather be compared to Ethiopia, country that faces many similar barriers, such as large distances between economic centres and challenging transport geography	
Large size of population is supporting local manufacturing in Ethiopia	

Reduction of barriers between markets in southern Africa would enable countries such as Angola to achieve critical volume to establish local manufacturing	
Because the USA made themselves independent from foreign oil and despite the attempt by major oil exporters to reduce their oil price in order to make shale oil unprofitable the situation for Angola will not change. There is an oversupply of oil. This will not even happen if the oil price is reduced to 25 USD. Shale oil will rather become less expensive. Shale oil exploration has become much more efficient and less costly. The country has to adapt its economy to the new situation.	Statement AO-36-03
The interviewee states that because of the exploration of shale oil there is an oversupply of oil on the market. In the past, the exploration of shale oil became more efficient and less costly. In the future, it is likely to become even more efficient and less costly. Against this background, the market situation for Angola will not change. For this reason, the only chance for Angola to recover from the oil crisis is to adapt its economy to the changed market situation.	Interpretation
Because of exploration of shale oil there is oversupply of oil on market	Core Statement
In past, exploration of shale oil became more efficient and less costly; in future, it is likely to become even more efficient and less costly	
Market situation for Angola will not change; only chance for Angola to recover from oil crisis is to adapt its economy to changed market situation	
If the oil price remains that low, the country has to look for alternatives. Toll roads and concessions on the operation of railway lines for a period of 50 years would be options to equip the economy with an adequate transport infrastructure. Concessions on	Statement AO-36-04



<p>water dams for hydroelectric power would represent additional alternatives. That should already had have happened. In worst case, the country could sell its land. There is foreign demand for fertile land. This would however be difficult to explain to the population. The country has put itself in a very unfavourable position.</p>	
<p>The interviewee states that the sole reliance of the economy on oil production and export has exposed the country to significant risk, which currently unfolds its full negative effects. If the oil price and resulting public revenues from oil production and export remain low, the country has to find alternative funding ways to establish the necessary economic infrastructure. Awarding of licences to operate toll roads and railways would provide the necessary supporting transport system. Awarding of licences to operate water dams that produce hydroelectric power would provide the necessary power supply. These measures should already have been taken some time ago. The ultimate funding way to provide the country with the necessary economic infrastructure is the sale of land. Despite expected demand from foreign investors, this option is likely to provoke opposition by the Angolan population.</p>	Interpretation
<p>Sole reliance of economy on oil production and export has exposed country to significant risk, which currently unfolds its full negative effects</p>	Core Statement
<p>If oil price and resulting public revenues remain low, country has to find alternatives funding ways to establish necessary economic infrastructure</p>	
<p>Awarding of licences to operate toll roads and railways would provide necessary supporting transport system</p>	
<p>Awarding of licences to operate water dams that produce hydroelectric power would provide necessary power supply</p>	
<p>These measures should already have been taken some time ago</p>	

Ultimate funding way to provide country with necessary economic infrastructure is sale of land; despite expected demand from foreign investors, option is likely to provoke opposition by Angolan population	
The Angolans never had the chance to build up their own knowledge base. That is different in Tanzania or South Africa. Angola suffers from its own incompetence. This includes the inability to prefer local to foreign workforce. In the late 1980s, there was still a middle class and local knowledge. Between 1991 and 1994, the hyperinflation eliminated the assets of the middle class. The few people that participated in the remaining value creation of the country moved towards the oil industry.	Statement AO-36-05
The interviewee states that the country and economy suffer from the lack of a qualified local workforce that drives the economy. About ten years after the outbreak of the war, there was still a qualified workforce. The prolonged war and the high inflation rate led to a collapse of the base of business models, assets and qualified workforce. Only a small share of the population participated in the country's single remaining productive sectors – the oil industry. The disappearance of the former base of business models, assets and qualified workforce provide unfavourable conditions for a rehabilitation of the economy. For instance, it lacks the knowledge of how to sustainably rehabilitate and develop the economy. Tanzania and South Africa did not suffer from such as a war; these countries were able to develop their economies and, today, have achieved a different level of economic maturity.	Interpretation
Country and economy suffer from lack of qualified local workforce that drives economy	Core Statement
About ten years after outbreak of war, there was still qualified workforce	

Prolonged war and high inflation rate led to collapse of base of business models, assets and qualified workforce	
Only small share of population participated in country's single remaining productive sector – oil industry	
Disappearance of former base of business models, assets and qualified workforce provide unfavourable conditions for rehabilitation of economy and country; it lacks knowledge of how to sustainably rehabilitate and develop economy	
Tanzania and South Africa did not suffer from such war; countries were able to develop their economies and, today, have achieved different level of economic maturity	
The port of Luanda is congested. It takes much time to get a container out of the port. The causes are multi-faceted; they are related to the people. People benefit from the bottleneck at the port; there is no real interest to eliminate that bottleneck. It is some people's business to accelerate and prioritise cargo at the port.	Statement AO-36-06
The interviewee states that the import process of the port of Luanda takes too much time. On the one hand, this results from the congestion of the port. On the other hand, this results from the lack of incentives to improve the port performance and even incentives to limit the port performance. The lack of capacity allows people to accelerate certain shipments whilst to thwart other shipments in exchange for informal payments.	Interpretation
Import process of the port of Luanda takes too much time	Core Statement
On one hand, this results from congestion of port	
On other hand, this results from lack of incentives to improve port performance and even incentives to limit port performance	
Logistics service providers in Angola have learned to circumvent public regulations. They have learned to do and benefit	Statement AO-36-07

from it. If you do not provide any facilitating payment, you should not expect to get your cargo out of the port within reasonable time.	
The interviewee states that lead time of import processes are excessively high at the port of Luanda. There are regulations that prescribe standard procedures. Logistics service providers are, however, able to leave the standard procedures and prioritise shipments if their customers are willing to pay for.	Interpretation
Lead-time of import processes are excessively high at port of Luanda	Core Statement
There are regulations at port of Luanda that prescribe standard procedures	
Logistics service providers are, however, able to leave standard procedures and prioritise shipments if customers are willing to pay for	
The port of Luanda is split up into quay sectors, such as the Chinese, Sonils and NDS sector. These sectors are rent out to various companies. There are charges for every single service your cargo receives. Shipping lines only have a very limited influence on the choice of the quay sector. The harbour master decides on the allocation of vessels to quay sectors. The splitting up of the port in quay sectors is only justified by the interest of people to generate additional revenues. I do not understand why the port is not controlled by a single port authority. The port of Luanda is not managed in a professional way.	Statement AO-36-08
The interviewee states that the port of Luanda is not adequately managed and structured. The port is structured by quay sectors; each quay sector is run by a different company. There is no advantage of the separation of the port into sectors. The port should rather be structured into a single area of control and be run by a single port company. The separated structure of the	Interpretation

port benefits only those people who try to increase their revenues from trade. This, however, happens at the detriment of port users.	
Port of Luanda is not adequately managed and structured	Core Statement
Port is structured by quay sectors; each sector is run by different company	
There is no advantage of separation of port into sectors	
Port should rather be structured into single area of control and be run by single port company	
Separated structure of port benefits only people who try to increase their revenues from trade; at detriment of port users	
There is a privileged Chinese quay sector. The way this sector works destroys medium-sized companies in Angola. For instance, more cement bags than officially declared are imported to Angola for Chinese projects. The import statistics are faked. Twice the amount of steel than officially declared is imported. The non-declared import freight is sold in Angola and used for local goods.	Statement AO-36-09
The interviewee states that the Chinese quay sector does not follow the regulations and imports more goods, such as cement and steel, than officially declared. This prevents local companies in this industry to exist and develop. There is no control over quay sectors operations.	Interpretation
Chinese quay sector does not follow regulations and imports more goods, e.g. cement and steel, than officially declared; this prevents local companies in this business to emerge; there is no control over quay sector business	Core Statement
The Nile Dutch Africa Line sector operates a multi-purpose terminals for ro-ro ferries for vehicles, locomotives and containers	Statement AO-36-10

– typical vessels for Africa. Before the crisis, there were two vessel movements each day. Due to the lack of foreign exchange, now there is only one movement per day. Apart from empties, almost no goods are loaded in Luanda. Goods are only imported to Angola, not exported.	
The interviewee states that the Nile Dutch Africa Line sectors imports cargo and exports only empty containers. There is a significant imbalance between imports and exports. The crisis has significantly reduced the import volumes at the port of Luanda.	Interpretation
Nile Dutch Africa Line sector imports cargo and exports only empty containers; there is significant imbalance between imports and exports	Core Statement
Crisis has significantly reduced import volumes at port of Luanda	
In Luanda, it is not possible to return the container within allowable return time. It even takes more than two weeks to release the container. The system benefits from penalties of excessive container storage. In 98 per cent of cases, you need to pick up your container at the Viana dry port. Because of the lack of storage capacity at the port, containers are transported to the dry port and you need to pay for. They do not ask you whether you agree and often do not inform you about the transfer to the dry port.	Statement AO-36-11
The interviewee states that containers usually return to the port long after the specified return date. The import dwell time at the port is at least two weeks. There is not only a lack of incentives to reduce dwell time; the charging of excessive storage penalties even incentivises excessive storage times. There is however a lack of storage capacity at the port of Luanda. For this reason, the containers are transferred to the Viana dry port, what causes additional costs and coordination effort. Often, consignees are not informed about the transfer to the dry port.	Interpretation

Containers usually return to port long after specified return date	Core Statement
Import dwell time at port of Luanda is at least two weeks	
There is not only lack of incentives to reduce dwell time; charging of excessive storage penalties even incentivises excessive storage times	
There is lack of storage capacity at port of Luanda	
Because of lack of storage capacity containers are transferred to Viana dry port, what causes additional costs and coordination effort	
The difficulties with the port of Luanda can only be sorted out, if a new port in Barra do Dande is constructed. The government plans to dredge a new port. Soil testing already took place. This port would then need to be connected to motorways, electricity and railways. Once the port is in place, the business model of the port of Luanda does not exist any more. The Luanda port authority would need to implement a different port management model and consult foreign expertise.	Statement AO-36-12
The interviewee states that the government is planning to dredge and construct a new port at Barra do Dande. Motorway, railway and electrical infrastructure is necessary to ensure smooth access and operation of the port. Once this port is in place, it will threaten the business model of the port of Luanda and require that the management and organisation of the port of Luanda is re-aligned towards performance. The port of Luanda is in need for a different management model. This transformation would require the involvement of foreign expertise.	Interpretation
Government is planning to dredge and construct new port at Barra do Dande	Core Statement
Motorway, railway and electrical infrastructure is necessary to ensure smooth access and operation of port	

Once port is in place, it will threaten business model of port of Luanda and require that management and organisation is re-aligned towards performance	
Port of Luanda is in need for different management model; transformation would require involvement of foreign expertise	
The port of Luanda suffers from its construction. The port was supposed to operate mainly as an export port for agricultural goods in the Luanda region and catchment area of the Caminho de Ferro de Luanda. This region produced products such as sisal, coffee, cotton and sugar cane. The port was not supposed to be an import port.	Statement AO-36-13
The interviewee states that the construction of the port of Luanda negatively affects its performance. The port has been designed as an export port of goods in the Luanda province and the hinterland within the reach of the Caminho de Ferro de Luanda, such as cane, coffee, sisal and cotton. The port has not been designed as a port that mainly handles import cargo.	Interpretation
Construction of port of Luanda negatively affects its performance	Core Statement
Port of Luanda has been designed as export port for goods in Luanda province and hinterland within reach of Caminho de Ferro de Luanda, such as cane, coffee, sisal and cotton	
Port of Luanda has not been designed as port that mainly handles import cargo	
The railway is only operational again for a few time. Before the rehabilitation, even more cargo had to be carried on roads.	Statement AO-36-14
The interviewee states that it was only recently that the Caminho de Ferro de Luanda has been put into operation again. Before the recommissioning, even more freight has been carried on roads.	Interpretation



It was only recently that Caminho de Ferro de Luanda has been put into operation again; before recommissioning, even more freight has been carried on roads	Core Statement
In port operations, there is a need for governmental actions and control; otherwise, there will be chaos such as in Luanda. The governmental control is the reason why the port of Lobito is working so well.	Statement AO-36-15
The interviewee states that ports are in need for government control to ensure that the port operations are well organised. Whilst the lack of government control leads to complicated operations at the port of Luanda, the existence of adequate government control leads to well working operations at the port of Lobito.	Interpretation
Ports are in need for government control to ensure that port operations are well organised	Core Statement
Lack of government control leads to complicated operations at port of Luanda	
Existence of adequate government control leads to well working operations at port of Lobito	
The productivity of the port of Lobito and Luanda is very different. However, these two ports are only few hundred kilometres away.	Statement AO-36-16
The interviewee states that despite high geographical proximity, the performance of the port of Luanda and Lobito is very different.	Interpretation
Despite high geographical proximity, performance of port of Luanda and Lobito is very different	Core Statement
On the one hand, the structure of the population is different. The culture is different. The Quimbundu are proud to gyp you. The	Statement AO-36-17

<p>Umbundu are proud of their work. Luanda's population is patchy; there is both international as well as national influence from fled population groups. There is no identical value system among the population groups. The Angolans are still tribal. This is not their fault; it is a result of the agricultural system. The tenants ensured that the wageworker who worked on the farms were not able to communicate with the surrounding population. This isolation is a result of the Portuguese colonial system.</p>	
<p>The interviewee states that the characteristics of the population are very different at the port of Luanda and Lobito. The major population groups in those regions show a very different culture. Whilst the population structure at the port of Luanda is highly diverse and a major population group places much value on pursuing personal interests, the population structure at the port of Lobito is more consistent and a major population group places much value on pursuing socially reputed interests. The former colonial agricultural system has led to an isolation of the Angolan population and still explains tribal behaviour as well as significant cultural differences among population groups.</p>	Interpretation
<p>Characteristics of population is very different at port of Luanda and Lobito</p>	Core Statement
<p>Major population groups in those regions show very different culture</p>	
<p>Population structure at port of Luanda is highly diverse and major population group places much value on pursuing personal interests</p>	
<p>Population structure at port of Lobito is more consistent and major population group places much value on pursuing socially reputed interests</p>	
<p>Former colonial agricultural system has led to isolation of population and still explains tribal behaviour as well as significant cultural differences among population groups</p>	

<p>The port of Lobito is 10 times more productive than Luanda. Based on the same floor space, their container throughput is almost twice as high. The port is adjacent to a city as well, yet they are productive, do not have congestion, do not have excessive dwell time and port pilots are available at all times. That is different in Luanda.</p>	<p>Statement AO-36-18</p>
<p>The interviewee states that the performance of the port of Lobito is much higher than of the port of Luanda. The port of Lobito is fast in container handling, is not congested, dwell time is reasonable and availability of pilot boats is ensured. That stands in contrast to the situation at the port of Luanda. This is despite the fact that the two ports are similar in geographical size and both are surrounded by a city.</p>	<p>Interpretation</p>
<p>Performance of port of Lobito is much higher than of port of Luanda; despite fact that both ports are similar in geographical size and surrounded by city</p>	<p>Core Statement</p>
<p>Port of Lobito is fast in container handling</p>	
<p>At port of Lobito dwelling times are reasonable</p>	
<p>At port of Lobito availability of pilot boats is ensured</p>	
<p>In Lobito, there is no sectoral splitting of quays, there is only a single Empresa Portuaria, and this one is well structured. It does not matter at which berth vessels are moored, they are unloaded in a jiffy. It is pre-planned where containers are going to be stored, whether there is enough space and power supply for reefer containers. The work ethic is very professional, unlike in Luanda.</p>	<p>Statement AO-36-19</p>
<p>The interviewee states that the port of Lobito works very well. Irrespective of the specific quay, vessels unloading and container handling operations are very fast. A pre-planning ensures that a storage location is assigned and requirements such as</p>	<p>Interpretation</p>

power supply for reefer containers is available. The port is managed in a professional way by a single port company. The port of Lobito is not split up into quay sectors, but structured as a single, coherent port area. This stands in contrast to the port of Luanda.	
Port of Lobito works very well	Core Statement
Irrespective of specific quay, vessels unloading and container handling operations are very fast	
Pre-planning ensures that storage location is assigned and requirements e.g. power supply for reefer containers are available	
Port is managed in professional way by single port company	
Port of Lobito is not split up into quay sectors, but structured as single, coherent port area	
This stands in contrast to port of Luanda	
The port of Lobito and the planned port in Barra do Dande are key projects in Angola. In Lobito, a new bulk terminal has been put in place. At the moment, the new terminal is not used to full capacity. This is because on the congolease side the construction of the railway has not been continued. Copper producers are only waiting for this railway line to open.	Statement AO-36-20
The interviewee states that the port of Barra do Dande and Lobito are the key port development projects in Angola. The port of Lobito has been equipped with a new bulk terminal. In order to utilise the capacity of the new bulk terminal for copper exports from the DR Congo, there is still a need for a linkage between the Caminho de Ferro de Benguela to the railway network of the DR Congo. The construction of the linkage in the DR Congo has not been completed yet.	Interpretation
Port of Barra do Dande and Lobito are key port development projects in Angola	Core Statement
Port of Lobito has been equipped with new bulk terminal	

To utilise capacity of bulk terminal for copper exports from DR Congo, there is still need for linkage between the railway network in Angola and DR Congo; construction in DR Congo has not been completed yet	
Large infrastructures are always a public task. For large infrastructure projects, the government should make use of advice from other states, on how they set up their port infrastructure; the provision of the infrastructure is always a public task. The same applies to the railway.	Statement AO-36-21
The interviewee states that the provision of large infrastructure such as port and railway infrastructure is always a public responsibility. The government should accept advice from other countries on the design of their port and railway infrastructure.	Interpretation
Provision of large infrastructure, such as port and railway infrastructure, is always public responsibility	Core Statement
Government should accept advice from other countries on design of their port and railway infrastructure	
The operations are a public task as well, otherwise tenants ruin the infrastructure, squeeze the assets but have no interest to invest in maintenance and upgrading. A leasing of individual sectors, sector by sector, makes it even worse.	Statement AO-36-22
The interviewee states that because tenants of ports and sectors tend to utilise the infrastructure but have no interest to invest in infrastructure that only pays off in the long run, a deterioration of the port infrastructure is likely. Thus, not only the provision but also the operation of infrastructure is a public responsibility.	Interpretation
Because tenants of ports and sectors tend to utilise infrastructure but have no interest to invest in infrastructure that only pays off in long run, deterioration of port infrastructure is likely	Core Statement

Not only provision but also operation of infrastructure is public responsibility	
Having a stake in the quay and being a member of the board of directors, I think that is ideal. In Hamburg, it is successful. I think that is adoptable. This model is my advice. We will see what they are going to do; after all, they were also able to make Sonangol a complicated network of cross-shareholdings.	Statement AO-36-23
The interviewee states that a model where the public has a share in the port infrastructure and operations, such as at the port of Hamburg, would be an ideal port management model for Angolan ports. However, in the past, the government of Angola was even able to structure a public company deliberately into an intransparent organisation and let individuals take advantage of it. By making this statement, the interviewee indicates that although there are some good examples that could be adopted in Angola, private objectives may interfere public objectives at the expense of port performance.	Interpretation
Model where public has share in port infrastructure and operations, such as at port of Hamburg, would be ideal port management model for Angolan ports	Core Statement
Government of Angola was even able to structure public company deliberately into intransparent organisation and let individuals take advantage	
Although there are good examples that could be adopted in Angola, private objectives may interfere public objectives at expense of port performance	
In addition to high transport distances in Angola, the poor state of the road infrastructure makes road transport even more difficult.	Statement AO-36-24

The interviewee states in addition to high transport distances, the poor state of the road infrastructure places an additional burden on transport in Angola.	Interpretation
In addition to high transport distances, poor state of road infrastructure places additional burden on road transport in Angola	Core Statement
The landscape in Angola is mountainous. Even if you tar the road one year, next year the state of the road will be deteriorated again. This will not change. There is a need for a road tax and weighbridges. This will, however, not happen in the near to medium future. On every sixth trip, trucks will break down. The road transport costs for a 40-foot container from Lobito to Luanda equals the sea transport costs between any German port and Lobito, about 4,000 Euro.	Statement AO-36-25
The interviewee states that the country's mountainous terrain places high requirements on maintenance of the road infrastructure. The poor state of the road infrastructure causes frequent truck breakdowns and contributes significantly to the road transport costs. Road transport costs are very high in Angola. Maintenance measures are not sustainable. There is a need for high maintenance. In order to reduce overloading of lorries, there is a need for weighbridges. In order to generate funds for maintenance, there is a need for a road tax system. These improvements will however not be realised within the near to medium future.	Interpretation
Mountainous terrain places high requirements on maintenance of road infrastructure	Core Statement
Poor state of road infrastructure causes frequent truck breakdowns and contributes significantly to road transport costs	
Road transport costs are very high in Angola	
Maintenance measures are not sustainable; there is need for high maintenance	

To reduce overloading of lorries, there is need for weighbridges	
To generate funds for maintenance, there is need for road tax system	
These improvements will however not realised be within near to medium future	
<p>Angola has three main railway lines, and a narrow gauge railway from Port Amboim. These include the Caminho de Ferro de Luanda CFL in the north, the Caminho de Ferro den Benguela CFB on the Lobito Corridor which goes up to Zambia and the Caminho de Ferro de Moçâmedes CFM from the port of Namibe to Menongue. The CFM is still being rehabilitated. It is trafficable up to Matala. From Matala onwards, it is overgrown by plants. Chinese have started to rehabilitate this section; they faced many land mine accidents. It is a heavy-duty line with an axle load of 18 tonnes. The other railways have much lower axle loads. All railway lines were designed to export goods. The CFB was the export route for copper from Zambia but has also been used to transport agricultural goods. CFL has been used to transport agricultural goods, the CFM for iron ore. All railways went from the east to the west; there were no vertical connections.</p>	<p>Statement AO-36-26</p>
<p>The interviewee states that the country has four railway lines. All railway lines have been designed to transport export goods and stretch from the east to the west. The Caminho de Ferro de Luanda is designed for transport of agricultural goods in the north of the country. The Caminho de Ferro de Benguela is designed for copper transport between the port of Lobito and Zambia as well as transport of agricultural goods. The Caminho de Ferro de Moçâmedes is designed for high weight transport of iron ore between the port of Namibe and Menogque. This railway is only operational between Namibe and Matala. The rehabilitation of the section between Matala and Menongue has started.</p>	<p>Interpretation</p>



Land mines make the rehabilitation difficult. There is a narrow gauge railway line at Port Amboim.	
Country has four railway lines; railways lines have been designed to transport export goods and stretch from east to west	Core Statement
Caminho de Ferro de Luanda is designed for transport of agricultural goods in north of country	
Caminho de Ferro de Benguela is designed for copper transport between port of Lobito and Zambia as well as transport of agricultural goods	
Caminho de Ferro de Moçamedes is designed for high weight transport of iron ore between port of Namibe and Menongue	
- Only operational between Namibe and Matala	
- Rehabilitation of section between Matala and Menongue has started	
- Land mines make rehabilitation difficult	
There is narrow gauge railway line at Porto Amboim	
The railway has the potential to bring 60 – 70,000 people in sustainable employment. Railways have been designed at the time of the steam train. It was however illusionary to bring coal to Angola. In order to fuel the steam trains, gum wood has been planted next to the railways. These plantations have not been used since the 1970 and are ready to be harvested.	Statement AO-36-27
The interviewee states that the railway system in Angola has been designed at a time when the steam train prevailed. Coal to fuel trains was however not available and eucalyptus trees have been planted and used instead. These plantations have not been harvested for long time and can now be used for any other purpose. By making this statement, the interviewee indicates that the cutting down of and trade with eucalyptus along with the availability of the railway provide employment and income opportunities for the population.	Interpretation

Railway system has been designed at time when steam train prevailed; coal to fuel trains was not available and eucalyptus trees have been planted and used instead	Core Statement
Plantations have not been harvested for long time and can now be used for any other purpose	
Cutting down of and trade with eucalyptus along with availability of railway provide employment and income opportunities for population	
In the 1960s, the possibilities to connect the three railway lines among each other and with railways in neighbouring countries have been analysed. This investigation has been carried out at a time when the container was not common yet and oil was not the major export good of Angola. The advantage of it is that the neighbouring railways use the same gauge size, 1067 mm. 15 years ago, we have prepared a concept paper to implement these plans. In 2001, the government adopted this concept as the railway development plan. Modules are currently realised, according to economic priority. Our concept even considered transshipment centres where farmers could bring and sell their goods. All this existed in the year 2000, but oil was more important.	Statement AO-36-28
The interviewee states that in the 1960s, the railway system of Angola has been analysed and a concept to link the three separate railways among each other as well as with railways of neighbouring countries been elaborated. In the 1960s, factors that today make up the requirements to transport, such as the container as the main handling unit, have not been taken into account to design the transport system. The gauge size already complied with the gauge size of neighbouring countries. Based on these concepts, the company made up plans to put this concept into practice. In 2001, the government has taken over the plans as the national railway development plan. Since then,	Interpretation

parts of the national railway development plan are realised according to economic relevance. Although the plans already considered transshipment centres for agricultural goods along the railway and thus a chance to rehabilitate the agricultural production in Angola, in 2001, priority has been given to the oil sector.	
In 1960s, railway system of Angola has been analysed and concept to link three separate railways among each other as well as with railways of neighbouring countries has been elaborated	Core Statement
In 1960s, factors that today make up requirements to transport, such as container as main handling unit, have not be taken into account to design transport system	
Gauge size already complied with gauge size of neighbouring countries	
Based on these concepts, company made up plans to put this concept into practice	
In 2001, Angola government has taken over plans as national railway development plan; since then, parts of national railway development plan are realised according to economic relevance	
Although plans already considered transshipment centres for agricultural goods along railway and thus chance to rehabilitate agricultural production in Angola, in 2001, priority has been given to oil sector	
The government is responsible to rehabilitate the railway system in Angola. Private investors will not be willing to do it.	Statement AO-36-29
The interviewee states that the government is responsible to rehabilitate the rail transport system. Private investors would not be willing to invest in the rail transport system.	Interpretation
Government is responsible to rehabilitate rail transport system; private investors would not be willing to invest in rail transport system	Core Statement

<p>The railway line between Lobito and Luena is operational again. The Angolans only wait for the Congolese. Some days ago, the government has announced that the election in October will be postponed. This evoked a strike. It all depends on the development of the Congo.</p>	<p>Statement AO-36-30</p>
<p>The interviewee states that the Caminho de Ferro de Benguela is operational on the distance from the port of Lobito to Luena. In order to link up to the railway system to the DR Congo; it only lacks the completion of the railway construction in the DR Congo. The uncertainty about the elections has, however, caused labour strikes and brought about a work stoppage.</p>	<p>Interpretation</p>
<p>Caminho de Ferro de Benguela is operational on distance from port of Lobito to Luena; to link up to railway system in DR Congo, it only lacks completion of railway construction in DR Congo</p>	<p>Core Statement</p>
<p>Uncertainty about elections in DR Congo has, however, caused labour strikes and brought about work stoppage</p>	
<p>I do not believe that Angola will extend the railway further than Menongue. There is only wetland; the land is covered by water half a year. It does not make sense to construct a railway there. Therefore, it is right that Namibia is taking this chance to link its railway system to Zambia. These are the areas of Zambia that are worth to develop.</p>	<p>Statement AO-36-31</p>
<p>The interviewee states that because the landscape is covered by water half a year, it is unlikely that the Angolan government will extend the railway from Menongue onwards. Since a railway line from Menongue to Zambia will not be feasible, the plans of the Namibian government to extend its railway to Zambia are reasonable. This region of Zambia possesses the economic potential to justify a railway line.</p>	<p>Interpretation</p>
<p>Because landscape is covered by water half year, it is unlikely that Angolan government will extend railway from Menongue onwards</p>	<p>Core Statement</p>

Since railway line from Menongue to Zambia will not be feasible, plans of the Namibian government to extend its railway to Zambia are reasonable; this region of Zambia possesses economic potential to justify railway line	
<p>The operator of the railway lines is the ministry of economy. The owner of the railway network is the ministry of transport. The construction and maintenance of the railway network is where people can put money aside. The operation of the railway line is where you need to ensure that the funds actually last for all the expenses, such as staff salaries, pension funds and labour strikes. This separation does not make sense. Ownership and operation should be under the responsibility of a single ministry or railway ministry. Structures of public organisations in Angola are often designed in an opaque and inefficient way. This allows that some people can enrich themselves. This issue applies to agriculture such as forestry and fishing as well.</p>	Statement AO-36-32
<p>The interviewee states that there is a separation in responsibility of the rail infrastructure and operations. Whilst the rail infrastructure is under control of ministry of transport, the rail operations are under control of the ministry of economy. The organisational structure of the railway system is designed in a complex and in-transparent structure that allows covering illegal cash flows. This applies to other industries, such as fishing, forestry and agriculture, as well. Instead of a separation of control between rail infrastructure and operations, a single organisation should be responsible to control both the infrastructure as well as the operations of the railway system in Angola.</p>	Interpretation
There is separation in responsibility of rail infrastructure and operations	Core Statement
Rail infrastructure is under control of ministry of transport	
Rail operations are under control of ministry of economy	

Organisational structure of railway system is designed in complex and intransparent structure that allows covering illegal cash flows; this applies to other industries such as fishing, forestry and agriculture as well	
Instead of separation of control between infrastructure and operations, single organisation should be responsible to control infrastructure and operations	
<p>You cannot place a large-scale manufacturing location in a central location in Angola and distribute the goods from there to the rest of the country. Until 1975, Gabela was a location with much stock farming. At that time, it was not an issue to distribute milk from Gabela to Porto Amboim, Sumbe, Lobito or Luanda. This however requires that the road infrastructure works. The 60 km road between Gabela and Quibala has been mined during the war; it is still dangerous to carry goods on that roads. The road infrastructure is destroyed. This not only impedes the distribution of goods, but also the supply of input goods.</p>	<p>Statement AO-36-33</p>
<p>The interviewee states that prior to the war, transport of goods between economic centres in Angola was working and allowed value creation in distant locations in the hinterland. Since the war destroyed the infrastructure and mined the transport infrastructure, supply and distribution of goods as well as value creation in distant location in the hinterland is not possible anymore. The poor performance of the transport system impedes agricultural production in central locations and distribution of goods to remote locations.</p>	<p>Interpretation</p>
<p>Prior to war, transport of goods between economic centres in Angola was working and allowed value creation in distant locations in hinterland</p>	<p>Core Statement</p>
<p>Since war destroyed infrastructure and mined transport infrastructure, supply and distribution of goods as well as value creation in distant location in hinterland is not possible anymore</p>	

Poor performance of transport system impedes the agricultural production in central locations and distribution of goods to remote locations	
Angola has not reached the level of a self-sustained agricultural system. Instead of producing and distributing agricultural goods in Angola, goods are rather imported. The trigger of a development of the economy is weather-independent road transport. Instead of unreliable ferries, there is a need for bridges. Rail transport needs to offer frequent services and refrigerated wag-gons.	Statement AO-36-34
The interviewee states that because the economy is not able to produce and distribute basic agricultural goods and to ensure basic supply of the population, goods are rather imported. The lack of road and rail transport with an adequate performance impedes the distribution of goods in Angola. The lack of a weather-independent road transport system impedes the development of the economy. There is a need for weather-independent road transport. Road transport requires bridges instead of ferries to ensure a consistent performance. There is a need for rail transport with frequent services and refrigerated wag-gons.	Interpretation
Because economy is not able to produce and distribute basic agricultural goods and to ensure basic supply of population, goods are rather imported	Core Statement
Lack of road and rail transport with adequate performance impedes distribution of goods in Angola	
Lack of weather-independent road transport system impedes development of economy	
There is need for weather-independent road transport	
Road transport requires bridges instead of ferries to ensure consistent performance	

There is need for rail transport with frequent services and refrigerated waggons	
The agricultural potential is huge in Angola. The key to tap the agricultural potential is logistics. Geographic economic regions do not interlink. Potential suppliers and customers do not know each other. The portuguese sense of trade does not exist anymore. There is a need for a business college to teach people the basic functions of business; one of these functions is logistics.	Statement AO-36-35
The interviewee states that agricultural production can become a major pillar of the economy. However, neither the necessary logistics system nor the inclination of the population to agricultural production and trade does exist anymore. Due to the lack of an adequate logistics system, distant economic centres do not link up. In order to redevelop agricultural production and distribution in Angola, there is a need for an adequate logistics system performance and educational entities that equip the population with the necessary trading and transport knowledge.	Interpretation
Agricultural production can become major pillar of economy	Core Statement
Neither necessary logistics system nor inclination of population to agricultural production and trade does exist anymore	
Due to lack of adequate logistics system, distant economic centres do not link up	
To redevelop agricultural production and distribution, there is need for adequate logistics system performance and educational entities that equip population with necessary trading and transport knowledge	
Zambia is developing very well. Zambia is on the way to diversify its economy, away from minerals and towards coal and agriculture. There is fierce competition between the two major universities. That is a must have for a country to develop. Zambia tries to avoid conflict, fosters a good relationship and business	Statement AO-36-36



with its neighbouring countries. The north of Zambia is adjacent to the prosperous south of the Congo. On the one hand, since Zambia does not have access to the coast on its own territory, the landlockedness of Zambia may be regarded as a disadvantage. On the other hand, if you foster good relationships with your neighbours, it may be regarded as an advantage because there are sourcing and transport alternatives.	
The interviewee states that Zambia is developing its economy well. The country is diversifying its local production from minerals to coal and agricultural goods. The country's economy is supported by well performing local universities. The country's economy benefits from the proximity to the economically prosperous south of the Congo. By means of a long-term oriented cooperative business approach to its neighbouring countries, the country turns the disadvantage of its landlockedness into an advantage of having a number of inbound and outbound transport alternatives. By making this statement, the interviewee indicates that there are paths for disadvantaged economies, such as Angola, to continue developing their economies.	Interpretation
Zambia is developing its economy well	Core Statement
Country is diversifying its local production from minerals to coal and agricultural goods	
Country's economy benefits from proximity to economically prosperous south of Congo	
By means of long-term oriented cooperative business approach to its neighbouring countries, country turns disadvantage of its landlockedness into advantage of having number of inbound and outbound transport alternatives	
There are paths for disadvantaged economies, such as Angola, to continue developing their economies	

**Interviewee 42**

Interviewee number 42, a head of a team at an ocean freight forwarder, carrier and port operator in Angola, made the following statements:

The level of efficiency between the port of Luanda, the Sogester terminal, and the port of Lobito is very different. The port of Lobito is run by the government. In Lobito, there are issues with spare parts availability; the cranes broke down and that has an impact on the loading and unloading operations. The way these ports are operated is very different.	Statement AO-42-01
The interviewee states that the performance of the port of Luanda, i.e. the Sogester terminal, and the port of Lobito as well as their administration and operations are very different. In Lobito, a lack of spare parts impedes the port operations.	Interpretation
Performance of port of Luanda, i.e. Sogester terminal, and port of Lobito as well as their administration and operations are very different	Core Statement
In Lobito, lack of spare parts impedes port operations	
Angola is not an easy market to operate in. There are high entry costs. That makes it an interesting market to be in. The challenging part is on the government relations side. That challenge relates to every aspect of doing business, including the seaport. For instance, slightly more than 50 per cent of the company is governmentally controlled, slightly less than 50 per is controlled by our company. We try to integrate global standards in the operations; however, these standards are sometimes not in line with how the government would like it to run.	Statement AO-42-02
The interviewee states that market entry barriers are high and it is difficult to do business in Angola. In many industries, like seaports, there is a strong governmental interference, which affects doing business in Angola. For instance, operational decisions of	Interpretation

private companies, e.g. on the implementation of international standards need to be aligned with governmental intentions.	
Market entry barriers are high and it is difficult to do business in Angola	Core Statement
In many industries, like seaports, there is strong governmental interference, which affects doing business in Angola; e.g. operational decisions of private companies need to be aligned with governmental intentions	
Earlier this year, there were a lot of shipments where the customer was not able to pay the shipper. We would not release any shipment without the original B/L. The government decided to intervene, allowed the customer to release the shipments and thereby deviated from international standards. You can imagine what kind of impact this has on the market and credibility. That has a rippling effect.	Statement AO-42-03
The interviewee states that in the past the government opposed to international trading and import procedures that are intended to protect shippers and exporters. These interventions deteriorate the credibility and reliability of doing business in Angola and the involved stakeholders.	Interpretation
Government opposed to international trading and import procedures that are intended to protect shippers and exporters; interventions deteriorate credibility and reliability of doing business in Angola and involved stakeholders	Core Statement
I do not think the ports in Angola are on par with ports in China or the UK. That is why it is such an interesting market. There has been a lot of improvement and the right investment and know-how can drastically improve port performance. Our company now operates in Namibe and we no longer have vessel waiting for a whole day; vessels are now berthed and offloaded with a high efficiency.	Statement AO-42-04

The interviewee states that the port performance in Angola is different from port performance in China and the UK. There is much room for improvement in ports in Angola. The right investment and know how can lead to significant improvements in port performance in Angola. For instance, the company started terminal operations in Namibe and was able to reduce vessel waiting, handling as well as offloading and loading times significantly.	Interpretation
Port performance in Angola is different from port performance in China and UK	Core Statement
There is much room for improvement in ports and right investment and know how can lead to significant improvements in port performance in Angola	
In Cabinda, sometimes the current prevents berthing of vessels on quaysides; a smaller vessel has to go outside and a larger vessel in; or needs to wait until weather conditions change. If we would have the right investment, the right structure, maybe we do not have to do that. We expect the port to grow substantially within the next few years.	Statement AO-42-05
The interviewee states that at the port of Cabinda, sometimes port operations are negatively affected by weather conditions. Investments in infrastructure are expected to alleviate these problems. The cargo volume at the port of Cabinda is expected to grow significantly within the next years.	Interpretation
At port of Cabinda, sometimes port operations are negatively affected by weather conditions; investments in infrastructure are expected to alleviate these problems	Core Statement
Cargo volume at port of Cabinda is expected to grow significantly within next years	

The port of Luanda is made up of several terminal sectors; each sector is run by a different terminal operator and their concession terms are different. Unicargas is very low efficiency. The terminal is much bigger, but they do very little with that space.	Statement AO-42-06
The interviewee states that the port of Luanda is split up into different sectors, which are run by different operators. The performance is very different among the various sectors.	Interpretation
Port of Luanda is split up into different sectors, which are run by different operators; performance is very different among various sectors	Core Statement
The port access roads, called Boavista, get flooded during the rainy season, during the end of the year. Then it is so congested; trucks stand there for hours. That is a huge bottleneck. All the trucks have to go through that dirt road. The Mulemba IDC is on that road, so it is not only about distance, but also about the quality of the road. The roads to the Panguila dry port are relatively new, an hour away from the port; the distance is a bit higher but the roads are also better.	Statement AO-42-07
The interviewee states that the state of infrastructure of the access roads to the port of Luanda is poor. During rainy season, the roads get flooded. The poor state of the roads contributes to congestion. The poor state of the road infrastructure impedes transport between the seaport and nearby dry ports.	Interpretation
State of infrastructure of access roads to port of Luanda is poor; during rainy season, roads get flooded	Core Statement
Poor state of roads contributes to congestion	
Poor state of road infrastructure impedes transport between seaport and nearby dry ports	
Crane productivity at the Sogester terminal is about 40 moves per hour – I think that is quite good. In Lobito, because the	Statement AO-42-08

cranes are down, we are only able to send vessels, where we have our own cranes on the vessels. We do not have that on all vessels. Even between the terminals in Luanda, there are huge differences in productivity. If the market grows, we can grow as well.	
The interviewee states that the performance of the Sogester terminal in Luanda is high. There are, however, large differences in performance among the different port terminals in Luanda. Due to the breakdown of cranes at the port of Lobito, the port is currently only able to handle vessels with own cranes and that is not the usual case.	Interpretation
Performance of Sogester terminal in Luanda is high; there are however large differences in performance among different port terminals in Luanda	Core Statement
Due to breakdown of cranes at port of Lobito, port is currently only able to handle vessels with own cranes and that is not usual case	
I think the reasons for our performance in Angola are as follows: We brought the necessary know how to the market, the necessary investment, the equipment, the training and safety – there is a continuous improvement. We increased the depth of the terminal, so that we are able to bring larger vessel in. We are in Angola for 20 years. In order to do business here you need to know how the country works and you need to be aware of the challenges of the country.	Statement AO-42-09
The interviewee states that the company brought the necessary investment, knowledge, training, safety to the terminal at the port of Luanda. The company triggered a deepening of the port and is now able to handle larger vessels. The company is doing business in Angola for many years and is familiar with the business environment. All these factors explain the good performance of that terminal.	Interpretation

These factors explain good performance of that terminal:	Core Statement
- Company brought necessary investment, knowledge, training, safety to terminal at port of Luanda	
- Company triggered deeping of port and is now able to handle larger vessels	
- Company is doing business in Angola for many years and is familiar with business environment	
We need to make sure we have a local employee pipeline. Skilled people are still a challenge; companies pay a premium on skilled people. Most skilled people are absorbed by the oil and gas industry, because they offer the highest paying conditions. That is an issue as well. Sometimes we hire on potential capabilities, not on current skills.	Statement AO-42-10
The interviewee states that supply of skilled local labour is a challenge in Angola. There is a scarcity of skilled labour and due to the high paying conditions in the oil and gas industry, a large share of skilled people is absorbed by the oil and gas industry. Due to the scarcity of skilled labour, the company often hires people who do not have the necessary qualification yet, but the willingness to get there.	Interpretation
Supply of skilled local labour is challenge; there is scarcity of skilled labour and due to high paying conditions, large share of skilled people is absorbed by oil and gas industry	Core Statement
Due to scarcity of skilled labour, company often hire people who do not have necessary qualification yet, but willingness to get there	
There are some market disruptions. Right now, due to the crisis, the market does not have access to US-Dollars; oil revenues are down. The importers do not have access to forex, have not	Statement AO-42-11

<p>been able to pay their suppliers, there are only Kwanzas. Consequently, last year the market dropped by about 40 percent and this year by an additional 30 percent. The import flows have reduced greatly. As a vessel operator, many vessels are direct and weekly, and that is at a high costs. If the market continues to decline and does not pick up, we might have to reduce the frequency from weekly to bi-weekly and then instead of a direct shipping we might have to use a transshipment port. That would affect the market, because goods would take longer to get to Angola.</p>	
<p>The interviewee states that due to the economic crisis in Angola, importers do not have the necessary foreign exchange to import goods. Consequently, during the last two years import cargo volumes have decreased significantly. If the market does not recover or even continues to decline the company will have to reduce the sailing frequency or make use of transshipment ports. Both measures will increase the overseas transport time to Angola.</p>	Interpretation
<p>Due to economic crisis in Angola, importers do not have necessary foreign exchange to import goods; consequently, during last two years import cargo volumes have decreased significantly</p>	Core Statement
<p>If market does not recover or even continues to decline company will have to reduce sailing frequency or make use of transshipment ports; both measures will increase overseas transport time to Angola</p>	
<p>A potential disruption is the fact that Bromangol is allowed to inspect every single shipment and they make use of it. There is no limitation in time. That adds to the total costs and companies cannot transfer that to the customer. If that continues, this will cause a market disruption.</p>	Statement AO-42-12



The interviewee states that the company that inspects import cargo is allowed to inspect every single shipment without any limitation in inspection duration. This increases the time it takes to import goods and adds to the costs of import goods. Importing companies are not able to add these additional costs to goods price. If this is not going to change, this will have an impact on the availability of goods on the market in Angola.	Interpretation
Company that inspects import cargo is allowed to inspect every single shipment without any limitation in inspection duration; this increases time it takes to import goods and adds to costs of imports	Core Statement
Importing companies are not able to add additional import costs to goods price; if this is not going to change, this will have impact on availability of goods on market in Angola	
Previous disruptions were delayed shipments because of issues with import licences and quotas. Often, regulations are not done with the necessary checkpoints before implemented, or there is a new initiative but not all stakeholders have been informed. My customers often do not know what is going on. The people who operate in that market are veteran, they know how to react.	Statement AO-42-13
The interviewee states that past negative effects on the availability of goods on the local market resulted from an immaturity of import regulations or insufficient provision of information to importers. Established import companies are however well acquainted with the business environment and thus able to cope with such difficulties.	Interpretation
Past negative effects on availability of goods on local market resulted from immaturity of import regulations or insufficient provision of information to importers	Core Statement
Established import companies are however well acquainted with business environment and able to cope with such difficulties	

Angola imports pretty much everything, for example spare parts. If something breaks down and a company does not have enough spare parts on stock, operations get affected, for example the cranes. Sometimes we do not have technicians for reefer container.	Statement AO-42-14
The interviewee states that most goods and services need to be imported to Angola and sometimes there is a lack of specific goods and services. In case of an undersupply of goods and services, business operations get affected, including port operations.	Interpretation
Most goods and services need to be imported to Angola and sometimes there is lack of specific goods and services; in case of undersupply of goods and services, business operations get affected, including port operations	Core Statement
There is a potential to improve the other ports like Lobito and Cabinda. If we could reduce the congestion at Boavista at the port of Luanda, as the main entry point, this would have a huge impact on the overall efficiency from the time the vessels get berthed to the time the container gets to the customer.	Statement AO-42-15
The interviewee states that there is much room for improvement at the port of Lobito and Cabinda. An alleviation or elimination of congestion at the access roads to the port of Luanda would significantly reduce the time it takes to bring cargo from the terminal to the destination.	Interpretation
There is much room for improvement at port of Lobito and Cabinda	Core Statement
Alleviation or elimination of congestion of access roads to port of Luanda would significantly reduce time it takes to bring cargo from terminal to destination	
Another important issue is the need to transfer the existing knowledge also to the other ports in Angola.	Statement

	AO-42-16
The interviewee states that there is a need to transfer the know how at the port of Luanda, i.e. at the Sogester terminal, also to the other ports in Angola.	Interpretation
There is need to transfer know how at port of Luanda, i.e. at Sogester terminal, also to other ports in Angola	Core Statement
There is a regular train from Lobito to Zambia, but it stops at the border to Zambia. It is operating, but knowbody knows whether it is also for containers and whether there are depots. In the past, this line was working. This line could be used to unlock the potential for copper and wood. First, there is a need for export licences, to untap a new market.	Statement AO-42-17
The interviewee states that in the past there was a railway line between Lobito and Zambia. At the moment, it is however unknown whether this line is only for passengers or also containers. This railway line could be used to export copper from Zambia and wood from Angola via the port of Lobito. First of all, however, there is a need for export licences.	Interpretation
In past there was railway line between Lobito and Zambia; at moment, it is however unknown whether this line is only for passengers or also containers	Core Statement
Railway line could be used to export copper from Zambia and wood from Angola via port of Lobito; first of all there is need for export licences	
A good practice that could be adopted in Angolan ports is a tool to identify where containers are located, whether they are in Panguila or Sogester. Sometimes, there is a lack of visibility. Another good practice are berth windows; berth windows are not used here. Berth windows are implemented in Lobito. In Luanda it is still discussed and usually we see berth windows implemented in ports around the world.	Statement AO-42-18

The interviewee states that there is a need for higher visibility of cargo at the port as well as at dry ports. Like in other countries, tools for locational identification of cargo could be adopted in Angola as well. Berth windows, such as in Lobito and many other ports around the world, would increase the performance of vessel and cargo handling at the port of Luanda as well.	Interpretation
There is need for higher visibility of cargo at port as well as dry ports; like in other countries, tools for locational identification of cargo could be adopted in Angola as well	Core Statement
Berth windows, such as in Lobito and many other ports around world, would increase performance of vessel and cargo handling at port of Luanda as well	
We as a carrier, like many other carriers, are investing in larger vessels to increase efficiency and drive prices down. The draft limitation might be a barrier. In west Africa, we use specialised vessels with lower depth and higher length. There is a misalignment with where we want to go; we are limited by the infrastructure here. There was a project on this issue, but the reason why we cannot do more is related to costs. I do not know whether there is any physical barrier.	Statement AO-42-19
The interviewee states that like many other carriers, the company is putting larger vessels in operation to increase economies of scale and decrease transport costs. Due to the low water depth, however, today's large vessels cannot be used in western African ports. Thus, the low water depth represents a barrier to reductions in transport costs. In Luanda, at least the lack of funds represents a barrier to a further deepening of the port.	Interpretation
Due to low water depth, today's large vessels cannot be used in western African ports; low water depth represents barrier to cost reductions in transport costs	Core Statement

In Luanda, at least lack of funds represents barrier to further deepening	
Roads are in poor condition right now. There has been some improvement. However, this year with the crisis, the government has not been able to keep up with the maintenance. For instance, the road from Luanda to Lobito is just one road and it is in very bad condition. Ocean freight rates from Portugal to Luanda have dropped a lot and are similar to land freight rates from Luanda to Lobito. Road transport costs are high. Roads are an essential part of the supply chain. That is where the biggest opportunity is, on the landside.	Statement AO-42-20
The interviewee stated that the state of the road infrastructure is poor in Angola. Although there were some improvements, there is still a need for more improvement measures. Due to the current economic crisis, the government does not have the funds to provide the necessary maintenance. The poor state of the road infrastructure between Luanda and Lobito leads to excessively high transport costs. The importance of road transport in hinterland transport as well as the poor state of the road infrastructure provide much room for improvement in supply chain performance in Angola.	Interpretation
State of road infrastructure in Angola is poor	Core Statement
Although there were some improvements, there is still need for more improvement measures	
Due to current economic crisis, government does not have funds to provide necessary maintenance	
Poor condition of road infrastructure between Luanda and Lobito leads to excessively high transport costs	
Importance of road transport in hinterland transport as well as poor state of road infrastructure provide much room for improvement in supply chain performance in Angola	

<p>In this crisis, people realised that they cannot rely on oil and the country has to diversify. That is highly on the government agenda. Some diversification has taken place, such as investments to produce sugar and cattle. Everybody is sceptical because Angola used to import everything, even the animal feed. There are projects to bring back coffee. Coffee exports are however irregular. The problem is that by the time the coffee arrives at its final destination, the quality has decreased significantly, so it is not marketable. There is a potential for granite and wood export and there are shipments. We often hear, let us restore what we had in the past. We have customers that do trial shipments.</p>	<p>Statement AO-42-21</p>
<p>The interviewee states that the crisis has brought people to realise that the economy cannot rely on oil only and there is a need to diversify the economic structure. A diversification of the economic structure is one of the top priorities of the government. There have been some investments in sugar and cattle production as well as export of coffee, granite and wood. Since for long time Angola has imported almost every good, even basic input goods, there are concerns about the ability to set up local production. Since the current transport options do not provide the necessary conditions to preserve the quality of goods during transport, such as in case of coffee, export is economically infeasible. Nonetheless, people are willing to restore the former strengths as an export country and attempt to export specific goods.</p>	<p>Interpretation</p>
<p>Crisis has brought people to realise that economy cannot rely on oil only and there is need to diversify economic structure; diversification of economic structure is one of top priorities of government</p>	<p>Core Statement</p>
<p>There have been some investments in sugar and cattle production as well as export of coffee, granite and wood</p>	

Since for long time Angola has imported almost every good, even basic input goods, there are concerns about ability to set up local production	
Since current transport options do not provide necessary conditions to preserve quality of goods during transport, such as in case of coffee, export is economically not feasible	
Nonetheless, people are willing to restore former strengths as export country and attempts to export specific goods	
Angola has so much agricural potential, but we need to keep in mind that much of the strategic soil still has landmines today. That poses a challenge.	Statement AO-42-22
The interviewee states that much of the agricultural land is still covered with land mines and that represents a challenge to the revival of the agricultural production in Angola.	Interpretation
Much of agricultural land is still covered with land mines and that represents challenge to revival of agricultural production in Angola	Core Statement
Locations where coffee is grown are in remote areas and they need access to distribution points. Even today, during rainy seasons, coffee and vegetables do not get to Luanda, simply because people cannot get their products to distribution points.	Statement AO-42-23
The interviewee states that agricultural land is often located in remote areas. In order to get agricultural goods to the market, there is a need for transport and transshipment. Weather conditions often prevent transportation to transshipment centres and to the market.	Interpretation
Agricultural land is often located in remote areas; to get agricultural goods to market, there is need for transport and transshipment	Core Statement

Weather conditions often prevent transport to transshipment centres and to market	
There is no export knowledge here; even carriers have no idea how to do it. Import processes are definitely more on point than export processes. The lack of knowhow affects everything.	Statement AO-42-24
The interviewee states that in contrast to knowledge about import procedures, there is a lack of knowledge about export procedures.	Interpretation
In contrast to knowledge about import procedures, there is lack of knowledge about export procedures	Core Statement
A certain chemical is used to preserve bananas. We do not have that chemical here, so we would have to import it. However, currently, for other than basic goods, such as flour, corn or rice, companies often do not get import licences and prioritised funds, because of the limited funds. Companies have to go to the bank and find alternatives, more expensive ways to finance that.	Statement AO-42-25
The interviewee states that there is a lack of funds to finance imports. Whilst for basic import goods the government provides prioritised funding and import licences, for other import goods, companies need to apply for a loan at commercial banks at market rates.	Interpretation
There is lack of funds to finance imports; whilst for basic import goods government provides prioritised funding and import licences, for other import goods, companies need to apply for loan at commercial banks at market rates	Core Statement



## Namibia

This section presents, interprets and condenses the statements on Namibia.

### Interviewee 1

Interviewee number one, a consultant in the freight forwarding industry in South Africa, made the following statements:

The port of Walvis Bay is a very efficient and reliable seaport. The risk of labour strikes is significantly lower compared to South African seaports.	Statement NA-01-01
The interviewee states that the port of Walvis Bay is an efficient and reliable seaport. The risk of labour strikes is regarded substantially lower than in South African ports.	Interpretation
Port of Walvis Bay is efficient and reliable port	Core Statement
Risk of labour strikes is substantially lower than in South African ports	

### Interviewee 13

Interviewee number 13, a head of organisation at an ocean freight forwarder and carrier in South Africa, made the following statements:

In Namibia, there are only few direct carriers, Macs and Maersk for Europe as well as CMA CGM for Asia.	Statement NA-13-01
The interviewee states that there is only a low number of direct sailings going in or out at the port of Walvis Bay. The interviewee seems to compare the port of Walvis Bay with ports in South Africa.	Interpretation
There is only low number of direct sailings going in or out at the port of Walvis Bay, compared to ports in South Africa	Core Statement

Due to Cape Town's competitive advantage in reefer business, products from Namibia are also exported via Cape Town; there are two ships a week from CPT to Europe.	Statement NA-13-02
The interviewee states that the specialisation of ports in South Africa, such as the reefer business at the port of Cape Town, makes those ports attractive for Namibian cargo as well.	Interpretation
Specialisation of ports in South Africa makes ports attractive for Namibian cargo as well	Core Statement
Namibia has no manufacturing capability. There is only mining and agriculture, e.g. uranium oxide, copper, marble, cattle.	Statement NA-13-03
The interviewee states that Namibia does not have the capability to accommodate manufacturing industry. There is only the mining and stock farming industry.	Interpretation
Country does not have capability to accommodate manufacturing industry	Core Statement

### Interviewee 15

Interviewee number 15, a staff member at a manufacturing, retailing and service company in Namibia, made the following statements:

Namibia is dependent on South Africa; it is dependent on imports.	Statement NA-15-01
The interviewee states that the country is dependent on imports, for instance on imports from South Africa.	Interpretation
Country is dependent on imports, e.g. on imports from South Africa	Core Statements
If corruption is reduced and we get the right people, educated people with the knowledge of what they are doing, e.g. in public	Statement NA-15-02

procurement, and then look at landlocked countries, companies will opt for the port of Walvis Bay. Then, the future can be ok.	
The interviewee states provided that the level of corruption is reduced and adequately educated people are employed, e.g. in procurement, neighbouring countries will make use of the port of Walvis Bay as their preferred port. If this scenario is going to realise, the economy is likely to develop well.	Interpretation
Provided that level of corruption is reduced and adequately educated people are employed, e.g. in procurement, neighbouring countries will make use of port of Walvis Bay as their preferred port	Core Statements
If this scenario is going to realise, economy is likely to develop well	
After the Apartheid period, there was too much shuffle in ministerial positions, independent from qualification. There was no proper handover.	Statement NA-15-03
The interviewee states that the transition from the Apartheid to the new political and economic system included a replacement of high-level staff at public organisations. However, this was done without a thorough consideration of necessary qualifications in certain positions and the need for a decent hand over from former to new staff.	Interpretation
Transition to new political and economic system included replacement of high-level staff at public organisations without thorough consideration of necessary qualifications and need for decent hand over	Core Statements
We need to bring people with new ideas into public organisations. There is a need to create partnerships between universities and public organisations, for instance by means of internships. The universities are there.	Statement NA-15-04

The interviewee states that there is a need for people with new ideas in public organisations. To get new ideas into public organisations, partnerships between universities and public organisations for internships should be established.	Interpretation
There is need for new people with new ideas at public organisations	Core Statements
Partnerships between universities and public organisations for internships should be established	
The ministry of Education should come up with those ideas. Like private companies, ministries should get students to do their internships and put ideas into practice. Private companies are doing much better than the government. The government is not doing that.	Statement NA-15-05
The interviewee states that the government, the ministry of education, is responsible to come up with ideas to improve public organisation performance. This could include cooperation between local universities in order to provide students with the opportunity to gain insight into daily business and bring in their fresh ideas.	Interpretation
Government, ministry of education, is responsible to come up with ideas to improve public organisation performance	Core Statement
This could include cooperation between local universities to provide students with opportunity to gain insight into daily business and bring in fresh ideas	
The lack of qualifications, the high level of corruption as well as a still existing discrimination on grounds of skin colour – whites do not want to give their knowledge – constitute obstacles to the development of the economy. Namibia could be a better place; a lot of things can happen.	Statement NA-15-06

The interviewee states that the lack of qualifications, for instance at public organisations, the high level of corruption as well as the still existing barriers for non-white people to participate in business with equal rights constitute obstacles to the development of the economy of Namibia.	Interpretation
Lack of qualifications, high level of corruption and barriers for non-white people to participate in business with equal rights constitute obstacles to development of economy	Core Statement
Take South African manufacturing plants in Namibia, e.g. clover milk, a competitor of NamMilk. Move those manufacturing and assembly plants to Namibia to reduce supply chain costs.	Statement NA-15-07
The interviewee states that a shift of manufacturing or assembly plants for products such as FMCG or vehicles would reduce supply chain costs. Manufacturing and assembly plants for local demand should be set up in Namibia.	Interpretation
Shift of manufacturing or assembly plants for products such as FMCG or vehicles would reduce supply chain costs	Core Statement
Manufacturing and assembly plants for local demand should be set up in Namibia	
The government in Botswana is ok. The Pula currency is evaluated higher than the NamDollar. There is less corruption. The government is run in a proper way.	Statement NA-15-08
The interviewee states that the government of Botswana is a good example of good governance. This is reflected in the stronger currency and less corruption compared to Namibia as well as the functioning of the government.	Interpretation
Botswana is good example of good governance; this is reflected in stronger currency and less corruption compared to Namibia as well as the functioning of government	Core Statements

Adopt a lot of things of South Africa, for instance make products in South Africa and do not rely on other countries.	Statement NA-15-09
The interviewee states that Namibia could adopt a lot of things from South Africa, such as the economic independence from other economies, the self-sufficient economy.	Interpretation
Adopt things from South Africa, e.g. self-sufficient economy	Core Statements
The volume at Namibian seaports is still quite small, but with partnerships, it is increasing.	Statement NA-15-10
The interviewee states that the cargo volume at ports in Namibia is still low compared to other ports in southern Africa. However, partnerships with neighbouring countries help to increase cargo volume at seaports in Namibia.	Interpretation
Cargo volume at ports in Namibia is still low compared to other ports in southern Africa	Core Statement
However, partnerships with neighbouring countries help to increase cargo volume at seaports in Namibia	
The port is expanding; more ships are coming to Namibia. The port of Walvis Bay is going to play a bigger role.	Statement NA-15-11
The interviewee states that as a result of the port expansion, more vessels call at the port of Walvis Bay. The port of Walvis Bay is becoming more important for cargo coming into or going out of southern Africa.	Interpretation
As result of port expansion, more vessels call at port of Walvis Bay	Core Statement
Port of Walvis Bay is becoming more important for cargo coming into or going out of southern Africa	

Rail demand is not there. Between Tsumeb and Windhoek there is demand for rail transport, because of the cement plant in Tsumeb	Statement NA-15-12
The interviewee states that there is not enough demand for rail transport, only on specific lines with manufacturing plants closeby.	Interpretation
There is not enough demand for rail transport, only on specific lines with manufacturing plants closeby	Core Statement
The rail performance is there, but the parastatal organisation TransNamib does not communicate with the people.	Statement NA-15-13
The interviewee states that the rail transport network is able to provide an adequate service. However, the communication between the rail transport company and potential customers does not work well.	Interpretation
Rail transport network is able to provide adequate service	Core Statement
Communication between rail transport company and potential customers does not work well	
TransNamib bought Chinese locomotives; they were in operation for one year and then the locomotives broke. TransNamib did not send procurement specialists to procure locomotives. This was too expensive.	Statement NA-15-14
The interviewee states that the rail transport company bought locomotives of insufficient quality, resulting from a lack of involvement of specialists in procurement. This mistake caused significant costs.	Interpretation
Rail transport company bought locomotives of insufficient quality, resulting from lack of involvement of specialists in procurement; mistake caused significant costs	Core Statement

For rail, there is not enough demand. What people have in mind is speed; rail speed is too low. Therefore, most companies use road transport. There is not enough demand for rail transport. Rail transport for concrete is fine.	Statement NA-15-15
The interviewee states that speed is important in transport. Because of the low speed of railways, most companies make use of road transport. There is not enough demand for rail transport. Only for transport of high volume and weight goods, such as concrete, performance is fair.	Interpretation
Because of low speed of railways, most companies make use of road transport; there is not enough demand for rail transport	Core Statement
Only for transport of high volume and weight goods such as concrete performance is fair	
You do not know what happens between railway stations. Security is not managed. There is no visibility. Therefore, manufactured goods are not suited for rail.	Statement NA-15-16
The interviewee states that there is a lack of visibility during transport between railway stations. Security during transport is not adequately addressed. Therefore, rail transport is not an option for manufactured goods in Namibia.	Interpretation
There is lack of visibility during transport between railway stations; security during transport is not adequately addressed	Core Statement
Rail transport is not option for manufactured goods in Namibia	
When companies get the tender to construct railways, the money disappears, for instance on the railway from Tsumeb to Oshakati. In addition, on this line expropriation led to stoppages. Construction works started in 2008, stopped in 2009 and was only completed in 2011.	Statement NA-15-17



The interviewee states that improper awarding processes of contracts for construction of railways caused delays and additional costs. In addition, expropriation of landowners caused additional delays in the construction of a railway line.	Interpretation
Improper awarding processes of contracts for construction of railways caused delays and additional costs; in addition, expropriation of landowners caused additional delays in construction of a railway line	Core Statement
In transshipment and transport of fish, that is where we are quite good.	Statement NA-15-18
The interviewee states that the country has a strength in transshipment and transport of fishing products.	Interpretation
Country has strength in transshipment and transport of fishing products	Core Statement
The fish processing industry in Namibia is safe, controlled and properly managed. Even South Africa companies send their fish for processing and packaging to Namibia.	Statement NA-15-19
The interviewee states that because of compliance with industry standards, the fish processing and packaging industry in Namibia is not only used by Namibian but also by South African companies.	Interpretation
Because of compliance with industry standards, fish processing and packaging industry in Namibia is not only used by Namibian but also by South African companies	Core Statement
At the moment, where the oil price is down; it is ok. If oil price goes up foreign companies will not go fishing in Namibia anymore.	Statement NA-15-20

The interviewee states that due to the low oil price and cost-reducing effects on fuel price of fishing boats, the fishing industry is working well. However, once the oil price increases, fishing in Namibia will become unprofitable for foreign fishing companies.	Interpretation
Due to low oil price and cost-reducing effects on fuel price of fishing boats, fishing industry is working well	
Once oil price increases, fishing in Namibia will become unprofitable for foreign fishing companies	Core Statement

### Interviewee 16

Interviewee number 16, a staff member at a logistics service provider in Namibia, made the following statements:

The daily business is becoming more and more difficult, especially during the last three years. It also takes more time. South Africa still works well compared to Namibia. There is a huge gap between Namibia and South Africa, for instance in customs clearance. In Namibia, entries are completed online, but you still need to drive to the airport and hand in a paper. In South Africa, that works completely online. South Africans have a different culture; their culture consists of more ethnic groups. In Namibia, many people live just for today, they do not take on a long-term view.	Statement NA-16-01
The interviewee states that the handling of the daily business is becoming more difficult and it takes more time. Namibia is far less developed than South Africa, for instance in its maturity of the trading system. The culture is different between Namibia and South Africa. The South African population is made up of more ethnic groups, they are more thinking ahead, into the future. This has an impact on the state of development of these two economies.	Interpretation

Handling of daily business is becoming more difficult and its takes more time	Core Statement
Namibia is far less developed than South Africa, e.g. in its maturity of trading system	
Culture is different between Namibia and South Africa	
South African population is made up of more ethnic groups, they are more thinking ahead	
This has impact on state of development of these two economies	
Currently, I am quite pessimistic. In five years, the state of development of the Namibian economy will have some more deficiencies. In ten years, the Namibian economy will not be competitive anymore. The service sector will deteriorate in performance. In general, daily business will become even more difficult. The currency exchange rate will make imports even more expensive. In turn, fuel will become more expensive, the cargo volume through Namibia will go down. South Africa will have similar problems. According to a bank forecast, in few years the Namibian Dollar will trade at 22 NAD per EUR. This will make imports unaffordable.	Statement NA-16-02
The interviewee states that the economic outlook is quite pessimistic. The economy will deteriorate within the next ten years. Doing business will become even more difficult. The local currency will further loose in value, making imports, such as fuel, more expensive and reducing trade through Namibia.	Interpretation
Economic outlook is quite pessimistic	Core Statement
Economy will deteriorate within next ten years	
Doing business will become even more difficult	
Local currency will further loose in value, making imports, such as fuel, more expensive and reducing trade through Namibia	

There is almost nothing, which cannot be improved. The rail network needs to be improved. There is an urgent need for improvement in customs clearance. Customs clearing needs to be done online. The general attitude towards performance needs to improve. For instance, mission statements of public authorities such as customs and ministries are far from people's actual behaviour.	Statement NA-16-03
The interviewee states that there are many areas of the economy, which are in need for improvement. There is a need for improvement in railways, the customs clearing system as well as attitude of public authorities towards performance delivery.	Interpretation
There are many areas of economy, which are in need for improvement; there is need of improvement in railways, customs clearing system as well as attitude of public authorities towards performance delivery	Core Statement
People need to be educated and qualified. People should be employed according to qualification, instead of skin colour or personal relations. The New Equitable Economic Empowerment Framework, an extension of the Broad-Based Black Economic Empowerment, represents an obstacle to foreign direct investment. For instance, once NEEEF came into play foreign companies in the solar energy sector immediately stopped their investment programmes. The NEEEF is currently on hold.	Statement NA-16-04
The interviewee states that actions for improvement should cover education and qualification of people as well as employment according qualification. There is a need to reconsider the development of the affirmative action programme, since it puts foreign investors off and eventually harms the economy.	Interpretation
Actions for improvement should cover education and qualification of people as well as employment according qualification	Core Statement
Need to reconsider development of affirmative action programme, since it puts foreign investors off and harms economy	

The government is responsible to take actions. They are the ones who come up with ideas such as NEEEF. Only then, private sector involvement could be examined.	Statement NA-16-05
The interviewee states, it is primarily the government, who is responsible to take actions, since the problems relate back to their actions. Once the government has provided the necessary regulation, private sector actions could be examined.	Interpretation
It is primarily government, who is responsible to take actions, since problems relate back to their actions	Core Statement
Once government has provided necessary regulation, private sector actions could be examined	
The question what the government could do is a European way of thinking. The Namibian government takes on a different view. There is a chance to turn things around. The government should reconsider their investment priorities. For instance, financial resources go into projects, which do not provide any value to the economy. Currently, the government considers confining the construction sector's water consumption.	Statement NA-16-06
The interviewee states that the government does regard itself in the position of being responsible for actively searching for actions that could help the economy to prosper. This conception is not a Namibian one; it is rather a conception of European governments. The government should reconsider their investment priorities and place more emphasis on investments that provide value to the economy.	Interpretation
Government does not regard itself as responsible for actively searching for actions that could help economy to prosper	Core Statement
This conception is not Namibian one; it is rather conception of European governments	

Government should reconsider investment priorities and place more emphasis on investments that provide value to economy	
Only a small share of the population actually pays taxes. The white population contributes significantly to tax revenues, it is, however, often frowned upon if the white population expresses their opinion. In contrast, in South Africa, those who contribute to the economy have a say. That should be ensured in Namibia as well. Those issues are often branded as racial issues, however, they are not.	Statement NA-16-07
The interviewee states although the white population contributes significantly to the tax revenues and governmental budget, their opinion is often not welcome. That distinguishes Namibia from South Africa. In South Africa, those who contribute to the economy have a say in political and economic matters. These issues are often mistakenly declared as racial matters. However, these issues are a question of equal political and economic participation.	Interpretation
Although white population contributes significantly to tax revenues and governmental budget, their opinion is often not welcome	Core Statement
That distinguishes Namibia from South Africa; in South Africa, those who contribute to economy have say in political and economic matters	
These issues are often mistakenly declared as racial matters; however, these are question of equal political and economic participation	
The port of Walvis Bay recorded a loss in container transshipment volume in the period from January to June 2016 compared to January to June 2015.	Statement NA-16-08

The interviewee states that the port of Walvis Bay recorded a drop in container transshipment volume from first half-year 2015 to first half year 2016.	Interpretation
Port of Walvis Bay recorded drop in container transshipment volume from first half-year 2015 to first half year 2016	Core Statement
The volume of production is very low in Namibia; it is an import country. As soon as demand in Namibia or any of the landlocked countries decreases, transshipment volume decreases as well. The country is highly dependent on other countries and susceptible to fluctuation in demand.	Statement NA-16-09
The interviewee states that the volume of local manufacturing is low and the country relies on imports from abroad. The role as a transit country makes the business of the country dependent on the demand for transport services of surrounding landlocked countries. The state of the economic situation significantly depends on externalities.	Interpretation
Volume of local manufacturing is low	Core Statement
Country relies on imports from abroad	
Role as transit country makes business of country dependent on demand for transport services of surrounding landlocked countries, on externalities	
State of economic situation significantly depends on externalities	
The current economic situation is miserable. This poses a problem against the background of the ongoing expansion of the port of Walvis Bay. Prior to the drop in oil price, the Angolan population had lots of foreign exchange and a lot of cargo came through Walvis Bay to Angola. The drop in price of oil cut down their income and purchasing power. Because of the weakness	Statement NA-16-10

of the currency, many companies in Namibia either import mainly from South Africa or reduce their import volume.	
The interviewee states that the current economic situation is poor. The decay of the oil price significantly reduced the income, foreign exchange as well as purchasing power of the Angolan population. Prior to the decay of the oil price, much cargo has been imported through the port of Walvis Bay to Angola. Companies respond to the weakness of the currency either by shifting their sources of supply to South Africa or by reducing their volume of production. The low volume of trade through Namibia burdens the ongoing expansion of the country's main port.	Interpretation
Current economic situation is poor	Core Statement
Decay of oil price significantly reduced income, foreign exchange as well as purchasing power of Angolan population	
Prior to decay of oil price, much cargo has been imported through port of Walvis Bay to Angola	
Companies respond to weakness of currency either by shifting sources of supply to South Africa or by reducing volume of production	
Current low volume of trade through Namibia burdens ongoing expansion of country's main port	
In Europe, you would make use of just-in-time supply. However, this does not work in Namibia. This is because you deal with unqualified people and qualified people are dependent on unqualified third parties.	Statement NA-16-11
The interviewee states that in such economic situations companies, companies would usually make use of advanced supply mechanisms to reduce their working capital and counterbalance higher import costs. This would, however, not work in Namibia, because of insufficient qualification of people and resulting inability to run sophisticated, advanced supply mechanisms.	Interpretation



In such economic situations, companies would usually apply advanced supply mechanisms to reduce working capital and counterbalance import costs	Core Statement
This would, however, not work in Namibia, because of insufficient qualification of people and resulting inability to run sophisticated, advanced supply mechanisms	
The port of Walvis Bay works well, albeit worse than ten years ago. At that time, cargo trains went directly into the port area. Today, there is no proper transition between port operations and rail transport. This is due to a lack of tractive units and cargo handling equipment, such as side-loaders. It is not the seaport but the rail transport company, which is responsible for these deficiencies.	Statement NA-16-12
The interviewee states that ten years ago, seaport performance in Walvis Bay was higher; nonetheless, seaport performance is still good. Ten years ago, the operational interface between the port and the railway was better. Today, a lack of tractive units to move waggons and cargo handling equipment impede a smooth transshipment between port operations and rail transport operations. The railway company is responsible to resolve this matter.	Interpretation
10 years ago, seaport performance in Walvis Bay was higher; nonetheless, seaport performance is still good; 10 years ago, operational interface between port and railway was better	Core Statement
Today, lack of tractive units to move waggons and cargo handling equipment impede smooth transshipment between port operations and rail transport operations	
Railway company is responsible to resolve this matter	
Road transport is the most reliable mode of transport in Namibia. For instance, copper transport from Zambia to Walvis Bay and vehicle transport from Namibia works well.	Statement NA-16-13

The interviewee states that road transport is the most reliable transport mode, both on domestic as well as cross-border transport.	Interpretation
Road transport is most reliable transport mode, domestically and cross-border	Core Statement
The rail network is rotten. There is no maintenance.	Statement NA-16-14
The interviewee states that the rail infrastructure is deteriorated. The rail infrastructure has a significant backlog of maintenance.	Interpretation
Rail infrastructure is deteriorated; rail infrastructure has significant backlog of maintenance	Core Statement
There are only two lines in operation, connecting Windhoek and Walvis Bay as well as Windhoek and Otjiwarongo.	Statement NA-16-15
The interviewee states that there are only two railway lines in use. One line is connecting Walvis Bay and Windhoek, the other is connecting Otjiwarongo and Windhoek.	Interpretation
Only two lines are in use; one line is connecting Walvis Bay and Windhoek, other is connecting Otjiwarongo and Windhoek	Core Statement
TransNamib will tell you that the rail transport system is working well.	Statement NA-16-16
The interviewee states that although there are significant deficiencies, the rail transport company will state that the rail transport system is working. There are different views between the private sector and the public rail transport company on the performance of rail transport in Namibia.	Interpretation
Although there are significant deficiencies, rail transport company will state that rail transport system is working	Core Statement

There are different views between private sector and public rail transport company on performance of rail transport in Namibia	
80 percent of freight is carried by road transport, because it works.	Statement NA-16-17
The interviewee states that because of the performance, the largest share of freight is carried by road transport. Only a small share is carried by rail transport. By making this statement, the interviewee suggests that in contrast to road transport, rail transport does not provide the necessary performance.	Interpretation
Because of performance, largest share of freight is carried by road transport; only small share is carried by rail transport	Core Statement
In contrast to road transport, rail transport does not provide necessary performance	
Theft is an issue in rail transport. The locomotives are in need for repair. Getting spare parts is an issue.	Statement NA-16-18
The interviewee states that in addition to a lack of maintenance of the rail infrastructure, rail transport suffers from cargo theft, faulty locomotives as well as difficulties to get spare parts for locomotives.	Interpretation
In addition to lack of maintenance of rail infrastructure, rail transport suffers from cargo theft, faulty locomotives as well as difficulties to get spare parts for locomotives	Core Statement
The biggest weakness of transport in Namibia is the rail transport. There could be done much more. There is a potential for rail transport throughout the country, both in the north as well as in the south. The road network is getting worse – that is the worst what can happen. The aim should be to shift freight from road to rail transport. The best would be a railway line between Namibia and South Africa; currently there is no railway line.	Statement NA-16-19

<p>The interviewee states that rail transport is the weakest link in the transport system in Namibia. There is much room for improvement and demand for rail transport services in all parts of the country. Because of the weakness of rail transport, there is too much freight on road and this causes an excessive burden on and damages the road infrastructure. A shift of freight from road to rail is necessary. There are concerns about the durability of the existing road infrastructure.</p>	Interpretation
<p>Rail transport is weakest link of transport system in Namibia</p>	Core Statement
<p>There is much room for improvement and demand for rail transport services in all parts of country</p>	
<p>Because of weakness of rail transport, there is too much freight on road and this causes excessive burden on and damages road infrastructure</p>	
<p>Shift of freight from road to rail is necessary</p>	
<p>There are concerns about durability of existing road infrastructure</p>	
<p>Within the last 20 years, rail transport deteriorated, especially within the last ten years. There has been no progress; the opposite is actually true. There were attempts to improve the rail transport system, for instance the purchase of Chinese locomotives. However, these locomotives had the wrong gauge size and did not have enough power to cope with the slope. These bad investments result from unqualified staff. These decision makers do not have the necessary qualifications, only connections.</p>	Statement NA-16-20
<p>The interviewee states that over the last 20 years and particularly over the last ten years, rail transport performance deteriorated. There have been attempts to improve the rail transport system, but they failed. The failed attempts result from inadequate decision makers at the rail transport company. There is</p>	Interpretation

not only a lack of qualification but also too much reliance on personal relations.	
Over last 20 years, particularly over last 10 years, rail transport performance deteriorated	Core Statement
There have been attempts to improve rail transport system, but they failed	
Failed attempts result from inadequate decision makers at rail transport company; there is not only lack of qualification but also too much reliance on personal relations	

### Interviewee 18

Interviewee number 18, a head of team at a rail transport company in Namibia, made the following statements:

Namibia's seaports are located at the west coast of Africa and are well located for routes to Europe. The port is closer to Europe. Walvis Bay is a very well functioning port and plays an important role for Namibia.	Statement NA-18-01
The interviewee states that due to its location at the west coast of Africa the port of Walvis Bay is well suited for maritime transport between southern Africa and Europe. The relative proximity of the port to Europe, compared to competing seaports, is an advantage. The port works very well. The port plays an important role for the economy of Namibia.	Interpretation
Due to its location at west coast of Africa port of Walvis Bay is well suited for maritime transport between southern Africa and Europe	Core Statement
Relative proximity to Europe, compared to competing seaports, is advantage	
Port of Walvis Bay works very well	
Port of Walvis Bay plays important role for economy of Namibia	

The average age of locomotives is 45 years; they give us a challenge. If load is too heavy, wheels slip and traction becomes an issue. This prevents us from realizing our and our customer's targets.	Statement NA-18-02
The interviewee states that the locomotive fleet is relatively old and the power of traction is not sufficient for heavy loads. This represents a risk to the rail company's business and hence its customer's business.	Interpretation
Locomotive fleet relatively old; power of traction units not sufficient for heavy loads	Core Statement
This represents risk to rail company's business and hence its customer's business	
There are deteriorations in rolling stock and infrastructure. TransNamib has spent money on maintenance, e.g. refurbishment, upgrade, extension. For instance, the railway line from Tsumeb to Oshikango is new. The government is committed to upgrade to 18.5 tonnes – the minimum SADC standard.	Statement NA-18-03
The interviewee states that the state of rolling stock and infrastructure is poor. For a while now the rail transport company is investing in infrastructure, i.e. reconstruction, maintenance and new investment. This includes a new railway line in the north of the country on the way to Angola as well as the government's willingness to upgrade railway tracks to the minimum requirement of the Southern African Development Community of 18.5 tonnes axle load.	Interpretation
State of rolling stock and infrastructure is poor	Core Statement
For while rail transport company is investing in infrastructure, i.e. reconstruction, maintenance and new investment	
This includes new railway line in north of country on way to Angola as well as government's willingness to upgrade tracks to minimum requirement of SADC of 18.5 tonnes axle load	

The railway line is not in good condition. There is a speed limit on certain lines, to avoid derailments, e.g. from Krantzberg to Otjiwarongo. During hotness, we might experience kick outs.	Statement NA-18-04
The interviewee states that the state of rail infrastructure is poor. Speed limits on certain sections are necessary to prevent derailments during hot weather, e.g. on the rail section between Krantzberg and Otjiwarongo.	Interpretation
State of rail infrastructure is poor	Core Statement
Speed limits on certain sections are necessary to prevent derailments during hot weather	
We went to the banks to get finance for 90 acid tankers to be delivered in August and six locomotives to be delivered in December 2016.	Statement NA-18-05
The interviewee states that the rail transport company ordered new rolling stock, i.e. 90 new tanker waggons and six new locomotives, to be delivered mid to end 2016.	Interpretation
Rail transport company ordered new rolling stock, i.e. 90 new tanker waggons and six new locomotives, to be delivered mid to end 2016	Core Statement
We collaborate with NamPort under the umbrella organisation, the Walvis Bay Corridor Group. We are part of the Walvis Bay Corridor Group and we take part in information sessions to see where we fit in.	Statement NA-18-06
The interviewee states that the rail transport company is part of the organisation that promotes Namibia as a transit and transshipment location. In particular, the rail transport company cooperates with the port and tries to identify its role in the supply chain.	Interpretation

Rail transport company is part of organisation that promotes Namibia as transit and transshipment location	Core Statement
Rail transport company cooperates with port and tries to identify its role in supply chain	
In the NDP it is stated, that transport and logistics is critical to the country's development. Once the port expansion is complete, it can handle one million TEU p.a. We do not want to have this cargo on road.	Statement NA-18-07
The interviewee states that the national development plan points to logistics as a key pillar of the country's development. Once the port expansion is complete, the expected cargo volume exceeds the transport capacity of roads. By making this statement, the interviewee points to the position where rail transport would fit into the supply chain in the future: More cargo to the port and from the port should be carried on rail.	Interpretation
NDP points to logistics as key pillar of country's development	Core Statement
Once port expansion complete, cargo volume exceeds the capacity of roads	
More cargo to port and from port should be carried on rail	
The rehabilitated railway line from Lüderitz to Aus is not yet released to Trans-Namib. Sand dunes bury the rail track. A tunnel is planned for a distance of 10 km; this project is in the governmental pipeline.	Statement NA-18-08
The interviewee states that although a railway line in the south of the country, from Lüderitz to Aus, has been reconstructed, it is still not in use because of difficulties with environmental influence, i.e. sand dunes on the track. The government is planning to build a tunnel to keep the track free from sand on a distance of ten kilometres.	Interpretation



Although railway line in south of country, between Lüderitz and Aus, has been reconstructed, it is still not in use because of shifting sand dunes on track	Core Statement
Government planning to build tunnel to keep the track free from sand on distance of ten kilometres	
The rail transport network is not performing according to expectations. This is because of the deteriorating state of the infrastructure, not enough pulling power of traction units and there is a lack of continuity and frequent changes at the managerial level of the organisation.	Statement NA-18-09
The interviewee states that the rail transport performance is not as it is supposed to be. Deterioration of the infrastructure, insufficient power of traction units as well as frequent changes of the management of the rail transport company are the reasons behind the dissatisfying rail transport performance.	Interpretation
Rail transport performance not as it is supposed to be	Core Statement
Deterioration of infrastructure, insufficient power of traction units as well as frequent changes of management of rail transport company are reasons behind dissatisfying rail transport performance	
The railway line from Tsumeb to Oshikango is new. This line has an axle load of 18.5 tonnes and a maximum speed of 80 and 120 km/h. Generally, the newness is the reason for its strength. There is a link to South Africa, which is generally good; it is free from congestion.	Statement NA-18-10
The interviewee states that a strength of the rail network is the newly constructed railway line in the north of Namibia from Tsumeb to Oshikango at the border to Angola, as well as the existing line in the south to South Africa. The newness and allowable speed of the line in the north explain its performance. The lack of congestion of the line to the south explains its performance.	Interpretation

Strength of rail network is newly constructed railway line in north of Namibia from Tsumeb to Oshikango at border to Angola, as well as existing line in south to South Africa	Core Statement
Newness and allowable speed of line in north explain its performance; lack of congestion of line to south explains its performance	
The railway line between Swakopmund and Walvis Bay suffers from sand dunes and corrosive weather. Gangs with shovels have to free the track from sand.	Statement NA-18-11
The interviewee states that the railway line between Swakopmund and Walvis Bay suffers from the harsh environment, i.e. sand dunes and corrosion. There is a need for continuous maintenance.	Interpretation
Railway line between Swakopmund and Walvis Bay suffers from harsh environment; there is need for continuous maintenance	Core Statement
The rail section at Sandverhaar, between Lüderitz and Keetmanshoop, is not in a sufficient condition to export goods such as manganese.	Statement NA-18-12
The interviewee states that the rail section between the port of Lüderitz and Keetmanshoop is not in a good condition. The infrastructure is currently not sufficient to export bulk goods such as manganese from South Africa via the port of Lüderitz.	Interpretation
Rail section between port of Lüderitz and Keetmanshoop is not in good condition	Core Statement
Infrastructure currently not sufficient to export bulk goods	
There are no railway links to Zambia and Botswana. However, feasibility studies are already done.	Statement NA-18-13

The interviewee states that the railway network lacks links to neighbouring countries Zambia and Botswana. Feasibility studies for railway links are already completed.	Interpretation
Railway network lacks links to neighbouring countries Zambia and Botswana	Core Statement
Feasibility studies for railway linkages are already completed	
There is no railway link to Angola. The Namibian railway stops at Oshikango without a link to Santa Clara. There is no track on either side. It would be advantageous if there were a connection. The Angolan railway goes from the west to the east and do not link up.	Statement NA-18-14
The interviewee states that the Namibian rail network does not connect to the Angolan railway line. First, this is because there is neither a railway from Oshikango to the border in Namibia nor from the border to Santa Clara in Angola. Second, this is because Santa Clara is not connected to the Angolan railway network; railway lines in Angola cross the country from the east to the west, there are no vertical links. A cross-border rail link between Namibia and Angola would provide value.	Interpretation
Namibian rail network does not connect to Angolan railway line	Core Statement
First, this is because there is neither railway from Oshikango to border in Namibia nor from border to Santa Clara in Angola	
Second, this is because Santa Clara is not connected to Angolan railway network; railway lines in Angola cross country from east to west, there are no vertical links	
Cross-border rail link between Namibia and Angola would provide value	
The lack of a railway link between Namibia and Angola results from the past. Namibia was ruled by and part of South Africa. That is why there is only a railway link to South Africa. However,	Statement NA-18-15

the rail link to South Africa is limited. The railway line has mainly been used during the 1980s to carry military equipment and personnel for the Angolan war. The lack of a railway line to Botswana may be due to the political situation; there was no need from a South African perspective.	
The interviewee states that the missing link between the railway network in Angola and Namibia is a result of Namibia's alignment towards South Africa; a result from Namibia's former belonging to South Africa. From a South African point of view, during the war in Angola, there was a need to carry military equipment through Namibia to Angola. There was never a use of a railway between Namibia and Botswana.	Interpretation
Missing link between railway network in Angola and Namibia is result of Namibia's alignment towards South Africa; result from Namibia's former belonging to South Africa	Core Statement
From South African point of view, during war in Angola there was need to carry military equipment through Namibia to Angola	
There was never use of railway between Namibia and Botswana	
A feasibility study for a railway link to DR Congo and Zambia was already carried out. The business case was always there. Although the DR Congo is no landlocked country, the southern part of the country prefers to use the port of Walvis Bay. In order to build a railway line there, first, both governments need to agree. That requires political will.	Statement NA-18-16
The interviewee states that a feasibility study to build a railway line from Namibia to Zambia and DR Congo has been conducted and a railway line always promised to be successful. Although the DR Congo has access to a seaport on its own territory, port users in the southern part of the country prefer to route their cargo through the port of Walvis Bay. First of all, there is a need for approval from all governments involved. This requires that all governments are willing to put the railway line in place.	Interpretation

Feasibility study to build railway line from Namibia to Zambia and DR Congo has been conducted and railway line always promised to be successful	Core Statement
Although DR Congo has access to port on its own territory, port users in southern part of country prefer to route cargo through port of Walvis Bay	
First of all, there is need for approval from all governments involved; this requires that all governments are willing to put railway line in place	
There is definitely progress: People are working on a railway line for the Trans-Kalahari-Corridor to Botswana. There is a serious drive on a railway line for the Walvis Bay-Ndola-Lubumbashi Corridor. The governments first need to agree and need to get finance. The project is very costly. The government does not have that kind of money; you have to have partners.	Statement NA-18-17
The interviewee states that there is progress on the railway projects to Botswana as well as Zambia and DR Congo. However, first, governments need to give their approval and because of the high costs of these projects, there is a need for external funds.	Interpretation
There is progress on railway projects to Botswana as well as Zambia and DR Congo	Core Statement
First, governments need to give their approval and because of high costs of these projects, there is need for external funds	
The current upgrade of the existing rail network will smoothen rail operations and will make it more cost-effective. In rail-friendly cargo, customers will consider it. The improvements will alleviate congestion on roads and reduce the need for maintenance. In addition, it will allow introducing passenger services.	Statement NA-18-18

The interviewee states that the present maintenance measures will allow the company to improve its transport operations and reduce transport costs. Rail transport customers will acknowledge these improvements by making their future transport mode decision for rail-friendly cargo in favour of rail transport. Not only the rail transport company and its customers will benefit from these improvements. These improvements will also reduce congestion and the need for maintenance of roads.	Interpretation
Present maintenance measures will allow company to improve transport operations and reduce transport costs	Core Statement
Customers will acknowledge improvements by making their future transport mode decision for rail-friendly cargo in favour of rail transport	
These improvements will also reduce congestion and need for maintenance of roads	
Once you have all the railway links, all countries will swing their cargo through Namibia. Namibia provided land to several countries to open up dry ports in Walvis Bay. Botswana has already set up its dry port. Zambia's is underway. The countries will make use of the good rail infrastructure; this in turn will result in higher volume and revenue for TransNamib. Once all those tonnages have been channelled, Walvis Bay will be the gateway port for the SADC and make use of the port expansion. The cargo is there.	Statement NA-18-19
The interviewee states that railway line on the Walvis Bay-Ndola-Lubumbashi and Trans-Kalahari Corridor along with dry ports for several countries will route much more cargo through Namibia and allow the country to use its expanded port to capacity.	Interpretation
Railway line on Walvis Bay-Ndola-Lubumbashi and Trans-Kalahari Corridor along with dry ports for several countries will route	Core Statement

much more cargo through Namibia and allow country to use its expanded port to capacity	
80 per cent of imports are from South Africa. Drivers usually drive back empty. Therefore, trucking companies are able to offer any rate. In addition, the distance from Otjiwarongo to Windhoek is 120 km longer by rail since there is no direct railway. For a cement plant, it is cheaper to use trucks.	Statement NA-18-20
The interviewee states that rail transport competitiveness in Namibia suffers from the following facts: First, lorries from South Africa have to return in any case and they often return empty. For this reason, transport companies are able to offer low rates. Second, rail transport lines, for instance between Otjiwarongo and Windhoek, do not take the linear distance and may even be much longer than road transport routes. Even rail-friendly cargo may be carried more cost-efficient by road transport	Interpretation
Rail transport competitiveness in Namibia suffers from following facts	Core Statement
First, lorries from South Africa have to return in any case and they often return empty; for this reason, transport companies are able to offer low rates	
Second, rail transport lines, for instance between Otjiwarongo and Windhoek, do not take the linear distance and may even be much longer than road transport routes	
Even rail-friendly cargo may be more cost-efficient by road transport	
TransNamib and NamPort already started to engage with manganese producers in the Northern Cape in order to export manganese via Lüderitz. The Northern Cape has 50 per cent of the best quality of the world. However, 40 km are still in poor condition; tunnels need to be build, then the market can be captured.	Statement NA-18-21

The interviewee states that with regard to the potential export of commodities from South Africa through the port of Lüderitz, the railway company already got into conversation with manufacturing companies in South Africa. However, before commodities can be exported on this corridor, 40 km of railway tracks in Namibia need to be improved as well as equipped with tunnels.	Interpretation
With regard to potential export of commodities from South Africa through port of Lüderitz, railway company already got into conversation with manufacturing companies in South Africa	Core Statement
Before commodities can be exported on this corridor, 40 km of railway tracks in Namibia need to be improved as well as equipped with tunnels	
Automation of railway systems is very important. This includes signalling systems, GPS tracking for locomotives and waggons as well as automation of points and crossings.	Statement NA-18-22
The interviewee states that an area of improvement is automation of railway systems. This includes signalling systems, tracking for locomotives and waggons as well as automation of points and crossings.	Interpretation
Area of improvement is automation of railway systems; this includes signalling systems, tracking for locomotives and waggons as well as automation of points and crossings	Core Statement
We already had visits to cargo owners, signed non-disclosure agreements and had benchmarking visits to other countries for automation such as signalising.	Statement NA-18-23
The interviewee states that the railway company took actions for instance by visits of shippers and visits to countries with advanced railway automation.	Interpretation
Railway company took actions for instance by visits of shippers and visits to countries with advanced railway automation	Core Statement



The government should provide guarantees, financial assistance as well as market finances through government bonds.	Statement NA-18-24
The interviewee states that the government is responsible to provide financial guarantees, financial assistance as well as finance through issuance of public bonds.	Interpretation
Government responsible to provide financial guarantees, financial assistance as well as finance through issuance of public bonds	Core Statement
Getting finances is an obstacle. Liquidity is not good at the moment.	Statement NA-18-25
The interviewee states that getting finance to address the mentioned issues represents an obstacle.	Interpretation
Getting finance to address mentioned issues represents obstacle	Core Statement
These things can only materialise with the right human capital and skills. There must be new people come in. There is a need for engineers and train drivers. At the moment, it takes five years to qualify train drivers; that could be achieved within much shorter time span. We do not have a school for railway transport in Namibia.	Statement NA-18-26
The interviewee states that the improvements can only be achieved with adequately qualified people. There is a need for engineers for the construction, operation and maintenance of the rail network as well as for train drivers. There is no training centre for rail transport. Currently, it takes too long to qualify train drives; the training could be done in a shorter period of time, and new train drivers could be released to the market earlier.	Interpretation
Improvements can only be achieved with adequately qualified people	Core Statement

There is need for engineers for construction, operation and maintenance of rail network as well as for train drivers	
There is no training centre for rail transport	
Currently it takes too long to qualify train drives; training could be done in shorter period of time and new train drivers could be released to market earlier	

### Interviewee 19

Interviewee number 19, a researcher at a university in Namibia, made the following statements:

According to the World Economic Forum, road quality is equivalent to the United Kingdom. Road quality is very good compared to Africa. Gravel roads are well-maintained considering the few vehicles that use them.	Statement NA-19-01
The interviewee states that the state of road infrastructure is at the same level as in well-developed regions on the European continent. The state of the road infrastructure is very good compared to African countries. The state of gravel roads is good; they are well-maintained.	Interpretation
State of road infrastructure is at same level as in well-developed regions on European continent	Core Statement
State of road infrastructure is very good compared to African countries	
State of gravel roads is good; they are well-maintained	
There is little pressure with regard to the number of vehicles; little or no congestion on roads. Fuel is cheap. Salaries are low. All of that contributes to road transport being cost effective. There is no real option for reliable and timely transportation. The country has an extensive network compared to the population. It is more than adequate at the moment.	Statement NA-19-02

The interviewee states that at the moment, road transport performance is good. This results from road transport being a cost-efficient transport mode, due to an almost lack of congestion, low fuel and labour costs, as well as an extensive road network. For reliable and timely transport, there is no alternative to road transport in Namibia.	Interpretation
At the moment, road transport performance is good	Core Statement
This results from road transport being cost-efficient transport mode, due to almost lack of congestion, low fuel and labour costs, as well as extensive road network	
For reliable and timely transport, there is no alternative to road transport in Namibia	
As we are going forward, the road network needs to be improved in many ways. For instance, the lines between Swakopmund and Usakos as well as between Karibib and Okahandja are still narrow. The number of lanes and their width needs to be expanded.	Statement NA-19-03
The interviewee states that behind the background of the positioning of the country as a logistics gateway in southern Africa, the road network needs to be enhanced. On certain road sections the current number of lanes and the road width is not sufficient to accommodate the expected traffic volume.	Interpretation
Behind background of positioning of country as logistics gateway in southern Africa, road network needs to be enhanced	Core Statement
On certain road sections current number of lanes and road width is not sufficient to accommodate expected traffic volume	
South African colonialism enhanced the road transport network, that is, good infrastructure, good maintenance and good South African civil engineers in the past. For instance, bridges were built in 1977.	Statement NA-19-04

The interviewee states that under the South African administration the road infrastructure, such as bridges, were enhanced, newly constructed as well as well maintained. Qualified civil engineers contributed to the good state of the road network.	Interpretation
Under South African administration road infrastructure was enhanced, newly constructed as well as well-maintained	Core Statement
Qualified civil engineers contributed to good state of road network	
As a result of the expansion of the port of Walvis Bay, there is a high risk that the road out of Walvis Bay can become a bottleneck.	Statement NA-19-05
The interviewee states that the expansion of the country's main port and resulting increase in traffic is likely to cause congestion on the port's outbound route.	Interpretation
Expansion of country's main port and resulting increase in traffic is likely to cause congestion on port's outbound route	Core Statement
The traffic police still fails to be proactive with regard to accidents. Ministries try to ban lorries at night to reduce accidents. However, the opposite is actually true; lorries should drive at night. In addition, this would reduce traffic during the day. Ministries need to be properly informed.	Statement NA-19-06
The interviewee states that there is a need for more measures to prevent traffic accidents. The government is in favour of limiting truck-driving hours to daytime; however, a shift to nighttime would regulate traffic flows and thereby reduce traffic accidents. The government is not adequately informed about the advantages and disadvantages of alternative approaches. In addition, the traffic police could do more in the preventing of traffic accidents.	Interpretation
There is need for more measures to prevent traffic accidents	Core Statement

Government is in favour of limiting truck-driving hours to day time; however, shift to nighttime would regulate traffic flows and thereby reduce traffic accidents	
Government is not adequately informed about advantages and disadvantages of alternative approaches	
Traffic police could do more in preventing of traffic accidents	
It is only now that transport and logistics professionals have been trained. There is still a need for transport and logistics professionals.	Statement NA-19-07
The interviewee states that training of logistics professionals has not taken place in the past and it is only in place for a while. There is a demand for logistics professionals	Interpretation
Training of logistics professionals has not taken place in past and it is only in place for while	Core Statement
There is demand for logistics professionals	
Some transport operators are known of being racist: Knowledge of English is not enough, German and Afrikaans are necessary, to meet your credentials.	Statement NA-19-08
The interviewee states that there are transport companies, which are said to apply a discriminatory behaviour with regard to staffing decisions. The current official language of the country is not sufficient to meet the job requirements; former official languages and current national languages such as Afrikaans or German are necessary.	Interpretation
Some transport companies are said to apply discriminatory behaviour with regard to staffing decisions	Core Statement
Current official language of country is not sufficient to meet job requirements; former official languages and current national languages such as Afrikaans or German are necessary	

The government has identified the logistics hub as one of the keys to development. The road network is being enhanced. Growth of the port is addressed and supported by graduates. The future looks positive; however, there is a lack of a serious plan implemented for the railway.	Statement NA-19-09
The interviewee states that there are plans and actions to develop the economy further, such as the plan to position the country as a logistics hub in southern Africa, actions to enhance the port and road network performance as well as the graduates that are coming from the universities. However, there is neither a serious plan nor actions to improve the rail transport system.	Interpretation
There are plans and actions to develop economy further, such as plan to position country as logistics hub in southern Africa, actions to enhance port and road network performance as well as graduates that are coming from universities	Core Statement
There is neither serious plan nor actions to improve rail transport system	
There is a need for logistics and transport professionals in the various ministries and agencies to professionalise the industry in Namibia. Current graduates have a tough time, in private industry and government.	Statement NA-19-10
The interviewee states that more logistics professionals should be in charge at ministries and agencies in order to improve the performance of this sector. Graduates face some difficulties in the labour market, in both the public as well as private sector.	Interpretation
More logistics professionals should be in charge at ministries and agencies in order to improve performance in this sector	Core Statement
Graduates face some difficulties in labour market, in both public as well as private sector	

Focus should be on transport funding; away from populist projects to more necessary improvements of the railway sector.	Statement NA-19-11
The interviewee states the investment priority should be given to the transport sector, to measures, which provide high value to the economy, for instance rail transport.	Interpretation
Investment priority should be given to transport sector, to measures, which provide high value to economy, e.g. rail transport	Core Statement
People at the ministry of transport are in charge. They are operating in the dark, and they are preferably looking at foreign graduates. A higher level of agreement would be necessary for local universities and the government. Graduates are just knocking on the door.	Statement NA-19-12
The interviewee states that the ministry of transport is responsible to ensure that the public part of the transport system is enhanced. However, there is a lack of well-founded and reasonable decision-making process. Instead of employing foreign and neglecting domestic graduates, the ministry of transport should turn its gaze towards graduates from Namibian universities. There should be more collaboration between public authorities and universities of Namibia.	Interpretation
Ministry of transport is responsible to ensure that public part of transport system is enhanced	Core Statement
There is lack of well-founded and reasonable decision-making process	
Instead of employing foreign and neglecting domestic graduates, ministry of transport should turn its gaze towards graduates from Namibian universities	
There should be more collaboration between public authorities and universities of Namibia	

Unfortunately, this comes down to us. We are trying to build bridges, to find the right people. That is a two-way street. “Do you have any good people for us? I haven’t heard that”.	Statement NA-19-13
The interviewee states that both the universities as well as the public authorities are responsible to increase collaboration. It relies on willingness and actions of both parties.	Interpretation
Universities and public authorities are responsible to increase collaboration; it relies on willingness and actions of both parties	Core Statement
There are difficulties in dealing with ministries. They make some noise but nothing happens. We still have a lot of the old guard, the freedom fighters; they are not educated, not trained, they need to go aside. That is frustrating for the young people. That is an endemic challenge.	Statement NA-19-14
The interviewee states there are difficulties in the collaboration between graduates and public authorities. Young, better-educated graduates often have no chance to get into public authorities and bring in their expertise. Public authorities are run by the same people who contributed to the change of the political and economic system in Namibia. These people are, however, not sufficiently educated to develop the economy further.	Interpretation
There are difficulties in collaboration between graduates and public authorities	Core Statement
Young, better-educated graduates often have no chance to get in to public authorities and bring in their expertise	
Public authorities are run by same people who contributed to change of political and economic system; these people are however not sufficiently educated to develop economy further	
One per cent of GDP should be invested in education. Only Kenya has met that; Kenya seems to move to a knowledge-	Statement NA-19-15



based economy. In Namibia, only 0.2 % are invested in education; the target is 0.3 %. There is still a long way to go.	
The interviewee states that the country does not invest enough in education of its population. A much higher investment in education is needed to manage the shift from a labour-intensive to a knowledge-based economy. Kenya invests one per cent of its GDP in education – that is a good example to look at.	Interpretation
Country does not invest enough in education of its population; much higher investment in education is needed to manage shift from a labour-intensive to a knowledge-based economy	Core Statement
Kenya invests one per cent of its GDP in education – that is good example to look at	
Railways were working well until independence. Poor management and poor investment in maintenance deteriorated the rail network. For instance, the line from Windhoek to Gobabis is badly maintained. Therefore, there is a speed limit of 15 kilometres per hour. In addition, there is a lack of engineers. Although the university has an engineering department, too few engineers are being produced.	Statement NA-19-16
The interviewee states that until the transition of the political and economic system in 1990 the rail transport system was working well. Since then, poor management and insufficient maintenance led to a deterioration of the rail network. The poor state of the rail network makes significant speed limits necessary to prevent accidents. Maintenance of the rail network also suffers from an insufficient number of engineers. Too few people run through engineering programmes at the university.	Interpretation
Until transition of political and economic system in 1990 rail transport system was working well	Core Statement
Since then, poor management and insufficient maintenance led to deterioration of rail network	

Poor state of the rail network makes significant speed limits necessary to prevent accidents	
Maintenance of rail network also suffers from insufficient number of engineers; too few people run through engineering programmes at university	
There is no railway network to support the road transport network. The railway is such a poor option. Multimodal transport is not an option. The railway company is poorly managed; there is a lack of accountability; managers are not willing to take risks; it lacks an entrepreneurial outlook; there is bureaucracy. NamPort is a success story. NamPort should run TransNamib as well or get involved in the management of TransNamib.	Statement NA-19-17
The interviewee states that rail transport performance is insufficient. Rail transport does not provide an alternative or complementary transport mode to road transport. The low performance of the rail transport system places additional pressure on the road transport system. Poor management, lack of accountability and risk aversion at the rail transport company explain the low rail transport performance. The port company is performing well and should therefore lead and have a share in management decisions of the rail transport company.	Interpretation
Rail transport performance is insufficient	Core Statement
Rail transport does not provide alternative or complementary transport mode to road transport	
Low performance of rail transport system places additional pressure on road transport system	
Poor management, lack of accountability and risk aversion at rail transport company explain low rail transport performance	
Port company is performing well and should therefore lead and have share in management decisions of rail transport company	

After independence, sufficiently skilled people went back to South Africa. It is only now, after two decades, that graduates are coming forward.	Statement NA-19-18
The interviewee states that after the political and economic transition, many skilled people left the rail sector in Namibia and went back to South Africa. Up to now, it took more than 20 years to start filling the gap with local graduates.	Interpretation
After political and economic transition, many skilled people left rail sector in Namibia; it took about 20 years to start filling gap with local graduates	Core Statement
The infrastructure has been built by Germans and from 1915 until 1990 improved by South Africans. Since 1990, the government has failed to invest in railway adequately.	Statement NA-19-19
The interviewee states that the former colonial powers built and improved the rail network during the 20 <sup>th</sup> century. However, since the political and economic transition, the government did not place enough value on investment, reconstruction and maintenance of the rail network.	Interpretation
Former colonial powers built and improved rail network during 20th century	Core Statement
Since political and economic transition, government did not place enough value on investment, reconstruction and maintenance of rail network	
There are no specific railway-trained engineers; there is no training as such, e.g. management of railway networks. Up to now, 200 graduates in transport and logistics left university.	Statement NA-19-20
The interviewee states that although there is an engineering department at the university, there is no training programme for management or engineering of rail networks. 200 people have	Interpretation

been trained in logistics management at the university. By making this statement, the interviewee indicates that there is progress in the provision of experts in the transport industry; however, it lacks trainings for rail construction and operations.	
Although there is engineering department at university, there is no training programme for management or engineering of rail networks	Core Statement
There is progress in provision of experts in transport industry	
It lacks trainings for rail construction and operations	
According to the World Economic Forum, Namibia should look at the railway system in Morocco.	Statement NA-19-21
The interviewee states that according to the World Economic Forum, the Moroccan transport system provides a good example that Namibia could look at.	Interpretation
Moroccan transport system provides good example that Namibia could look at	Core Statement

### Interviewee 20

Interviewee number 20, a head of organisation at a freight forwarder in Namibia, made the following statements:

Ports in Namibia are less affected by weather. For instance, the port of Walvis Bay is less prone to weather than Cape Town, in South Africa.	Statement NA-20-01
The interviewee states that seaports in Namibia are less exposed to the weather, compared to seaports in South Africa. Thus, their operations are less susceptible to interruptions than alternative seaports in southern Africa.	Interpretation
Seaports in Namibia are less affected by weather, than ports in South Africa	Core Statement

Transport infrastructure is good and seaports are reliable in Namibia.	Statement NA-20-02
The interviewee states that the ports are reliable in Namibia and the transport infrastructure of the country is good.	Interpretation
Ports are reliable in Namibia	Core Statement
Transport infrastructure of country is good	
We need to observe the environment, for instance the New Equitable Economic Empowerment Framework – nobody really wants this. If this becomes effective, we need to reconsider our business in Namibia.	Statement NA-20-03
The interviewee states that the regulatory environment, such as the New Equitable Economic Empowerment Framework (NEEEF), causes concerns about the ease of doing business in the country. Companies are not in favour of this programme. There is a need to monitor the regulatory environment and in worst case reconsider doing business in Namibia.	Interpretation
Regulatory environment, e.g. New Equitable Economic Empowerment Framework, causes concerns about ease of doing business in country	Core Statement
Companies are not in favour of this programme; there is need to monitor regulatory environment and in worst case reconsider doing business in Namibia	
Port operations at the port of Walvis Bay are not as fast as they could be.	Statement NA-20-04
The interviewee states that the port operations of the port of Walvis Bay still have room for improvement with regard to lead time.	Interpretation
Port operations of port of Walvis Bay still have room for improvement with regard to lead time	Core Statement

NamPort increases port charges year on year. In 2015, NamPort increased port charges by eleven percent. In 2016, they increased port charges by ten percent. There is an annual meeting to discuss price adjustments; we do not have a choice. They do what they want. In Namibia, NamPort is a monopoly.	Statement NA-20-05
The interviewee states that there is an annual increase in port charges and an annual meeting to discuss tariff changes. Prior to the annual tariff meeting the decision on the tariff changes has already been made and port users do not have a say. The annual amount of increase is excessively high. The port company is in a monopoly situation.	Interpretation
Prior to annual tariff meeting decision on tariff changes has already been made and port users do not have say	Core Statement
Annual amount of increase is excessively high	
Port company is in monopoly situation	
This year, there is less traffic. Copper exports and transit traffic dropped by 50 percent.	Statement NA-20-06
The interviewee states that cargo volumes dropped significantly in 2016. For instance copper export and transit cargo dropped by 50 percent.	Interpretation
Cargo volumes through port of Walvis Bay dropped significantly in 2016; e.g.copper export and transit cargo dropped by 50 per- cen	Core Statement
The port of Walvis Bay is a good alternative for southern Africa. Yet, it does not make any sense if you do not enhance the adjacent infrastructure.	Statement NA-20-07
The interviewee states that the port of Walvis Bay is an alternative to other ports in southern Africa. It is, however, necessary to align transport and transshipment capacity not just at the port,	Interpretation

but rather along the entire corridor including the hinterland transport. By making this statement, the interviewee indicates that capacity constraints in hinterland transport may occur.	
Port of Walvis Bay is alternative to other ports in southern Africa	Core Statement
It is however necessary to align transport and transshipment capacity not just at port, but rather along entire corridor including hinterland transport	
Capacity constraints in hinterland transport may occur	
Customs is a huge problem. South Africa imports general cargo within eight hours. Namibia imports general cargo within 3 days or more. Container storage is free for three days, but customs often needs more time. Their work pacing is too low, they do not have enough workforce and their workforce is not sufficiently qualified. Customs needs to consider themselves as a service provider to port users. That is a big bottleneck.	Statement NA-20-08
The interviewee states that import processing takes too much time. In South Africa, import processing takes much less time. High import time also leads to additional port storage charges. High lead times result from inefficiency of processes, lack of qualification of customs staff as well as understaffing. Customs should regard itself as a service provider to the port users	Interpretation
Import processing takes too much time	Core Statement
In South Africa, import processing takes much less time	
High import time also leads to additional port storage charges	
High lead times result from inefficiency of processes, lack of qualification of customs staff as well as understaffing	
Customs should regard itself as service provider to port users	
The port of Walvis Bay does not adequately embrace their role as a service provider. They should look more at customer	Statement NA-20-09

needs, should be more customer-oriented. It is always working somehow.	
The interviewee states the port services generally work; however, there is room for service improvement. The port should understand its role as a service provider and align its services more to the needs of its customers.	Interpretation
Port services generally work; however, there is room for service improvement	Core Statement
Port should understand its role as service provider and align its services more to needs of its customers	
The link between the port and the railway is a problem. Communication between the port and the railway does not work well. Our company makes use of rail transport very rarely, only if the customer demands it. For instance, the aligned provision of containers and waggons does not work; there is either a container or a waggon, not both at the same time. Container return is another issue. Containers need to be returned to the port within 14 days; after this period there is a demurrage detention charge. It often takes more time to return a container by rail transport.	Statement NA-20-10
The interviewee states that the interface between the port of Walvis Bay and rail transport is a weakness. Communication between the port company and the rail transport company does not work well. For instance, the marshalling of loading units and waggons is not synchronised. Container return by rail transport often exceeds the permitted time and causes additional costs.	Interpretation
Interface between port of Walvis Bay and rail transport is weakness	Core Statement
Communication between port and rail transport company does not work well, e.g marshalling of loading units and waggons is not synchronised	



Container return by rail often exceeds permitted time and causes additional costs	
We are complaining while enjoying a high seaport performance compared to other countries on the African continent. However, compared to seaports in Europe, there is much room for improvement.	Statement NA-20-11
The interviewee states that the port of Walvis Bay generally works well, especially compared to other seaports on the African continent. The port performance is, however, far behind port performance on the European continent.	Interpretation
Port of Walvis Bay generally works well, especially compared to other seaports on African continent	Core Statement
Port performance is however far behind port performance on European continent	
If the entire infrastructure is going to be developed well, such as roads and customs, Namibia has the chance to become the gateway to the north of southern Africa.	Statement NA-20-12
The interviewee states that the port of Walvis Bay and Namibia can become a logistics gateway to the northern part of the southern African region provided that the supporting infrastructure, including road transport networks and customs, is developed correspondingly.	Interpretation
Port of Walvis Bay and Namibia can become logistics gateway to northern part of southern African region provided that supporting infrastructure, including road transport networks and customs, is developed correspondingly	Core Statement
More carriers call at South African ports, there is more competition than in Namibia. In order to compensate this, the port company should reduce their cost structure and port charges. However, this has only been understood at the top management	Statement NA-20-13

level, not below. It should be checked whether an increase in productivity could reduce port cost. It should be questioned whether the port company should be profitable or just serve as an enabler for the country to be part of international trade. Unfortunately, the government regards the port as a source of public income. For a privatisation, there is not enough transshipment volume.	
The interviewee states that the port of Walvis Bay attracts fewer shipping lines and thus there is less competition between shipping lines compared to ports in South Africa. This causes additional costs for port users. The port company should compensate this cost-disadvantage by offering lower port charges. The port should examine whether improvements in productivity would reduce costs. Second, the government should reconsider their understanding of the role of ports, that is, whether the port serves as a source of public income or as a means to enable overseas trade through Namibia. As a further alternative, there is the option to privatise the port. The low level of cargo volume would, however, not attract private investors.	Interpretation
Port of Walvis Bay attracts fewer shipping lines and thus there is less competition between shipping lines compared to ports in South Africa; this causes additional costs for port users	Core Statement
Port company should compensate cost-disadvantage by offering lower port charges	
Port should examine whether improvements in productivity would reduce costs	
Government should reconsider whether ports serve as source of public income or as means to enable overseas trade through Namibia	
As further alternative, there is option to privatise port; low level of cargo volume would however not attract private investors	
There is a need for improvements in customs.	Statement

	NA-20-14
The interviewee states that there is a need for improvements in customs processes.	Interpretation
There is need for improvements in customs processes	Core Statement
Some years ago, there was a plan to build a direct road from Walvis Bay to the south. However, this plan has been rejected. Currently, there is a project to tar the road to from Swakopmund to Henties Bay and a desalination plant for the Husab mine has been built. These two projects are carried out by Chinese; they seem to have a different way of working than Namibians. Namibians still need to learn how to earn a living.	Statement NA-20-15
The interviewee states that some years ago there was a plan to build a road transport route from the port of Walvis Bay to the south of Namibia. This project never got off the ground. Then there are two projects underway, a road upgrading from Swakopmund to Henties Bay and a desalination plant at a uranium mine. These two projects are carried out by Chinese companies. There are differences in work habits between Namibians and Chinese; Chinese seem to show a more consequent way of getting work done.	Interpretation
Some years ago there was plan to build road transport route from port of Walvis Bay to south of Namibia; this project never got off ground	Core Statement
There are two projects underway, road upgrading from Swakopmund to Henties Bay and desalination plant at uranium mine	
These two projects are carried out by Chinese companies; There are differences in work habits between Namibians and Chinese; Chinese seem to show more consequent way of getting work done	

For ports, roads and customs the government is responsible for improvements. For instance, customs needs to consider itself as a service provider The customs and excise office belongs to the ministry of finance. Hence, the government is responsible. Roads belong to the ministry of transport. Politics have their stake in this process as well.	Statement NA-20-16
The interviewee states that because customs and the road authorities are public agencies under the direction of the ministry of finance and ministry of transport, respectively, and the port is a public enterprise, the government is responsible for improvements. This is not only a matter of decisions at the ministries, there is also influence from the political process.	Interpretation
Customs and road authorities are public agencies under the direction of the ministry of finance and ministry of transport, respectively, and port is public enterprise, the government is responsible for improvements	Core Statement
This is not only matter of decisions at ministries, there is also influence from political process	
There are doubts about whether the government prioritises public spending according to the benefits to the country; take for instance the plan to build a new parliamentary building.	Statement NA-20-17
The interviewee states that the government inclines to spend public funds on projects that do not benefit the economy. This may represent an obstacle to the development of the economy.	Interpretation
Government inclines to spend public funds on projects that do not benefit economy; this may represent obstacle to development of economy	Core Statement
Namibia is still a young country. People still need to learn how democracy works. Many people did not enjoy basic education.	Statement NA-20-18

The interviewee states that the country has limited experience with a democratic political system; the population still needs to learn how to participate. Many people did not receive basic education. By making this statement, the interviewee indicates that there is a potential risk from a lack of experience with inclusive political and economic institutions. A stable virtuous circle has still to be developed.	Interpretation
Country has limited experience with democratic political system; population needs to learn how to participate; many people did not receive basic education	Core Statement
There is potential risk from a lack of experience with inclusive political and economic institutions; stable virtuous circle has still to be developed	
Sometimes it seems to me as if it lacks the willingness to put things into practice.	Statement NA-20-19
The interviewee states that it seems that there sometimes is a lack of willingness to tackle issues.	Interpretation
Sometimes there is lack of willingness to tackle issues	Core Statement
The customs system in South Africa is a good example to look at.	Statement NA-20-20
The interviewee states that the customs system in South Africa is a good example to look at	Interpretation
Customs system in South Africa is good example to look at	Core Statement
Ideally, roads would be upgraded to the same state as on the road section from Karibib to Okahandja. The railway is not able to absorb the increase in traffic. Unfortunately, road expansion projects are highly cost-intensive.	Statement NA-20-21

The interviewee states that in best case the entire roads network would be of the same state as between Karibib and Okahandja, a road section on the Trans-Kalahari-Corridor between the port of Walvis Bay and Windhoek. However, road upgrading comes at significant costs. By making this statement, the interviewee indicates that costs represent an obstacle to a further upgrading.	Interpretation
In best case, roads network would be of the same state as between road section on the Trans-Kalahari-Corridor between port of Walvis Bay and Windhoek	Core Statement
Road upgrading comes at significant costs; costs represent obstacle to further upgrading	
Trucking prices increase year on year. In 2007, transport costs for a container from Walvis Bay to Windhoek stood at N\$ 4,500. In 2016, transport costs stood at N\$ 10,000. On first March each year, prices are increased.	Statement NA-20-22
The interviewee states that there are significant annual price increases of road transport services in Namibia. There are concerns about significant annual increases in road transport charges.	Interpretation
There are significant annual price increases of road transport services in Namibia	Core Statement
There are concerns about significant annual increases in road transport charges	
The rail transport company is an employer as well. People work there but do not identify themselves with their employer. Management has good strategies and ideas, but they are not passed down to their employees. In South Africa, people know they have to identify with their job; in Namibia, that is partly missing.	Statement NA-20-23

The interviewee states that despite good strategies and plans at the management level the rail transport company suffers from the fact that its employees do not have the necessary motivation and willingness to support their employer to perform well. The attitude towards people’s work differs between Namibia and South Africa; many South Africans have the necessary motivation and willingness to help their employer to improve performance.	Interpretation
Despite good strategies and plans at management level rail transport company suffers from fact that its employees do not have necessary motivation and willingness to support their employer to perform well	Core Statement
Attitude towards people’s work differs between Namibia and South Africa; many South Africans have necessary motivation and willingness to help their employer to improve performance	
Namibia will never have an own manufacturing industry, such as the automobile industry in South Africa. Recently, South Africa faced load shedding. Namibia is dependent on power supply from South Africa. There is a scarcity of water in Windhoek; this is not an issue at the coast.	Statement NA-20-24
The interviewee states that the country will not be able to establish a considerable manufacturing industry. There are deficiencies in electricity and water supply. Namibia is dependent on electricity supply from South Africa. Water is scarce at the country’s main economic centre, Winhoek.	Interpretation
Country will not be able to establish considerable manufacturing industry	Core Statement
There are deficiencies in electricity and water supply	
Namibia is dependent on electricity supply from South Africa	
Water is scarce at country’s main economic centre, Windhoek.	

**Interviewee 21**

Interviewee number 21, a head of a division at a logistics service provider in Namibia, made the following statements:

You cannot compare the Namibian logistics system with the South African; the difference in size is the major reason.	Statement NA-21-01
The interviewee states that the logistics system in Namibia is different, mainly because of the differences in cargo throughput. The logistics system in South Africa handles much higher volumes.	Interpretation
Logistics system in Namibia is different, mainly because of differences in cargo throughput; logistics system in South Africa handles much higher volumes	Core Statement
If you take all activities that are going on in the country into account, Namibia is getting more competitive. The delivery of services is getting better. That does not compare to South Africa.	Statement NA-21-02
The interviewee states that against the background of all ongoing actions for improvement, the economic performance of the country is going to improve. Nonetheless, economic performance of Namibia is at a different level than South Africa.	Interpretation
Against background of all ongoing actions for improvement, economic performance of country is going to improve	Core Statement
Economic performance of Namibia is at different level than South Africa	
Ports are working well. NamPort is doing well. These guys are expanding, they are keeping up with time, with regard to management, equipment and accounting-wise.	Statement NA-21-03
The interviewee states that port performance is good in Namibia. The public port company is continuously aligning their	Interpretation



business towards customer needs. This includes their management organisation, their equipment as well as their accounting system.	
Port performance is good in Namibia	Core Statement
Public port company is continuously aligning their business towards customer needs; this includes their management organisation, equipment as well as accounting system	
The port of Walvis Bay and the port of Lüderitz are good.	Statement NA-21-04
The interviewee states that both ports in Namibia, the port of Walvis Bay and the port of Lüderitz perform well.	Interpretation
Both ports in Namibia, port of Walvis Bay and port of Lüderitz perform well	Core Statement
NamPort's charges are better than in other ports. The port of Walvis Bay is well located, particularly for landlocked countries. We do not have much theft.	Statement NA-21-05
The interviewee states that port charges of the public port company are lower than in other ports in southern Africa. The port of Walvis Bay is well located, especially for landlocked countries. Theft at the port is relatively low.	Interpretation
Port charges of public port company are lower than in other ports in southern Africa	Core Statement
Port of Walvis Bay is well-located, especially for landlocked countries	
Theft at port of Walvis Bay is relatively low	
If you look at NamPort, I can only see that that it is going to improve.	Statement NA-21-06

The interviewee states that the ports and port company are increasing their performance.	Interpretation
Ports and port company are increasing their performance	Core Statement
The release desk does not work on the weekend; the time to release cargo is limited. In the long run, there will probably enough cargo to extend the cargo release times.	Statement NA-21-07
The interviewee states that office hours of the cargo release desk at the port of Walvis Bay are too short. In the future, increased cargo volumes are likely to justify longer office hours.	Interpretation
Office hours of cargo release desk at port of Walvis Bay are too short, in future, increased cargo volumes are likely to justify longer office hours	Core Statement
Customs should get more people in. Working hours need to be extended. There should be more staff after 17h00. Asycuda world is supposed to be a paperless system, but we are still giving in so many paper documents. You already have that in South Africa; they submit everything online and get their release online.	Statement NA-21-08
The interviewee states that in order to extend the cargo release times, there is a need for more staff at customs. In Namibia, the clearance system still relies on much paper-based processes, whilst in South Africa, clearing documentation processes are fully digitised. There is a need for much higher digitisation of customs documentation processes in Namibia.	Interpretation
To extend cargo release times, there is need for more staff at customs	Core Statement
In Namibia, customs documentation processes still heavily rely on paper-based documents and tasks, whilst in South Africa, documentation processes are fully digitised	

There is need for much higher digitisation of customs documentation processes in Namibia	
Customs is the first point of contact between customs, NamPort and shipping lines and they should initiate actions to improve customs clearing processes.	Statement NA-21-09
The interviewee states that customs should initiate actions to improve customs processes.	Interpretation
Customs should initiate actions to improve customs processes	Core Statement
All land-land borders are already linked to the system. They make progress for sure. Customs is on the track to get there; they have already initiated it; it is just a bit slow. Namibia is a bit behind of South Africa in terms of technology.	Statement NA-21-10
The interviewee states that there are actions and improvements in customs clearing. For instance, the land borders to neighbouring countries are already linked to the customs system. Although customs is on the way to fully digitise customs documentation processes, the speed of implementation is not sufficient. In terms of the adoption of new technology, Namibia is always a bit behind South Africa.	Interpretation
There are actions and improvements in customs clearing; e.g. land borders to neighbouring countries are already linked to customs system	Core Statement
Although customs is on way to fully digitise customs documentation processes, speed of implementation is not sufficient	
In terms of adoption of new technology, Namibia is always bit behind South Africa	
Customs works better in South Africa. Compared to other African countries, we are doing better. That is mostly a growth thing; we probably have to follow suit.	Statement NA-21-11

The interviewee states that although the performance of customs processes in Namibia is lower than in South Africa, performance of customs processes is higher than in other countries on the African continent. Difference in customs clearing performance between Namibia and South Africa result from differences in the economic size between the two countries. Higher volumes and a higher stage of development favour the adoption of new technologies in South Africa. The development of the customs clearing system and processes in Namibia should follow the good example in South Africa.	Interpretation
Performance of customs processes in Namibia is lower than in South Africa; performance is higher than in other countries on African continent	Core Statement
Difference in customs performance between Namibia and South Africa result from differences in economic size between two countries; higher volumes and higher stage of development favour earlier adoption of new technologies in South Africa	
Development of customs clearing processes should follow good example of South Africa	
Road transport is working well. There are enough trucks available. Our company does not have own trucks in Namibia.	Statement NA-21-12
The interviewee states that road transport performance is good in Namibia. There is sufficient truck capacity.	Interpretation
Road transport performance is good in Namibia	Core Statement
There is sufficient truck capacity	
Road transport performance is good, even on cross-border transport	Statement NA-21-13
The interviewee states that on both domestic as well as cross-border transport, road transport performance is good.	Interpretation

On both domestic as well as cross-border transport, road transport performance is good	Core Statement
For what I am doing, road transport performance is good. In case of very abnormal cargo, specialised cargo, South African carriers are needed.	Statement NA-21-14
The interviewee states that road transport performance in Namibia is able to meet most of the company's requirements. In the case of specialised transport requirements, there is a need for specialised transport companies from South Africa.	Interpretation
Road transport performance in Namibia is able to meet most of requirements	Core Statement
In case of specialised transport requirements, there is need for specialised transport companies from South Africa	
Since they started the corridors, borders are quite efficient. The containers we have done went quite quickly, without any big hassles. For instance, chemicals from Namibia to Zambia and copper on the way back. The borders to Botswana are working quite well as well.	Statement NA-21-15
The interviewee states that border crossings to neighbouring countries, e.g. Zambia and Botswana, are efficient and crossing borders takes place smoothly, without any major issues. This is the case since transport corridors are actively management and developed in Namibia.	Interpretation
Border crossings to neighbouring countries, e.g.. Zambia and Botswana are efficient; crossing borders takes place without major issues	Core Statement
This is the case since transport corridors are actively management and developed in Namibia	

In Namibia, foreign drivers are allowed to drive trucks. In South Africa, for instance car carriers have to be driven by South African companies, perhaps due to safety and other reasons.	Statement NA-21-16
The interviewee states that in contrast to South Africa, in Namibia foreign truck drivers are allowed to drive trucks. The interviewee assumes that this restriction could be justified by safety.	Interpretation
In Namibia foreign drivers are allowed to drive trucks, in contrast to South Africa; this restriction could be justified by safety	Core Statement
A lot will depend on the government to keep up the road.	Statement NA-21-17
The interviewee states the performance of road transport hinges on the continuous development of the road infrastructure. Development of road infrastructure is the responsibility of the government.	Interpretation
Performance of road transport hinges on continuous development of road infrastructure	Core Statement
Development of road infrastructure is responsibility of government	
If you use rail transport, you do not get the same service as in the case of road transport. You can use rail transport from Walvis Bay to Windhoek, but not really to the north and south. There are delays to set the containers up and down. Mines are their money makers, their freight is handled with priority. Because of better turnaround times, we prefer trucks to the north and south.	Statement NA-21-18
The interviewee states that rail transport performance is below road transport performance. On direct railway lines, e.g. from the port of Walvis Bay to Windhoek, rail transport performance is acceptable; once there is a need for transshipment, there is a risk of delays. Since freight of mines makes up a large share of	Interpretation

the public rail transport company's volume and business, freight of mines is given preferential treatment.	
Rail transport performance is below road transport performance	Core Statement
On direct railway lines rail transport performance is acceptable; once there is need for transshipment, there is risk of delays	
Since freight of mines makes up large share of public rail transport company's volume and business; freight of mines is given preferential treatment	
Rail freight rates are quite good.	Statement NA-21-19
The interviewee states that rail transport rates are good.	Interpretation
Rail transport rates are good	Core Statement
Rail transport performance was much stronger in the past. There were management issues, i.e. new guys took over, and equipment issues, i.e. locomotives.	Statement NA-21-20
The interviewee states that rail transport performance was higher in the past. Deficiencies in management and equipment as well as deficiencies in the staff handover after the political and economic transition led to the deterioration.	Interpretation
Rail transport performance was higher in past	Core Statement
Deficiencies in management and equipment as well as deficiencies in staff handover after political and economic transition led to deterioration	
There are differences in performance between TransNamib and NamPort. This comes down to the management; NamPort is doing something right. There were frequent management changes at TransNamib.	Statement NA-21-21

The interview states that there are differences in performance between the public rail transport and the public port company. In contrast to the rail transport company, the port company performs well. Frequent management changes at the rail transport company contributed to deficiencies in rail transport performance.	Interpretation
There are differences in performance between public rail transport and public port company; in contrast to rail transport company, port company performs well	Core Statement
Frequent management changes at rail transport company contributed to deficiencies in rail transport performance	
Rail transport can improve a lot. This results from the following factors: Wrong equipment, a limited rail transport network and management issues. Equipment was working; people buy equipment who do not have the knowledge; management was working; there are people in positions that should not be there.	Statement NA-21-22
The interviewee indicates that in the past, rail transport performance was better than it is today. Many factors are in need for improvement. Deficiencies in procurement of equipment has led to deficient equipment. Inadequate staffing at the public rail transport company burdens the performance of the organisation. The extend of the rail network needs to be increased.	Interpretation
In past, rail transport performance was better than it is today; many factors are in need for improvement	Core Statement
Deficiencies in procurement of equipment led to deficient equipment	
Inadequate staffing at public rail transport company burdens performance of the organisation	
Extend of rail network needs to be increased	



**Interviewee 22**

Interviewee number 22, a head of a team at an ocean freight forwarder and carrier in Namibia, made the following statements:

<p>Namibia is economically and politically very stable. Namibians are very cooperative, despite black economic empowerment and racism issues. Apart from that, the president is doing a good job. We are a growing economy, the fourth largest non-fuel mineral producer in Africa. The country has a rich source of fish. We need the road and rail infrastructure; the port has done its side. We can become a big distribution centre; we to have to look at those issues: Inland depots are not going to be a game changer; first, we need to prioritise rail transport and second distribution centres or roads.</p>	<p>Statement NA-22-01</p>
<p>The interviewee states that Namibia is a politically and economically stable country. The population is, apart from historically depend discrimination issues, cooperative. Apart from historically dependent issues, the political leadership is performing well. The economy is one of the largest non-oil mineral producers in Africa, possesses a rich source of fish and is a growing economy. By making this statement, the interviewee indicates that many factors speak in favour of a positive development of the economy. The port does not represent a bottleneck anymore; now it is necessary to address issues of road and rail transport. The country has the potential to become a logistics hub. In order to become a logistics hub, the country first needs to improve the rail transport system and second ensure that there are sufficient distribution centres at the port and that roads are developed according to the traffic.</p>	<p>Interpretation</p>
<p>Namibia is politically and economically stable country</p> <p>Population is, apart from historically depend discrimination issues, cooperative</p> <p>Apart from historically dependent issues, political leadership is performing well</p>	<p>Core Statement</p>

Economy is one of largest non-oil mineral producers in Africa, possesses rich source of fish and is growing economy	
Many factors speak in favour of positive development of economy	
Port does not represent bottleneck anymore; now it is necessary to address deficiencies in road and rail transport	
Country has potential to become logistics hub	
In order to become logistics hub, country first needs to improve rail transport system and second ensure that there are sufficient distribution centres at port and that roads are developed according to traffic	
There are space limitations in Walvis Bay. The port is already boxed in. Walvis Bay does not have a truck port. Anyone who comes from other countries has to stop somewhere. For the municipality, it is difficult to assign land.	Statement NA-22-02
The interviewee states that the port of Walvis Bay does not have a lorry park where lorries can wait for cargo pickup or collection. Because the port is fenced in by the city, the municipality is not able to provide the port with the necessary space to grow.	Interpretation
Port of Walvis Bay does not have lorry park where lorries can wait for cargo pickup or collection	Core Statement
Because port is fenced in by city, municipality is not able to provide port with necessary space to grow	
NamPort has good ideas, but it lacks the training and commitment.	Statement NA-22-03
The interviewee states that the public port company has a good strategy and plans, but the training and commitment to put plans into actions is not sufficient.	Interpretation

Public port company has good strategy and plans, but training and commitment to put plans into actions is not sufficient	Core Statement
We have a big problem with distribution centres in Walvis Bay. At the moment, all the consumer goods go through South Africa, since they have the storage, including cold storage, and distribution capabilities.	Statement NA-22-04
The interviewee states that because of the well-established supply of goods through South African ports, the number of distribution centres, especially of cold storage, is insufficient in Walvis Bay.	Interpretation
Because of well-established supply of goods through South African ports, number of distribution centres, especially of cold storage, is insufficient in Walvis Bay	Core Statement
Everyone is selling the logistics hub idea, but they are not looking at the supply chain. There is an urgent need for truck ports and distribution centres. There are only 6,000 square meters available. For distribution centres, there is a need for 20,000 square meters.	Statement NA-22-05
The interviewee states that for the port and country to become a logistics hub, capacity needs to be aligned along the supply chain, not just be available at the port itself. There is a need for more distribution centres and lorry parks. The necessary land to set up distribution centres of adequate size is not available.	Interpretation
For port and country to become logistics hub, capacity needs to be aligned along supply chain, not just be available at port itself; There is need for more distribution centres and lorry parks at port of Walvis Bay	Core Statement
Necessary land to set up distribution centres of adequate size is not available	

<p>This year, import volumes dropped by 40 to 45 percent. Exports maintained; imports went down. Equipment availability was never an issue before. Now, there is a need for reallocating containers, especially reefers. We will see cargo for Angola going up in Walvis Bay, but not to the level as before. This is all due to the economic situation in Angola.</p>	<p>Statement NA-22-06</p>
<p>The interviewee states that from 2015 to 2016, import volumes at the port of Walvis Bay dropped by almost 50 percent. Whilst in the past, high import volumes ensured sufficient container supply; there is now a need to provide containers, especially reefers, for export. The import volumes will increase again, but not to the level as before. The drop in import volume results from the economic situation and resulting lack of foreign exchange in Angola.</p>	<p>Interpretation</p>
<p>From 2015 to 2016, import volumes at port of Walvis Bay dropped by almost 50 percent</p>	<p>Core Statement</p>
<p>Whilst in past, high import volumes ensured sufficient container supply; there is now need to provide containers, especially reefers, for export</p>	
<p>Import volumes will increase again, but not to level as before</p>	
<p>Drop in import volume results from economic situation and resulting lack of foreign exchange in Angola</p>	
<p>The new port will be a strength of transport system in Namibia. There will be new equipment; the port will operate at world-class level.</p>	<p>Statement NA-22-07</p>
<p>The interviewee states the once the port expansion will be complete, the country will have an excellent port with new equipment. The port will represent a strength of the transport system.</p>	<p>Interpretation</p>
<p>Once port expansion will be complete, country will have excellent port with new equipment; port will represent strength of transport system</p>	<p>Core Statement</p>

NamPort has a good management and management structure. The importance of NamPort for Namibia could explain its good performance as well.	Statement NA-22-08
The interviewee states the good management explains the good performance of the port of Walvis Bay. The importance of the port company to the country could explain the good performance of the port as well.	Interpretation
Good management explains good performance of port of Walvis Bay	Core Statement
Importance of port company to country could explain performance of port as well	
One year ago, the customs clearance system has been change from Asycuda ++ to Asycuda World. Now, customs entries are submitted online but we still have to submit paper. Sometimes you get it back within 24 hours; it is a miracle. It takes up to three days, documents even get lost. There is no pre-clearance anymore, for security purposes. The manifest can only be submitted 3 days prior to vessel arrival. Three days of free storage and the lack of storage areas within the port makes this difficult. That is some kind of a bottleneck. Customs improved over the last months. Customs is realising that there is a need to speed up.	Statement NA-22-09
The interviewee states that despite a new customs clearance system including the possibility to submit customs entries online, there is still a need to hand in paper documents. Even though customs clearance is sometimes done very quickly, it may also take much more time and it happenes that documents get lost. The abolition of pre-clearance along with the limited free storage time and insufficient storage capacity at the port causes a bottleneck. Customs recognised that there is a bottle-neck and started to take actions of improvement during the past months.	Interpretation

Despite a new customs clearance system including the possibility to submit customs entries online, there is still need to hand in paper documents	Core Statement
Even though customs clearance is sometimes done very quickly, it may also take much more time and it happens that documents get lost	
Abolition of pre-clearance along with limited free storage time and insufficient storage capacity at port causes bottleneck	
Customs recognised that there is bottleneck and started to take actions of improvement during past months	
A trade agreement between South Africa and the European Union causes imports to South Africa to be subject to 20 percent duties. Imports to Namibia are subject to 25 percent duties. That is why distribution centres are mainly in Windhoek; and in Walvis Bay there is not enough capacity. South Africa invested a lot. There is a need to invest in Namibia and for promoting the benefits of Walvis Bay and Namibia. We need to have the infrastructure, as well as anchor clients.	Statement NA-22-10
The interviewee states that lower duties on imports in South Africa are a major reason for the well-developed distribution system in South Africa and concentration of distribution centres in Windhoek instead of Walvis Bay. There is a need for Namibia to provide distribution centres and attract anchor clients in Walvis Bay in order to strengthen the Walvis Bay Corridor.	Interpretation
Lower duties on imports in South Africa are major reason for well-developed distribution system in South Africa and concentration of distribution centres in Windhoek instead of Walvis Bay	Core Statement
Need for Namibia to provide distribution centres and attract anchor clients in Walvis Bay in order to strengthen Walvis Bay Corridor	

There are so many trucks on the road, due to the state of the rail system.	Statement NA-22-11
The interviewee states that insufficient rail transport system leads to higher cargo volume on roads. There is too much traffic on roads.	Interpretation
Insufficient rail transport system leads to higher cargo volume on roads	Core Statement
There is too much traffic on roads	
Due to the high number and weight of trucks, roads deteriorate at a much higher rate. There is too much overloading, especially during the night. We call it “Fly by Night Delivery”. The weighbridges are only open from 6 am until 8 pm and the traffic police does not work at night. It would be much more effective to use rail, but the people keep sticking to road.	Statement NA-22-12
The interviewee states that transport companies take advantage of closure of weighbridges and police controls during night and thereby illegally circumvent load regulations. Overloading causes an excessive load on road infrastructure and leads to an accelerated deterioration of road infrastructure.	Interpretation
Transport companies take advantage of closure of weighbridges and police controls during night and thereby illegally circumvent load regulations	Core Statement
Overloading causes excessive load road infrastructure and leads to accelerated deterioration of road infrastructure	
Trucks are completely messing up the road.	Statement NA-22-13
The interviewee states that the high number of lorries on the road destroys the road infrastructure.	Interpretation
High number of lorries on road destroys road infrastructure	Core Statement

<p>There is a plan to build a four-lane road from Walvis Bay to Swakopmund, behind or through the dunes. The coastal highway will then be a local road. That is going to be done by 2019 / 2020. That means, when the new terminal is running, the road is not there. There will be chaos for some years. They should have started some years ago. Then, the port will have 5 to 6 times the capacity we have now, including better container cranes.</p>	<p>Statement NA-22-14</p>
<p>The interviewee states that there is a plan to construct a new road from the port of Walvis Bay to Swakopmund with four instead of two lanes. However, the road construction will only start one to two years after the completion of the port expansion. A significant increase in traffic will lead to further congestion around the port and increase traffic on the road from Walvis Bay to Swakopmund even further.</p>	<p>Interpretation</p>
<p>There is plan to construct new road from port of Walvis Bay to Swakopmund with four instead of two lanes; however, road construction will only start one to two years after completion of port expansion</p>	<p>Core Statement</p>
<p>Significant increase in traffic will lead to further congestion around port and increase traffic on road from Walvis Bay to Swakopmund even further</p>	
<p>Our disadvantage are the expensive road freight rates; it is 30 percent more expensive to move cargo from Walvis Bay to Lusaka instead from Durban to Lusaka.</p>	<p>Statement NA-22-15</p>
<p>The interviewee states that relatively high road transport rates represent a disadvantage to the competitiveness of the port of Walvis Bay and its hinterland corridor. Road transport from Durban to Zambia is much cheaper than from Walvis Bay to Zambia.</p>	<p>Interpretation</p>



Relatively high road transport rates represent disadvantage to competitiveness of port of Walvis Bay and its hinterland corridor	Core Statement
Road transport from Durban to Zambia is much cheaper than from Walvis Bay to Zambia	
Truck transport is too expensive. A journey to Zambia costs 40,000 NAD, and the return journey 30,000 NAD, although the truck needs to drive back in any case. Therefore, our company is trying to promote TransNamib. There is a need to cut down on the road transport costs.	Statement NA-22-16
The interviewee states that road transport rates are too high. For this reason, the company is in favour of capable rail transport in Namibia to provide an alternative mode of transport and reduce costs.	Interpretation
Road transport rates are too high	Core Statement
Company is in favour of capable rail transport in Namibia to provide alternative to road transport and reduce costs	
The rail system is outdated. The gauge size is too narrow to carry high weight. In the past, there were three derailments; then the customers decided to stop using rail. TransNamib did improve during the last 18 months, but not according to market demand	Statement NA-22-17
The interviewee states that the rail transport system is outdated. For instance, the gauge size is not suited for heavy loads and derailments happened. Because of the derailments, rail customers decided against rail transport. Although the public rail transport company took actions for improvement during the last one and a half years, the rail transport performance still does not meet the requirements of the market.	Interpretation
Rail system is outdated	Core Statement

Gauge size is not suited for heavy loads and derailments happened	
Because of the derailments, rail customers decided against rail transport	
Although public rail transport company took actions to improve performance rail transport performance still does not meet requirements of market	
Namibia is too reactive in terms of expansion and further development.	Statement NA-22-18
The interviewee states that the country relies too much on waiting for things to change automatically instead of looking for opportunities and taking actions when it comes to development of the transport system.	Interpretation
Country relies too much on waiting for things to change automatically instead of looking for opportunities and taking actions when it comes to development of transport system	Core Statement
TransNamib had frequent management changes and is poorly managed. There is not enough visibility on the cargo movement. During the last 18 months, TransNamib picked up their game. The government put pressure on it, e.g. through press releases.	Statement NA-22-19
The interviewee states that the public rail transport company suffered from frequent management changes and the organisation is poorly managed. There is not enough visibility during transport. Public pressure by the government has brought the rail transport company to take actions for improvement.	Interpretation
Public rail transport company suffered from frequent management changes and organisation is poorly managed	Core Statement
There is not enough visibility during transport	

Public pressure by government brought rail transport company to take actions for improvement	
TransNamib is just an order taker. The only pressure they got was from the mines, other companies went on truck. The derailments played their role and added to the problem.	Statement NA-22-20
The interviewee states that the public rail transport company only took orders and did not do anything to find new and to keep existing customers. Apart from the mines, customers reacted to the deteriorating rail transport performance by shifting their freight to road transport.	Interpretation
Public rail transport company only took orders and did not do anything to find new and to keep existing customers	Core Statement
Apart from mines, customers reacted to deteriorating rail transport performance by shifting freight to road transport	

### Interviewee 23

Interviewee 23, a head of an organisation at a freight forwarder and logistics service provider in Namibia, made the following statements:

I cannot see any deterioration. What will affect Namibia is the current drought, particularly agriculture and construction business. Windhoek is heavily reliant on catchment dams. Walvis Bay is less affected. That is seriously affecting business in Namibia. Another problem are the US-\$ rate fluctuations, and the imported inflation.	Statement NA-23-01
The interviewee states that there is no deterioration in supply chain performance observable. However, the current drought affects business negatively, especially the agriculture and construction industry in central Namibia. The interviewee states that the fluctuation and weakness of local currency value against major currencies as well as resulting increase in import costs of goods is a problem for the economy.	Interpretation

There is no deterioration in supply chain performance observable	Core Statement
Current drought affects business negatively, especially agriculture and construction industry in central Namibia	
Fluctuation and weakness of local currency value against major currencies as well as resulting increase in import costs of goods is problem for economy	
People need to understand that a number of interdependent processes decide on the performance of supply chains. Each process is dependent on the performance of a number of preceding, parallel and succeeding processes. This understanding is partly missing.	Statement NA-23-02
The interviewee states that there is lack of skills in the logistics industry; it lacks the understanding and ability to think coherently along logistics processes and supply chains.	Interpretation
There is lack of skills in logistics industry; it lacks understanding and ability to think coherently along logistics processes and supply chains	Core Statement
From a Walvis Bay corridor perspective, the port of Walvis Bay is promoted as an alternative to South African ports; the volumes are still relatively small.	Statement NA-23-03
The interviewee states that the port of Walvis Bay is promoted as an alternative to South African ports. Volumes are, however, still low compared to South Africa ports.	Interpretation
Port of Walvis Bay is promoted as alternative to South African ports	Core Statement
Volumes are however still low compared to South Africa ports	

The volumes in South African ports are much bigger. In Walvis Bay, there is a structural imbalance. Some years ago, the imports exceeded the exports; now the imports are lower than exports. This applies to the corridor business, not the local business.	Statement NA-23-04
The interviewee states that volumes in South African ports are much higher. Exports and imports are not in balance at the port of Walvis Bay. Whilst some years ago, imports exceeded exports, today, export volumes exceed import volumes on the corridor business.	Interpretation
Volumes in South African ports are much higher	Core Statement
Exports and imports are not in balance at port of Walvis Bay; whilst some years ago, imports exceeded exports, today, export volumes exceed import volumes on corridor business	
We are not that far with our online clearing as South Africa. In September 2014, Asycuda World has been implemented. We still have to hand in hard copies.	Statement NA-23-05
The interviewee states that the customs clearing system is not as developed as in South Africa. Although a new IT system has been implemented, still many paper-based documents have to be handed in.	Interpretation
Customs clearing system is not as developed as in South Africa	Core Statement
Although new IT system has been implemented, still many paper-based documents have to be handed in	
Local imports take more time to clear than transit cargo, since they want to make sure that the right duties are applied. For local cargo, customs will inspect each and everything. With the x-ray machines, containers are held up. That leads to congestion within the port, additional time and in the end, additional	Statement NA-23-06

costs. Customs has indefinitely postponed the compulsory scanning of containers.	
The interviewee states that because customs wants to ensure that duties are correctly applied to import cargo, import processes have a higher lead-time than export processes. There is an urge to fully inspect import cargo. A full inspection by means of x-ray scanners would lead to congestion at the port and cause additional time and costs.	Interpretation
Because customs wants to ensure that duties are correctly applied to import cargo, import processes have higher lead-time than export processes	Core Statement
There is urge to fully inspect import cargo; full inspection by means x-ray scanners would lead to congestion at port and cause additional time and costs	
There is no congestion at the port of Walvis Bay. Vessel turnaround times are good. Port operating hours are from 7 to 16h00. The terminal opening hours are limited. Additional time would be needed to improve further.	Statement NA-23-07
The interviewee states that the port of Walvis Bay is not congested and vessel turnaround times are good. To further improve port performance, terminal operating hours should be extended.	Interpretation
Port of Walvis Bay is not congested and vessel turnaround times are good	Core Statement
To further improve performance, terminal operating hours should be extended	
A bit of a constraint of business in Namibia is the government. The customs is supposed to be there to facilitate trade, instead of preventing or reducing it.	Statement NA-23-08

The interviewee states that the government should ensure that instead of impeding trade, customs is facilitating trade.	Interpretation
Government should ensure that instead of impeding trade, customs is facilitating trade	Core Statement
The lacking maturity of clients to neighbouring countries is a problem. Naivety of customers causes delays, additional port storage and customs resources.	Statement NA-23-09
The interviewee states that there is a lack of knowledge and experience of customers. The ignorance of customers causes additional time and costs for instance on import processes to neighbouring countries.	Interpretation
There is lack of knowledge and experience of customers	Core Statement
Ignorance of customers causes additional time and costs e.g. on import processes to neighbouring countries	
All stevedoring companies are privately owned; they are pushing NamPort. NamPort is a monopoly. They do not want to hear that; they like to hear that they are the preferred port operator.	Statement NA-23-10
The interviewee states that although the public port company is in a monopoly situation, the company considers itself as the preferred port company. Private companies are exerting pressure on the port company to provide the necessary performance.	Interpretation
Although public port company is in monopoly situation, company considers itself as preferred port company	Core Statement
Private companies are exerting pressure on port company to provide necessary performance	
Currently, container cranes handle eight to nine containers per hour. The complete x-ray scanning of containers will only work with significant congestion. With the new customs system, there	Statement NA-23-11

is no preclearance anymore. Operating hours of customs clearing and release needs to be increased and customs declaration should be submitted online. To sum up, there is a need for improvement in port productivity.	
The interviewee states that there is a need for improvement in port performance. This includes performance of loading and unloading of vessels, operating hours of customs for clearance and releases as well as improvements in the submission of customs declarations.	Interpretation
There is need for improvement in port performance; this includes performance of loading and unloading of vessels, operating hours of customs for clearance and releases as well as improvements in the submission of customs declarations	Core Statement
We need a countrywide customs approach as a port of entry. Investment should be made at the borders to increase truck turnaround times. There is often no electricity at the border; this can last for hours or days. There will be changes when all border posts will use the same system, a single window.	Statement NA-23-12
The interviewee states that there is a need for improvement in customs import processes, not just at the port but up to the border to neighbouring countries. There are deficiencies in stable electricity supply of border posts. Investments should be made in electrical infrastructure and single windows.	Interpretation
There is need for improvement in customs import processes, not just at port but up to border to neighbouring countries	Core Statement
There are deficiencies in stable electricity supply of border posts	
Investments should be made in electrical infrastructure and single windows	
There is a need for improvement in cooperation with neighbouring countries.	Statement NA-23-13



The interviewee states that there is a need for improvement in cooperation with neighbouring countries. By making this statement, the interviewee indicates that more intense cooperation between Namibia and its neighbouring countries is necessary in order to make use of the port capacity.	Interpretation
More intense cooperation between Namibia and its neighbouring countries is necessary to make use of port capacity	Core Statement
Us, the port users need to put further pressure on the government and port through the Namibian Logistics Association, Container Liners Operations Forum, port user group, Walvis Bay Corridor Group, Namibian Association of Freight Forwarders.	Statement NA-23-14
The interviewee states that the port users are responsible to put pressure on the government and port through a number of local business associations to take further steps for improvement. By making this statement, the interviewee indicates that the government and port is responsible to implement actions for improvement.	Interpretation
Port users are responsible to put pressure on government and port through number of local business associations to take further steps for improvement	Core Statement
Government and port is responsible to implement actions for improvement	
The property prices are insane; the government does not allocate enough land.	Statement NA-23-15
The interviewee states that property prices in Walvis Bay are excessively high. The government does not allocate enough land for further port expansion.	Interpretation
Property prices in Walvis Bay are excessively high	Core Statement
Government does not allocate enough land for further port expansion	

In Daressalam, customs clearance is done at the port of entry for all following border crossings on the way to the DR Congo. That is a way to improve efficiency at the borders.	Statement NA-23-16
The interviewee states that the port of Daressalam provides a good example of how import processes from the port of entry to neighbouring countries can be improved. Import goods are cleared at the port of entry for the entire import process to the destination country.	Interpretation
Port of Daressalam provides good example of how import processes from port of entry to neighbouring countries can be improved; import goods are cleared at port of entry for entire import process to destination country	Core Statement
Our landside is good. We can get a container to Lusaka within 5 days. It is slower than in South Africa, but in comparison to our other African countries, it is good. The road infrastructure is good. Trucks are in good condition. The road transport authority is strict in road-unworthy trucks. At the border at Katima Mulilo, customs clearing takes 2-3 hours; on the Zambian border on the other side, it takes 2-3 days, just to wait for the import clearing. Now, there is a centralised processing office in Lusaka. Comfortably, the clearing is done within 3 days. After crossing the border post in Zambia, you need to get to the processing office in Lusaka. The reason for the processing office is that the revenues are actually collected. Going out of Namibia does not take long. It takes time to get your goods cleared in Angola.	Statement NA-23-17
The interviewee states that although cross-border road transport performance in Namibia is lower than in South Africa, it is much better than in other countries on the African continent. This results from the good road infrastructure, good state of transport vehicles, good law enforcement law with regard to	Interpretation

roadworthiness of vehicles as well as good customs lead times at borders.	
Although cross-border road transport performance in Namibia is lower than in South Africa, it is much better than in other countries on the African continent	Core Statement
This results from good road infrastructure, good state of transport vehicles, good law enforcement law with regard to roadworthiness of vehicle as well as good customs lead times at borders	
Namibia inherited a good infrastructure from South Africa. The pre- and post-independence hand-over, the transfer of skills was good. However, there are some skills shortages.	Statement NA-23-18
The interviewee states that the reasons for the good road transport performance can be traced back to the taking over of a good infrastructure after the South Africa administration and a good skill handover during transition of the political and economic system. However, that there are shortages in skills today.	Interpretation
Reasons for good road transport performance can be traced back to taking over of a good infrastructure after South African administration and good skill handover during transition of political and economic system	Core Statement
However, there are shortages in skills today	
The only new investment during the last years is the Oshakati – Ondangwa line.	Statement NA-23-19
The interviewee states that the only new investment in the rail transport network over the last few years is the new track between Ondangwa and Oshakati in the north. Only very little new investment has been made in Namibia.	Interpretation
Only new investment in rail transport network over last few years is new track between Ondangwa and Oshakati in the north	Core Statement

Only very little new investment has been made in Namibia	
There is a problem with the service delivery. That is the reason why road transport is that good.	Statement NA-23-20
The interviewee states that the insufficient rail transport performance explains the good road transport performance.	Interpretation
Insufficient rail transport performance explains good road transport performance	Core Statement

### Interviewee 24

Interviewee 24, a head of a team at a freight forwarder and logistics service provider in Namibia, made the following statements:

Road infrastructure is good on most main roads; some road sections are, however, below the SADC standard. For instance, whilst the road section from Walvis Bay to Karibib is well developed, the road section from Karibib to Otjiwarongo is not in a good condition.	Statement NA-24-01
The interviewee states that the state of road infrastructure is good on most main roads in Namibia. On some road sections, the road infrastructure does not comply with the SADC standard. For instance, whilst the road section on the Trans-Kalahari Corridor from Walvis Bay to Karibib is in a good state, the road section from Karibib to Otjiwarongo further north is not.	Interpretation
Road infrastructure is good on most main roads in Namibia	Core Statement
On some road sections, road infrastructure does not comply with the SADC standard	
Whilst road section on Trans-Kalahari Corridor from Walvis Bay to Karibib is in good state, road section from Karibib to Otjiwarongo further north is not	

There are many small and some large road transport operators. Some transport operators are specialised on certain markets or types of cargo. The range of transport operators is good. There are more and more foreign transport operators, e.g. from Zambia. This leads to more competition and reduces transport prices. From this point of view, the marketing strategy of the Walvis Bay Corridor Groups pays off.	Statement NA-24-02
The interviewee states that the supply side of the road transport market is good. There is a good number of transport operators for a variety of transport routes and types of goods. The freedom of cabotage in Namibia increases competition among transport operators and reduces transport rates. Higher competition and a reduction of transport rates confirms the strategy effectiveness of Walvis Bay Corridor Group.	Interpretation
Supply side of road transport market is good	Core Statement
There is good number of transport operators for variety of transport routes and types of goods	
Freedom of cabotage increases competition among transport operators and reduces transport rates	
Higher competition and reduction of transport rates confirms strategy effectiveness of Walvis Bay Corridor Group	
There is a number of road user charges, such as the road fund administration levy, mass distance charges and the national petroleum fund. Road user charges are, however, not invested in the main road network.	Statement NA-24-03
The interviewee states that there is a number of usage-related fees. However, the collected funds are not invested in the main roads. By making this statement, the interviewee indicates that revenues from user charges should be reinvested in the road transport system according to depletion.	Interpretation

There is number of usage-related fees; however, collected funds are not invested in main roads	Core Statement
Revenues from user charges should be reinvested in the main road transport system according to depletion	
Overload controls have definitely contributed to the fact that trucks are less overloaded; there is 80 – 90 per cent compliance.	Statement NA-24-04
The interviewee states that the introduction of overload controls has contributed to high compliance of lorry overload limitation.	Interpretation
Introduction of overload controls contributed to high compliance of lorry load limitations	Core Statement
Road safety and rest periods are an issue. There are no driving and rest period regulations. This is the responsibility of the transport inspectorate, under the ministry of transport. The Namibian Logistics Association advocates for voluntary driving and rest regulations. I prefer voluntary regulations instead of possibly inadequate mandatory regulations.	Statement NA-24-05
The interviewee states that there are no regulations of driving and rest periods. Because mandatory regulations of driving and rest periods could place an excessive burden on the transport industry, voluntary regulations of driving and rest periods should be implemented. The implementation is the responsibility of the transport inspectorate and ministry of transport.	Interpretation
There are no regulations of driving and rest periods	Core Statement
Because mandatory regulations of driving and rest periods could place excessive burden on transport industry, voluntary regulations of driving and rest periods should be implemented	
Implementation is responsibility of transport inspectorate and ministry of transport	

On cross-border road transport, there is a need for harmonisation of transport regulations, for instance in terms of load limitations. Country to country, gross vehicle loads are limited to 56 tonnes, apart from Namibia where gross vehicle loads are limited to 54 tonnes. For this reason, vehicles are only loaded with goods up to 54 tonnes.	Statement NA-24-06
The interviewee states that different gross vehicle weights between neighbouring countries limit the maximum payload of trucks on cross border transport. There is a need for harmonisation of gross vehicle weight limitations among countries.	Interpretation
Different gross vehicle weights between neighbouring countries limit maximum payload of trucks on cross border transport	Core Statement
There is need for harmonisation of gross vehicle weight limitations among countries	
Corruption at border crossings is an issue. The handling of passports and entry requirements, such as 90 days for entering truckers, often represents an obstacle.	Statement NA-24-07
The interviewee states that corruption at border crossings represents an obstacle to cross border transport. Lorry drivers often have to deal with issues relating to passport and entry requirements.	Interpretation
Corruption at border crossings represents obstacle to cross border transport	Core Statement
Lorry drivers often have to deal with issues relating to passport and entry requirements	
Almost all aspects of road transport are good in Namibia, although not as good as in South Africa. Transport rates are better than in Angola, the state of vehicles is better than in the DR Congo and Zambia, the range of transport operators as well as the infrastructure are good. Regulation is not as good as it is	Statement NA-24-08

supposed to. Because of insufficient regulation, there are many accidents.	
The interviewee states that although the transport system is not at the same level as in South Africa, the transport system in Namibia is good. This results from good transport rates, compared to Angola; good state of vehicles, compared to DR Congo and Zambia; good range of transport operators and good infrastructure. An insufficient degree of transport / traffic regulation leads to a high accident rate.	Interpretation
Although transport system is not at same level as in South Africa, transport system in Namibia is good	Core Statement
This results from good transport rates, compared to Angola; good state of vehicles, compared to DR Congo and Zambia; good range of transport operators and good infrastructure	
Insufficient degree of transport / traffic regulation leads to high accident rate	
The road infrastructure has been constructed during South African administration, for military reasons.	Statement NA-24-09
The interviewee states that the road infrastructure in Namibia was built during South African administration. By making this statement, the interviewee indicates that the construction of the road network during South African administration contributed to the good state of the road network.	Interpretation
Road infrastructure in Namibia was built during South African administration	Core Statement
Construction of road network during South African administration contributed to good state of road network	
In the past, the state issued transport licences. This created an oligopoly situation and distorted competition.	Statement NA-24-10



The interviewee states that at former times, the public sector regulated the transport market by means of transport licences. This created an oligopoly market situation and distorted competition.	Interpretation
At former times, public sector regulated transport market by means of transport licences; This created oligopoly market situation and distorted competition	Core Statement
I fear deteriorations in the state of road infrastructure, because revenues from usage fees are not earmarked for road infrastructure, there are no investments according to usage and investments in road transport infrastructure compete with development objectives.	Statement NA-24-11
The interviewee states that there are concerns about the state of road infrastructure. This is because of the lack of earmarking of revenues from road usage charges for the road infrastructure, the lack of investments in road transport infrastructure according to usage and the competition between transport objectives and development objectives for public funds.	Interpretation
There are concerns about state of road infrastructure	Core Statement
This is because of lack of earmarking of revenues from road usage charges for road infrastructure, lack of investments in road transport infrastructure according to usage and competition between transport objectives and development objectives for public funds	
What concerns road transport operations, there is no deterioration. The market for road transport services is liberalising more.	Statement NA-24-12
The interviewee states that there is no deterioration on the side of the transport operators. Rather, the market is liberalising even more.	Interpretation

There is no deterioration on side of transport operators; rather, market is liberalising even more	Core Statement
Can the rail way become worse?	Statement NA-24-13
The interviewee asks whether the rail transport performance can become even worse. By making this statement, the interviewee indicates that that rail transport performance is poor.	Interpretation
Rail transport performance is poor	Core Statement
Behind the background of the logistics hub plan, the national development plan 4 and the Harambe Plan, these deteriorations should raise concern. If cargo volumes double, there will be problems.	Statement NA-24-14
The interviewee states that behind the background of an expected significant increase of transport volume in Namibia, the deterioration of the road infrastructure raises concerns about the ability of the transport network to absorb the cargo volume.	Interpretation
Behind background of expected significant increase of transport volume in Namibia, deterioration of road infrastructure raises concerns about ability of transport network to absorb cargo volume	Core Statement
The government put out a tender to extend the road lanes between Walvis Bay and Karibib. There are plans for a tarred road between Swakopmund and Uis, a tarred road between Gobabis and Grootfontein as well as a three-lane road between Swakopmund and Karibib.	Statement NA-24-15
The interviewee states that the government plans to extend a number of road sections. For instance, the government put out a tender to extend the section from Swakopmund and Karibib	Interpretation

and plans to upgrade the gravel road between Swakopmund and Uis and Gobabis to Grootfontein tarred roads.	
Government plans to extend number of road sections	Core Statement
Government put out tender to extend section from Swakopmund and Karibib and plans to upgrade gravel road between Swakopmund and Uis and Gobabis to Grootfontein tarred roads	
A weakness of the road transport system is regulation. Whilst some transport operators are able to circumvent paying mass distance charges because of having connections, other transport companies pay for and need to offer their transport services at higher prices. Moreover, there is no regulation of driving and rest periods.	Statement NA-24-16
The interviewee states that regulation is a weakness of the road transport system in Namibia. First, unlawful circumvention of mass distance charges by some transport operators force compliant transport operators to bear additional costs and offer their service at higher prices. Unlawful circumvention of mass distance charges puts compliant companies at a disadvantage. Second, it lacks a regulation of driving and rest periods.	Interpretation
Regulation is weakness of road transport system in Namibia	Core Statement
Unlawful circumvention of mass distance charges by some transport operators force compliant transport operators to bear additional costs and offer their service at higher prices	
Unlawful circumvention of mass distance charges puts compliant companies at disadvantage	
Second, it lacks regulation of driving and rest periods	
This results from a lack of competence at the legislator. In addition, there is a conflict between South Africa and Namibia as logistics leaders. South African ideas and suggestions are rejected in Namibia.	Statement NA-24-17

The interviewee states that the weakness in regulations results on the one hand from insufficient competence of the legislator and, on the other hand from a rivalry as logistics hubs in southern Africa and a resulting rejection of South African ideas for improvement in Namibia.	Interpretation
Weakness in regulation results from insufficient competence of legislator	Core Statement
Weakness in regulation results rivalry as logistics hubs in southern Africa and resulting rejection of South African ideas for improvement in Namibia	
The fact that these weaknesses are discussed is a positive sign. There are improvements, there are investments and logistics is coming more into focus.	Statement NA-24-18
The interviewee states that there is progress. For instance, weaknesses are discussed and addressed, and the importance of logistics in Namibia is recognised.	Interpretation
There is progress; e.g. weaknesses are discussed and addressed and importance of logistics in Namibia is recognised	Core Statement
Roads, rail and customs are areas for improvment. Regarding roads, the question is where the money comes from. Regarding customs, in South Africa, customs entries are done completely online, whilst in Namibia there is a need to deliver the documents to customs physically. This is due to the fact that the online documents cannot be accepted as legal documents. This will change sometime. There is a plan for a single window.	Statement NA-24-19
The interviewee states that roads, rail and customs are areas for improvement. Improvements in road infrastructure may however be impeded or limited by a lack of funds. Weaknesses in customs result from the fact that online documents can legally not be accepted and the resulting need to hand in paper documents. Whilst online entries are still to come in Namibia, this is	Interpretation

already in use in South Africa. There is a plan to set up a single window.	
Roads, rail and customs are areas for improvement	Core Statement
Improvements of road infrastructure may be limited by lack of funds	
Weaknesses in customs results from fact that online document can legally not be accepted and resulting need to hand in paper documents; whilst online entries are still to come in Namibia, this is already in use in South Africa	
There is plan to set up single window	
Improvements of the road infrastructure would include an extension of the B1 from Windhoek to Grootfontein in order to reduce the burden on the northward route and from Rehoboth to Windhoek. This was also recommended by JICA. Improvements in roads would include facilitated border crossings. Because distances are too high and there are alternative transport modes, railways on the Caprivi and to Botswana will remain a dream.	Statement NA-24-20
The interviewee states that improvements in roads should consider an extension of one of the county's main roads, the B1, between Rehoboth and Windhoek as well as Windhoek and Grootfontein. Improvements in roads should also consider a facilitation of lorry border crossing procedures. Because of the high distances and established alternative transport modes, a railway link starting in Grootfontein to Zambia and from Gobabis to Botswana is economically infeasible.	Interpretation
Improvements in roads should consider an extension of the B1 between Rehoboth and Windhoek as well as Windhoek and Grootfontein	Core Statement
Improvements in roads should consider a facilitation of lorry border crossing procedures	

Because of high distances and established alternative transport modes, railway links to Zambia and to Botswana are economically unfeasible	
The ministry of transport is responsible for improving the railway, provided that railway transport remains under public control and operation.	Statement NA-24-21
The interviewee states that provided that railway transport remains under public control and operation, the ministry of transport is responsible for improving the railway system.	Interpretation
Provided that railway transport remains under public control and operation, ministry of transport is responsible for improving railway system	Core Statement
The road transport industry is not a favour of a competitive railway in Namibia.	Statement NA-24-22
The interviewee states that the road transport industry is not in favour of a competitive railway, since this industry benefits from the insufficient rail transport performance. Opposition of the road transport industry may represent an obstacle.	Interpretation
Road transport industry is not in favour of competitive railway, since industry benefits from insufficient rail transport performance	Core Statement
Opposition of road transport industry may represent obstacle	
Obstacles may exist in the following areas: First, I am not sure whether there is enough volume for rail to run under private operation. Second, the setting up of the Walvis Bay Corridor Group has been initiated by the port of Walvis Bay. The Walvis Bay Corridor Group also creates competition, for instance between the Walvis Bay Corridor Group and the Namibia Logistics Association. Third, there is a lack of funding. Fourth, a lack of political	Statement NA-24-23

willingness, unwillingness to make unpleasant decision may represent an obstacle.	
The interviewee states that there may be some obstacles to improvements in rail transport: The lack of funds for improvements in rail transport along with the doubts about the necessary transport volume and interest of the private sector to engage in rail transport represent obstacles. There are clashes of interest between the Walvis Bay Corridor Group and Namibian Logistics Association. The unwillingness of the government to make decision that do not appeal to everyone may represent an obstacle as well.	Interpretation
There may be some obstacles to improvements in rail transport	Core Statement
Lack of funds for improvements in rail transport along with doubts about necessary transport volume and interest of private sector to engage in rail transport represent obstacles	
There are clashes of interest between Walvis Bay Corridor Group and Namibian Logistics Association	
Unwillingness of government to make decision that do not appeal to everyone may represent obstacle as well	
A partial privatisation of selected parts of the country's logistics system could provide value. The rail transport company is regarded as a job creation scheme; unpleasant decisions can politically not be accepted. Although some private companies have own warehouses within the port area, they do not have an influence on the port operations. Port lead times have room for improvement.	Statement NA-24-24
The interviewee states that a privatisation of selected parts of the logistics chain could provide value to country. The rail transport company serves to create jobs and measures that would increase the performance of the railway but come at the expense of the company's workforce can politically not be realised. Private sector participation at the port could exert some	Interpretation

pressure on the port company and contribute to higher port performance. There is room for improvement in port lead time.	Core Statement
Privatisation of selected parts of logistics chain could provide value to country	
Rail transport company serves to create jobs and measures that would increase performance of railway but come at expense of company's workforce can politically not be realised	
Private sector participation at port could exert some pressure on port company and contribute to higher port performance	
There is room for improvement in port lead time	

### Interviewee 25

Interviewee 25, a head of a team at a manufacturing company in Namibia, made the following statements:

The problem is, we as a country are rather small.	Statement NA-25-01
The interviewee states that the relatively small population is a weakness. By making this statement, the interviewee indicates that the domestic market and the economic relevance of the country is relatively small.	Interpretation
Domestic market and economic relevance of country is relatively small	Core Statement
We are politically stable; we have an excellent infrastructure, such as road, power and medical support. Companies use Namibia as a springboard. Many companies set up offices in Windhoek to manage other countries. The location of Namibia into Africa is very good. The Walvis Bay Corridor Group is doing an excellent job.	Statement NA-25-02



The interviewee states that political stability as well as very good road, power and medial infrastructure are strength of the country. The country is a very good location from where to control business in other African countries and many companies make use of it. The Walvis Bay Corridor Group is performing very well in marketing the country as a logistics hub and transit country.	Interpretation
Political stability as well as very good road, power and medial infrastructure are strength of the country	Core Statement
Country is very good location from where to control business in other African countries and many companies make use of it	
Walvis Bay Corridor Group is performing very well in marketing country as a logistics hub and transit country	
I am optimistic; we will become a logistics hub. Go to any of the other countries, we are light-years ahead of them. Namibia's transport system is stable and safe. How many trucks got lost in Angola or Zambia?	Statement NA-25-03
The interviewee states that the country is likely position itself as a logistics hub in southern Africa. The economy of the country is much more advanced than many of its neighbouring countries. The transport system is reliable and security is high. Security in some of the neighbouring countries is much lower.	Interpretation
Country is likely position itself as logistics hub in southern Africa	Core Statement
Economy of country is much more advanced than many of its neighbouring countries	
Transport system is reliable and security is high; security in some of neighbouring countries is much lower	
If you take the road from Windhoek to Okahandja, the government is investing a lot of money to ensure that we have a double lane road. There is a strategy and actions to improve the road network.	Statement NA-25-04

The interviewee states that there is a strategy and actions to improve the road network. For instance, the road between Windhoek and Okahandja is extended to provide higher capacity to the coast and to the north.	Interpretation
Strategy and actions to improve road network exist, e.g. road between Windhoek and Okahandja is extended to provide higher capacity to coast and to north	Core Statement
In 1995, TransNamib bought Chinese locomotives; those locomotives do not have enough power. Some years ago, TransNamib started buying South Africa locomotives, second hand parts. Namibia and South Africa have the same railway.	Statement NA-25-05
The interviewee already stated that there was a drop in rail transport performance. This is, among other factors, due to the purchase of locomotives with inadequate power. The public rail transport company started to purchase second hand locomotives from South Africa. By making this statement, the interviewee indicates that these locomotives are now expected to meet the requirements of rail transport in Namibia.	Interpretation
There was drop in rail transport performance	Core Statement
This is, among other factors, due to purchase of locomotives with inadequate power	
Public rail transport company started to purchase second hand locomotives from South Africa; these locomotives are now expected to meet requirements of rail transport in Namibia	
The question is, how important is railway transport in Namibia? Copper is transported by road. Is railway the answer? I think the world has moved on.	Statement NA-25-06
The interviewee questions the importance of rail transport in Namibia. Even heavy goods, such as copper, are carried by road transport. By making this statement, the interviewee indicates	Interpretation

that rail transport has been replaced by road transport and the importance of rail transport to the economy is becoming insignificant. Transport requirements have changed and rail transport does not meet these anymore.	
Even heavy goods, such as copper, are carried by road transport	Core Statement
Rail transport has been replaced by road transport and importance of rail transport to economy is becoming insignificant	
Transport requirements have changed and rail transport does not meet these anymore	
Who is becoming more successful? Roads have a competitive edge in Namibia. Rail is a totally different story. Road and rail transport performance is very different.	Statement NA-25-07
The interviewee states that road transport performance is much better than rail transport performance.	Interpretation
Road transport performance is much better than rail transport performance	Core Statement
I think the manufacturing location is good. All the support you need is here. If you ask me about the future, for water-intensive companies it is probably not the right location under the current water constraints.	Statement NA-25-08
The interviewee states that the company's manufacturing location in Windhoek is good. The necessary environment to run a manufacturing location is available. The current scarcity of water, however, places a burden on water intensive manufacturing companies and speaks against a new location of water intensive manufacturing companies.	Interpretation
Manufacturing location in Windhoek is good	Core Statement
Necessary environment to run manufacturing location is available	

Current scarcity of water however places burden on water intensive manufacturing companies and speaks against new location of water intensive manufacturing companies	
You need to be as close to the market as possible; that is why we are well located in Windhoek. The distance and reaction time to market is good. The infrastructure is supporting it, for instance road and rail. The rail service from Walvis Bay to Windhoek is good. There is only a railway line up to Ondangwa; not up to Oshakati. There is no railway line to Katima Mulilo; only up to Grootfontein. There is no railway line to Botswana, only to Gobabis. The gauge size in Botswana is even smaller. There was a drop in rail transport performance. However, we have not experienced a stoppage in production.	Statement NA-25-09
The interviewee states that proximity to customers is important to the company. The current location allows for relatively low distances and time to customers. The necessary transport performance is provided by road and rail transport. There is an adequate rail transport performance between Walvis Bay and Windhoek. There are railway lines to the north and east of the country; they stop however, in Ondangwa, Grootfontein and Gobabis, respectively; rail transport in Namibia does not cross the borders to neighbouring countries. The current structure and performance of the transport system meets the demand of the company. Rail transport performance deteriorated, although weaknesses in rail transport performance did not negatively affect the company's business to such an extent that production had to be stopped.	Interpretation
Proximity to customers is important to company; current location allows for relatively low distances and time to customers	Core Statement
Necessary transport performance is provided by road and rail transport	

There is adequate rail transport performance between Walvis Bay and Windhoek	
There are railway lines to north and east of country; they stop however, in Ondangwa, Grootfontein and Gobabis, respectively; rail transport in Namibia does not cross borders to neighbouring countries	
Current structure and performance of transport system meets demand of company	
Rail transport performance deteriorated, although weaknesses in rail transport performance did not negatively affects company's business to such extent that production had to be stopped	
We have geared our business to the risk for instance by safety stock.	Statement NA-25-10
The interviewee states that operational measures, such as safety stocks, help to balance deficiencies in the supporting environment.	Interpretation
Operational measures such as safety stocks help to balance deficiencies in supporting business environment	Core Statement
We have generators and solar panels in place to support our current power supply. We do not face a challenge with power.	Statement NA-25-11
The interviewee states that the company has backed up their power supply by own sources of supply. By doing so, in the case of power outages, power supply and operations are ensured.	Interpretation
Company has backed up power supply by own sources of supply; in case of power outages, power supply and operations are ensured	Core Statement

All the requirements are here; all the skills and knowledge are here. We have designed our infrastructure around us.	Statement NA-25-12
The interviewee states that the necessary environment to run a manufacturing location is available; this includes the necessary workforce. The company has designed an infrastructure around its business. By making this statement, the interviewee indicates that the company aligned itself and its supporting environment to the manufacturing location.	Interpretation
Necessary environment to run manufacturing location is available; this includes necessary workforce	Core Statement
Necessary workforce is available	
Company aligned itself and supporting environment to manufacturing location	
Namibia is very transparent with the things; very professional in handling political and economic issues.	Statement NA-25-13
The interviewee states that there is transparency in public political and economic decisions.	Interpretation
There is transparency in public political and economic decisions	Core Statement
I fear a deterioration in water supply and rail transport; rail is manageable.	Statement NA-25-14
The interviewee states that intensified scarcity of water as well as a further deterioration of rail transport performance represent threats to the company's performance. Whilst scarcity of water is regarded as an external threat without influence on the cause, deterioration of rail transport performance is regarded as an internal threat, which could be alleviated or eliminated.	Interpretation
Intensified scarcity of water and further deterioration of rail transport performance represent threats to company's performance	Core Statement

Scarcity of water is regarded as external threat without influence on cause	
Deterioration of rail transport performance is regarded as internal threat, which could be alleviated or eliminated	
We are far from major suppliers. Raw materials come from Europe. Packaging suppliers are located in Gauteng. We do not have a glass or can supplier in Windhoek; that cost structure is visible. Six month ago, a plastic supplier built up a plant in Windhoek; the demand from various customers led to the plant. We do not have the technical knowledge to maintain our infrastructure, e.g. packing or manufacturing equipment; we are far away from technical knowledge.	Statement NA-25-15
The interviewee states that their location is far away from suppliers; raw materials are sourced from Europe and packaging materials from South Africa. This applies to services to maintain the manufacturing infrastructure and equipment as well. Because of increasing demand for packaging material, a major supplier is currently building up a location nearby.	Interpretation
Location is far away from suppliers	Core Statement
Raw materials are sourced from Europe and packaging materials from South Africa	
This applies to services to maintain manufacturing infrastructure and equipment as well	
Because of increasing demand for packaging material, major supplier is currently building up location nearby	
With good planning, you can overcome those challenges. We have good service levels agreements. Power is not an issue, only water – that is the government’s responsibility.	Statement NA-25-16
The interviewee states that good planning and service levels agreements with suppliers allow the company to compensate	Interpretation

these weaknesses. In contrast to power supply, scarcity of water is regarded as a problem. The government is responsible to ensure that water supply is ensured.	
Good planning and service levels agreements with suppliers allow company to compensate weaknesses	Core Statement
In contrast to power supply, scarcity of water is regarded as problem	
Government is responsible to ensure that water supply is ensured	
The government has to set up a strategy. Do we have a strategy? I have not seen any. Now we need to react. NamWater and the City of Windhoek set up a water saving plan for commercial and residents. This includes a mandatory limit and above the limit a disproportional increase of the water price. This could have been done earlier.	Statement NA-25-17
The interviewee states that for a long time, there is a need to find a solution to the scarcity of water. The government urgently needs to set up a plan to alleviate the scarcity of water. The city of Windhoek and the national water company set up a plan to limit water consumption by charging a disproportional premium above a certain threshold. However, that this should have been done much earlier.	Interpretation
For long time, there is need to find solution to scarcity of water	Core Statement
Government urgently needs to set up plan to alleviate scarcity of water	
City of Windhoek and national water company set up plan to limit water consumption by charging disproportional premium above certain threshold; this should have been done much earlier	



The strategy of the local authority is unclear. We are aware of a short-term plan, but beyond that, it is not visible what the strategy is. That is an obstacle. We need to increase capacity here.	Statement NA-25-18
The interviewee states that the lack of a strategy to water scarcity represents an obstacle to improvements. There are short-term plans, but it lacks a strategy that show a long-term path to deal with the scarcity of water.	Interpretation
Lack of strategy to water scarcity represents obstacle to improvements	Core Statement
There are short-term plans, but it lacks strategy that show long-term path to deal with scarcity of water	
If you take the road from Windhoek to Okahandja, the government is investing a lot of money to ensure that we have a double lane road. When this is done, road capacity to the coast and to the north will be much better. Progress is visible. In terms of water, the government is working on that, there are many single plans, such as pipelines and desalination plans, but it is not clear when it will be implemented.	Statement NA-25-19
The interviewee states that the government invests significantly to extend the road between Windhoek and Okahandja to two lanes per direction and actions are visible. This stands in contrast to the strategy and actions in water supply. Whilst in road network a strategy and actions are visible, in water supply there is no strategy and no actions.	Interpretation
Government invests significantly to extend road between Windhoek and Okahandja to two lanes per direction and actions are visible	Core Statement
This stands in contrast to strategy and actions in water supply; Whilst in road network strategy and actions are visible, in water supply there is no strategy and no actions	

**Interviewee 26**

Interviewee 26, a head of a business association in Namibia, made the following statements:

We have a stable political environment, a very good democracy; all that accounts for the wellbeing of the environment that the logistics sectors needs as well.	Statement NA-26-01
The interviewee states that the political stability and well-working democratic political system contribute to the good performance of the logistics system of the country.	Interpretation
Political stability and well-working democratic political system contribute to good performance of logistics system	Core Statement
The corridors would let us increase the volume by servicing other countries, but the distance is against us. We are talking about a logistics hub that would service SACU and SADC, but the countries we would like to service are talking about becoming a logistics hub as well. In the case of a choice between a logistics hub in Angola and in Namibia, companies would opt for Angola, because of the immediate market that unfolds in Angola. It is better to service 15 million people and then reach out to Zambia and the Congo.	Statement NA-26-02
The interviewee states that the transport corridors would allow the country to increase transshipment and transport volumes through the port of Walvis Bay and Namibia. However, the small domestic market in Namibia, the long distances to the neighbouring countries as well as the plans of neighbouring countries to build up their own logistics gateways speak against the success of the logistics hub concept in Namibia. Once there are alternative logistics gateways in place, companies would rather choose gateways with a larger adjacent market.	Interpretation

Transport corridors would allow country to increase transhipment and transport volumes through port of Walvis Bay and Namibia	Core Statement
However, small domestic market in Namibia, long distances to neighbouring countries as well as plans of neighbouring countries to build up their own logistics gateways speak against success of logistics hub concept in Namibia	
Once there are alternative logistics gateways in place, companies would rather choose gateways with larger adjacent market	
What is our pull factor? It is definitely not our big population. Investor will say that we can use Walvis Bay, but I will keep my funds to invest in Angola.	Statement NA-26-03
The interviewee states that in the case of a high importance of a large market within relatively short distance, a location in Angola performs much better than in Namibia. For this reasons, instead of investing in Namibia, many companies will wait until logistics hubs in Angola are in place and make use of the proximity to a larger market.	Interpretation
In case of high importance of large market within relatively short distance, location in Angola performs much better than in Namibia	
Instead of investing in Namibia, many companies will wait until logistics hubs in Angola are in place and make use of proximity to larger market	Core Statement
None of the countries is an economic island, but we are so interdependent. Any destabilisation of South Africa will have an impact on Namibia and many other countries on the African continent.	Statement NA-26-04

The interviewee states that because of the importance of the South African economy, an economic downturn of the South African economy will have an effect on the economic situation of Namibia and many other countries on the African continent.	Interpretation
Because of importance of South African economy, economic downturn of South African economy will have effect on economic situation of Namibia and many other countries on African continent	Core Statement
We have a massive demographic growth. However, we do not have the economic growth to provide enough jobs for our population. The unemployment rate will increase.	Statement NA-26-05
The interviewee states that the number of jobs and growth in jobs cannot keep pace with the demographic growth. This will lead to higher unemployment rates in the future.	Interpretation
Number of jobs and growth in jobs cannot keep pace with demographic growth; this will lead to higher unemployment rates in future	Core Statement
Namibia is a semi-desert; we should not forget that. Extensive droughts have ever happened in the past. The current drought has created massive problems; it could have been foreseen. There was no proper planning since independence.	Statement NA-26-06
The interviewee states that the aridness and droughts are nothing new to the country; the country is a semi-desert. The drought created enormous problems, e.g. for the economy. Since independence, there was no adequate planning to eliminate or alleviate the scarcity of water.	Interpretation
Aridness and droughts are nothing new to country; country is a semi-desert	Core Statement
Drought created enormous problems, e.g. for economy	

Since independence there was no adequate planning to eliminate or alleviate scarcity of water	
Power and road requirements have not been addressed; there is a backlog. We missed the boat with roads, water supply and energy.	Statement NA-26-07
The interviewee states that there is backlog in the state of the water, road and energy infrastructure.	Interpretation
There is backlog in state of water, road and energy infrastructure	Core Statement
The government is so unrealistic in recognising our need for expatriates. They should allow knowledgeable, experienced people to come to Namibia for an entire generation, not as consultants for few months. With ten to 15 thousand expatriates, we can turn that thing around.	Statement NA-26-08
The interviewee states that there is a need for knowledgeable and experienced immigrants in Namibia in order to contribute to the development of the economy. However, the government does not consider it as a contribution.	Interpretation
There is need for knowledgeable and experienced immigrants in Namibia to contribute to development of economy	Core Statement
However government does not consider it as contribution	
Regardless of the political situation before independence, we had a well functioning logistics system. Unfortunately, those people who contributed to the performance of the logistics system at that time have been laid off. They should have been part of the transformation.	Statement NA-26-09
The interviewee states that prior to independence, the logistics system of the country was working well. The lay-off of knowledgeable people has, however, led to a loss of knowledge.	Interpretation

Those people should have been part of the transformation in order to maintain the performance of the logistics system.	Core Statement
Prior to independence, logistics system of country was working well	
Lay-off of knowledgeable people has however led to loss of knowledge; those people should have been part of transformation in order to maintain performance of logistics system	
The regulatory framework is a weakness as well. Knowledgeable people are not available in all regions. This includes, customs, cross-border trade. Often, there is undue political interference in aspects that drive market forces, for instance labour law regime. With such as restrictive labour law well-developed countries would not be able to perform. From a political perspective, it make sense, from an economic it does not.	Statement NA-26-10
The interviewee states that the regulatory framework has weaknesses. The availability of sufficiently qualified people in customs and cross-border operations is not ensured. There is excessive political interference is economically critical factors, such as the labour component of the affirmative action programme. From a political point of view, affirmative actions are justifiable; they are however constraining the performance of the economy.	Interpretation
Regulatory framework has weaknesses	Core Statement
Availability of sufficiently qualified people in customs and cross-border operations is not ensured in all regions of country	
There is excessive political interference is economically critical factors e.g. labour component of affirmative action programme	
From political point of view, affirmative actions are justifiable; they are however constraining performance of economy	

<p>The success of the logistics hub depends on the development of logistics hubs in bigger countries. If they fail, Namibia will continue to provide such services. If they succeed, they will be the preferred logistics hub, due to the long distances through Namibia. Behind the background of the upcoming competition, the efficiency levels we can achieve will still not be enough. We will remain price-takers.</p>	<p>Statement NA-26-11</p>
<p>The interviewee states that the success of the logistics hub concept in Namibia hinges on whether other countries are able to build up logistics hubs on their territory. Namibia will face significant competition, once other logistics hubs are in place. Even if the country achieves significant increases in efficiency, the long distances to the neighbouring countries will put Namibia's logistics hub at a disadvantage and require cost compensations. Only if other countries are not able to build up logistics hubs, companies will continue to make use of Namibia.</p>	<p>Interpretation</p>
<p>Success of logistics hub concept hinges on whether other countries are able to build up logistics hubs on their territory</p>	<p>Core Statement</p>
<p>Namibia will face significant competition once other logistics hubs are in place</p>	
<p>Even if country achieves significant increases in efficiency, long distances to neighbouring countries will put Namibia's logistics hub at disadvantage and require cost compensations</p>	
<p>Only if other countries are not able to build up logistics hubs, companies will continue to make use of Namibia</p>	
<p>Instead of Namibia, coal from Botswana could just as well be exported through Mozambique and South Africa. Those high volumes cannot be carried by road, there is a necessity for rail transport.</p>	<p>Statement NA-26-12</p>

The interviewee states that coal from Botswana cannot only be exported through Namibia, but also through Mozambique and South Africa. High volume goods require rail transport.	Interpretation
Coal from Botswana cannot only be exported through Namibia, but also through Mozambique and South Africa	Core Statement
High volume goods require rail transport	
If you bring the copper ore from Ndola to Walvis Bay, what is going back? With these depressed copper prices, it is not even worthwhile to export it. At the moment, even China does not buy any primary goods. If you have so much volume such as the DRC, you do not ship it for two thousand kilometers; you ship it directly either to the east or west coast. The port expansion should have been completed many years ago. The railway projects in Namibia come too late, when the other countries already set up their ports. Make use of the volumes as long as you can, but you cannot plan for 30 years, not even five years.	Statement NA-26-13
The interviewee asks what goods will be carried on the return leg from Walvis Bay to Ndola. By making this statement, the interviewee indicates that there could be a lack of cargo on the return leg from Ndola to Walvis Bay. The current copper price does not leave much room for logistics costs and high distances and the Walvis Bay Corridor will only be an option as long as there are no better alternatives. A railway line between Ndola and Walvis Bay would only be in place at a time when alternative seaport corridors already exist. The right time for such a long-term investment was missed. Instead of investing in a railway line that will not pay off any more, the country should rather take on a short term view and seize the business by making use of the existing modes of transport on that corridor.	Interpretation
There could be lack of cargo on return leg from Ndola to Walvis Bay	Core Statement



Current copper price does not leave much room for logistics costs and high distances	
Walvis Bay Corridor will only be option as long as there are no better alternatives	
Railway line between Ndola and Walvis Bay would only be in place at time when alternative seaport corridors already exist; right time for such long-term investment was missed	
Instead of investing in railway line that will not pay off any more, country should rather take on short term view and seize business by making use of existing modes of transport on that corridor	
I question the viability on which the logistics hub concept is based. I question how we can fulfil a logistics hub concept for the SADC region. In contrast to the private sector, the Walvis Bay Corridor Group does not embrace a reality. It is a public entitiy without any accountability.	Statement NA-26-14
The interviewee states that there are different perceptions on the economic viability of the logistics hub concept. The private sector does not see the business case for the logistics hub concept as promoted by the Walivs Bay Corridor Group. The Walvis Bay Corridor Group, can only promote these plans because the organisation would not have to bear negative consequences.	Interpretation
There are different perceptions on economic viability of logistics hub concept	Core Statement
Private sector does not see business case for logistics hub concept as promoted by WBCG	
WBCG can only promote these plans because organisation would not have to bear negative consequences	

<p>The market does not see what the Walvis Bay Corridor sees. But then they ask you, is it not like the chicken and egg problem? Must we not first create the chicken before it can lay eggs? The corridors, have they been created by the Walvis Bay corridor Group? Even prior to independence, to routes that goes to Katima Mulilo, the route that goes into Angola, the route to South Africa, they were all there. All trucks drove it. They took something that existed, coded it their own.</p>	<p>Statement NA-26-15</p>
<p>The interviewee states that the transport corridors did not evolve from visionary plans and actions of the Walvis Bay Corridor group, but rather from gradual, market-oriented plans and actions of the operating companies. By making this statement, the interviewee indicates that instead of focussing on a visionary objective, the focus should rather be a gradual market-oriented development.</p>	<p>Interpretation</p>
<p>Transport corridors did not evolve from visionary plans and actions of Walvis Bay Corridor group, but rather from gradual, market-oriented plans and actions of operating companies</p>	<p>Core Statement</p>
<p>Instead of focussing on visionary objective, focus should rather be gradual market-oriented development</p>	
<p>The corridor group has a concept; it has been created by JICA. JICA says we have to create an industrial hub here and there. If there were an opportunity, you would already have the first signs of a deal. For instance, all the bulk storage capacity for oil in Namibia has been created by the independent oil industry. Now, the government will create an 18 million-litre storage facility in Walvis Bay. No private company will do it. Irrespective of what stands in the report, the private sector already knows where they would put their locations. The procedure of the private sectors stands in contrast to the procedure of the public sectors. This applies to the Walvis Bay Corridor Group as well.</p>	<p>Statement NA-26-16</p>

The interviewee states that the logistics hub concept was created on the authority of the government and public sector. The private sector would support it by actions, if there were a business case. Whilst the public sector acts based on visions, the private sectors acts based on market fundamentals. By marking this statement, the interviewee indicates that there are very different perceptions on the economic viability of the logistics hub concept between the public and the private sector.	Interpretation
Logistics hub concept has been created on authority of public sector; private sector would support it by actions, if there were business case	Core Statement
Public sector acts based on visions, private sectors acts based on market fundamentals	
There are very different perceptions on economic viability of logistics hub concept between public and private sector	
The Walvis Bay Corridor Group should market the harbour; they are doing it very well. Now they are becoming an operator as well; they are looking for cargo in Zambia, in the Congo; they are becoming load brokers. Take the clue from the market; entrepreneurs will give you a very good clue of the market. That is not how the market works.	Statement NA-26-17
The interviewee states that the Walvis Bay Corridor Group is promoting the port of Walvis Bay very well and is now entering into freight brokerage; an area, which pertains to the private sector. The organisation should focus on the port marketing and let the private sector do the operations. The private sector is better suited to develop the industry in a market-oriented manner.	Interpretation
WBCG is promoting port of Walvis Bay very well and is now entering into freight brokerage; area pertaining to private sector	Core Statement
Organisation should focus on port marketing and let private sector do operations	

Private sector is better suited to develop industry in market-oriented manner	
Follow the market; it already exists. The government should ask the private sector “In order for you to thrive, how can we assist you?” They will tell you, get proper customs officials, train them, Asycuda does not work.	Statement NA-26-18
The interviewee states that in order to identify necessary areas for improvement, the government should consult the private sector and enquire about the areas in need for improvement. There is a need for improvement of customs staff qualifications and training as well as improvements in the customs IT system.	Interpretation
To identify necessary areas for improvement, government should consult private sector and enquire about areas in need for improvement	Core Statement
There is need for improvement of customs staff qualifications and training as well as improvements in customs IT system	
We will not be able to reach the competitiveness of South Africa, unless all companies decide to move all cargo instead of through South Africa through Namibia. The domestic market and volumes in South Africa are so much bigger. Port charges and road charges are lower in South Africa. Do not chase a policy which is too reliant on external factors. We should rather focus on where we already have a competitive edge, meaning fishing industry, tourism industry, health sector as well as education. Everybody is concentrating on the same. Logistics is linked to industrialisation; industrialisation is totally out for us.	Statement NA-26-19
The interviewee states that the concentration on becoming a logistics hub is not reasonable from an economic point of view, because the economic viability depends on too many external factors. There is a huge gap between the current state of the economic and the necessary future state to become a logistics	Interpretation

hub and considerable manufacturing location. The country should rather enhance its economy in areas where it already has a comparative competitive advantage and which can be sustained. These areas include health services, education services, fishing industry as well as tourism.	
Concentration on becoming logistics hub is not reasonable from economic point of view, because economic viability depends on too many external factors	Core Statement
There is huge gap between current state of economic and necessary future state to become logistics hub and considerable manufacturing location	
Country should rather enhance its economy in areas where it already has comparative competitive advantage and which can be sustained; these areas include health services, education services, fishing industry as well as tourism	
Do not get me wrong. I am very proud of our logistics industry. We are a small nation and our companies provide very good services not only in Namibia but also on the southern continent. I see how important logistics is. Our current concept works; our borders work, we need to get rail. Let them go beyond our borders to secure the roads.	Statement NA-26-20
The interviewee states that despite criticism on the logistics hub concept, in particular on the magnitude of the necessary investments, late timing and lack of a gradual approach, the logistics industry in Namibia performs very well domestically as well as in neighbouring countries and is of major importance. In order to keep the state of the road infrastructure, certain rail lines should be extended to neighbouring countries.	Interpretation
Despite criticism on logistics hub concept, in particular to magnitude of necessary investments, late timing and lack of gradual	Core Statement

approach, logistics industry in Namibia performs very well domestically as well as on in neighbouring countries and is of major importance	
To keep state of road infrastructure, certain rail lines should be extended to neighbouring countries	
We do not need an oversized logistics and industrialisation concept. If we create a smoothly running logistics system in Namibia, and Angola looks at it and is so impressed, they will ask us how they can link onto our network. Then they will ask us; currently we need to ask them. In order to get there, we need business professionals from abroad who put this into practice. Stop marketing concepts, do what it takes to become a credible logistics country; then they will ask you to do it.	Statement NA-26-21
The interviewee states that instead of trying to hastily enforce a logistics hub in Namibia, the country should rather take gradual actions to improve the performance, even cross border, of the logistics system. Once there are gradual improvements in the logistics performance, potential foreign customers will recognise it and trying to make use of it. The country should not convince potential customers by presenting plans and vision, but rather by gradual actions. In order to put the plans into action, there is a need for foreign expertise in the form of knowledgeable and experienced expatriates.	Interpretation
Instead of trying to hastily enforce logistics hub, country should take gradual actions to improve performance, even cross border, of logistics system	Core Statement
Once there are gradual improvement in logistics performance foreign potential customers will recognise it and trying to make use of it	
Country should not convince potential customers by presenting plans and vision, but rather by gradual actions	

To put plans into action, there is need for foreign expertise in form of knowledgable and experienced expatriates	
<p>Because it takes too much time to get sufficiently qualified business professionals, we need knowledgable and experienced expatriates. Currently we have a closed mentality. Just consider how difficult it is to get work permits. In the future, people will be more accommodating, less aggressive and more open-minded. They will have more information at hand, and be able to make up their own opinion. We have knowledgable, pragmatic people at the government, but the majority got involed on the wrong ticket. It is common that those who are in power will do what it takes to remain in power.</p>	<p>Statement NA-26-22</p>
<p>The interviewee stated that it takes time to internally built up the necessary workforce to improve the logistics performance of the country. The short and medium-term demand for a knowledgable and experienced workforce cannot be provided internally. In order to improve the logistics performance, there is a need for knowledgable and experienced expatriates. Such external contribution is, however, impeded by the unfavourable attitude of the government towards expatriates. Many people in the government and public authorities were not chosen based on qualifications but rather based on their connections. They will defend their postion by keeping qualified people away. In the future, better-informed citizens will have it easier to find out what is necessary to continuously strengthen their economy. For this reason, the country will be more open for knowledgable and experience expatriates.</p>	<p>Interpretation</p>
It takes time to internally built up necessary workforce to improve logistics performance of country	<p>Core Statement</p>
Short and medium-term demand for knowledgable and experienced workforce cannot be provided internally	

To improve the logistics performance, there is a need for knowledgeable and experienced expatriates	
External contribution is impeded by unfavourable attitude of government towards expatriates	
Many people in government and public authorities were not chosen based on qualifications but rather based on their connections; they will defend their position by keeping qualified people away	
In future, better-informed citizens will have it easier to find out what is necessary to continuously strengthen economy; for this reason, country will be more open for knowledgeable and experience expatriates	
The port of Walvis Bay is considered as one of the best ports on the west coast. But with whom does the port compete? Our population is too small to allow for significant economies of scale. We are never challenged with the same volumes as Angola, Mozambique or South Africa. All our challenges are manageable. Any improvement could happen quickly and could even deliver quick results. That is a benefit.	Statement NA-26-23
The interviewee states that the port of Walvis Bay is regarded as one of the best performing ports on the west coast of the African continent. However, the cargo volume at port of Walvis Bay is very different from the other ports; cargo volumes are much higher in Angola and South Africa. By making this statement, the interviewee indicates that the good port performance is also a result from the relatively low cargo volume at the port of Walvis Bay. To put it differently, other ports achieve a lower performance, but these ports attract more business volume. The small size of the logistics industry in Namibia, in terms of the number of stakeholder, is an advantage. Decisions and actions can be put into practice faster than in countries with a high number of stakeholders and lengthier decision processes.	Interpretation



Port of Walvis Bay is regared as one of best performing ports on west coast of African continent; however cargo volume at port of Walvis Bay is very different from other ports; cargo vol-umes are much higher in Angola and South Africa	Core Statement
Good port performance is also result from relatively low cargo volume at port of Walvis Bay	
Other ports achieve lower performance, but these ports attract more business volume	
Small size of logistics industry in Namibia, in terms of number of shakeholder, is advantage; decisions and actions can be put into practice faster than in countries with high number of stake-holders and lengthier decision processes	
Because of the diversity of the market, Namibia will be utilised. The congestion in Durban means that many people are using it. Some special goods go via Walvis Bay; it is an option that is being used; it will never threaten South African ports. People have factored in the congestion; they keep on using it, because it is much better.	Statement NA-26-24
The interviewee states that because of the different market re-quirements in the future the port of Walvis Bay will get a share of the overall business volume in southern Africa. The port of Walvis Bay will, however, not achieve the same performance and volume as ports in South Africa. It is particularly the good performance of the port of Durban that explaines the high de-mand and resulting congestion.	Interpretation
Because of different market requirements, in future port of Wal-vis Bay will get share of overall business volume in southern Africa	Core Statement
Port of Walvis Bay will however not achieve same performance and volume as ports in South Africa	

It is particularly good performance of port of Durban that explains high demand and resulting congestion	
If we are expanding our port, does it automatically mean people will make use of it? Have those countries asked us to provide more capacity? Did our population indicate us that we are growing so fast and have so much disposable income that we need to import more? No, we said that we will put the chicken there and, hopefully, it will lay eggs. We need to be in a win-win-situation and should have asked other SADC members “If we increase port capacity, would you support us and if so, how?” The logistics hub is the new export-processing zone.	Statement NA-26-25
The interviewee states that the port expansion and logistics hub concept does not result from other countries’s demands for additional transshipment and transport capacity, but rather Namibia’s willingness to bring foreign cargo in and out through Namibia. There is no sufficient commitment by other countries to make use of the capacity. The logistics hub concept is not driven by market demand, but rather by a public decision to provide capacity in advance and then wait for volume to come.	Interpretation
Port expansion and logistics hub concept does not result from other countries’ demand for additional transshipment and transport capacity, but rather Namibia’s willingness to bring foreign cargo in and out through Namibia	Core Statement
There is no sufficient commitment by other countries to make use of capacity	
Logistics hub concept is not driven by market demand, but rather by public decision to provide capacity in advance and then wait for volume to come	
Prior to independence, the major transport modes were road and rail. After independence, road continued to operate in the private sector. The rail company is a public enterprise and as	Statement NA-26-26

such was not subject to the critical factors of success of the private sector. Rail was not run by competent people but by political appointees. Soon, rail transport performance deteriorated. However, goods had to be moved and the freight volume was absorbed by road transport. Road transport has become a very efficient transport mode. It is road transport that drives our logistics sector and will be for the foreseeable future.	
The interviewee states that whilst rail transport performance deteriorated after independence, road transport remained a major mode of transport in Namibia and even gained in performance and importance. Whilst the rail transport system was operated by the public sector and was not subject to intra-modal competition, road transport was run by the private sector and was subject to competition. Differences in exposure to market forces explain differences in performance between rail and road transport. Road transport is the most important mode of transport in Namibia and will remain it at least in the near future.	Interpretation
Whilst rail transport performance deteriorated after independence, road transport remained major mode of transport in Namibia and even gained in performance and importance	Core Statement
Whilst rail transport system was operated by public sector and was not subject to intra-modal competition, road transport was run by private sector and was subject to competition. Differences in exposure to market forces explain differences in performance between rail and road transport	
Road transport is most important mode of transport in Namibia and will remain it at least in foreseeable future	
We will come to a point where road transport becomes so costly, because of the fast deteriorating road infrastructure.	Statement NA-26-27
The interviewee states that the excessive use of road transport in Namibia accelerates the deterioration of the road infrastructure and eventually leads to an increase of road transport rates.	Interpretation

By making this statement, the interviewee indicates that there is a risk that the most importance mode of transport is becoming considerably costlier and could place a burden on the economy.	
Excessive use of road transport accelerates deterioration of road infrastructure and eventually leads to increase of road transport rates	Core Statement
There is risk that most important mode of transport is becoming considerably costlier and could place burden on economy	
The authority that is assigned to road maintenance and rehabilitation is falling more and more into a backlog. The upkeep of our roads is not done in accordance with the requirements. This affects not just the commercial logistics sector, but also the ordinary road users. The road infrastructure suffers from over usage and insufficient maintenance.	Statement NA-26-28
The interviewee states that the road infrastructure is in need for higher maintenance; the road infrastructure is deteriorating. Maintenance works are not in line with the wear and tear of the road infrastructure. The road authority does not meet the demand for maintenance and rehabilitation of road infrastructure.	Interpretation
Road infrastructure is in need for higher maintenance; road infrastructure is deteriorating	Core Statement
Maintenance works are not in line with wear and tear of road infrastructure	
Road authority does not meet demand for maintenance and rehabilitation of road infrastructure	
It will take a huge amount of capital, in terms of fixed assets, moveable assets and people assets to make TransNamib a meaningful stakeholder again. Without a capable rail transport system, the logistics hub concept becomes even less plausible. We already have a logistics hub driven by road.	Statement NA-26-29

The interviewee states that because of low rail transport performance the logistics system of the country is sustained by road transport. In order for the logistics hub concept to materialise, there is a need for a strengthening for rail transport in Namibia. However, this requires significant investment in the rail company's workforce, infrastructure and rolling stock.	Interpretation
Because of low rail transport performance logistics system of country is sustained by road transport	Core Statement
For logistics hub concept to materialise, there is need for strengthening of rail transport in Namibia	
However this requires significant investment in rail company's workforce, infrastructure and rolling stock	
Performance between the port of Walvis Bay and rail transport in Namibia is very different. With the port, there was always acceptance this is a specialised field. There was a measure of foreign expertise involved, the port needs to link in with ports worldwide and unless you are not an accredited port, you are not on the map. The situation with rail is very different. Trains do not easily cross borders. Gauge sizes in southern Africa are different. Rail has never been subjected to the same situation as ports. If different operators could have used our rail system, we would have a similar development as the port has.	Statement NA-26-30
The interviewee states that although both the port company and the rail transport company are run by public enterprises, the two business models operate under very different conditions. Whilst the port is subject to international integration and relies on compliance with international standards, the rail transport system is not subject to international intregation and only relies on domestic standards in Namibia. If rail transport had been exposed to the same condition as the port, it would have achieved a similar level of development today.	Interpretation

Although both port company and rail transport company are run by public enterprises, two business models operate under very different conditions	Core Statement
Whilst port is subject to international integration and relies on compliance with international standards, rail transport system is not subject to international intregation and only relies on domestic standards in Namibia	
If rail transport had been exposed to same condition as port, it would have achieved similar level of development today	
Rail transport performance is a disaster.	Statement NA-26-31
The interviewee states that rail transport performance is poor in Namibia.	Interpretation
Rail transport performance is poor in Namibia	Core Statement
What do you think how long will it take to build a railway line from Grootfontein to Katima Mulilo? Is the World Bank or the African Development Bank financing it? If they would see that this would benefit three, four countries, they would have driven it. This project is not driven by any other than those two countries itself. This enthusiasm is not shared by investors worldwide. The only exception could be that a country builds a railway line and exploits the resouces until depletion.	Statement NA-26-32
The interview asks how long will it take until a planned railway line from Grootfontein to Katima Mulilo is in place and who is financing and supporting the investment. By making this statement, first, the interviewee indicates that it will take many years until the railway line is up and running; second, the interviewee indicates that this railway project is not driven by any development bank or private investor but only by the two benefitting	Interpretation

countries, Namibia, and Zambia. The only perceivable business case for other investors than the two countries is to build the railway line in exchange for long-term exclusive mining and export rights of raw materials.	
It will take many years until railway line between Grootfontein and Katima Mulilo is up and running	Core Statement
This railway project is not driven by any development bank or private investor but only by two benefitting countries Namibia and Zambia	
Only perceivable business case for other investors than two countries is to build railway line in exchange for long-term exclusive mining and export rights of raw materials	
We have two opposing views. Governments want to create employments by creating local value add. They do not want their countries to be exploited any more. If you are planning to establish local value add there, you do not need a railway line, because manufactured goods rather go by air. The plan to build a railway line would speak in favour of a further exploitation of resource-rich countries. The Walvis Bay Corridor Group does not believe in local value add in either. They think, as long as it goes through Walvis Bay, we are in favour of it.	Statement NA-26-33
The interviewee states that the plan to build a railway line between Namibia and Zambia should be looked at from two perspectives. On the one hand, resource-abundant countries aim at increasing local value add in order to create employment and thereby are in favour of transport modes that support this strategy. On the other hand, transit countries such as Namibia with its Walvis Bay Corridor Group aim at supporting their transport corridors and therefore are in favour of transport modes that support their strategy at the expense of the other countries' strategies.	Interpretation

Plan to build railway line from between Namibia and Zambia should be looked at from two perspectives	Core Statement
On one hand resource-abundant countries aim at increasing local value add in order to create employment and thereby are in favour of transport modes that support this strategy	
On other hand, transit countries such as Namibia with its WBCG aim at supporting their transport corridors and therefore are in favour of transport modes that support their strategy at expense of other countries' strategies	
Look at the rail; do not lose the roads. We need rail back, but not in the context of a logistics hub. It needs to fulfil the needs of Namibia.	Statement NA-26-34
The interviewee states that the country is in need for a rail transport system that supports the road transport system. The almost exclusive reliance on road transport in Namibia places an excessive burden on the road transport infrastructure and puts the sustainability of the road transport infrastructure at risk. A strengthening of the rail transport performance should not be done against the background of a logistics hub, but rather to support domestic transport.	Interpretation
Country is in need for rail transport system that supports road transport system	
Almost exclusive reliance on road transport places excessive burden on road infrastructure and puts sustainability of road infrastructure at risk	Core Statement
Strengthening of rail transport performance should not be done against background of logistics hub, but rather to support domestic transport	
In 2002, 96 per cent of fuel was distributed from Walvis Bay to inland rail depots by rail. Today, it is less than 40 per cent; the	Statement NA-26-35



rest has converged up to road. We are planning to build up a railway line from Grootfontein to Zambia, but do not even have an adequate rail transport performance within our country. We need to get bulk commodities back on rail.	
The interviewee states that some years ago, rail transport had a much higher share in transport of bulk goods. Because of the low performance of rail transport, even bulk goods shifted to road transport. Before planning to extend the rail network to neighbouring countries, the focus should be on increasing the performance of the network that supports domestic transport. There is a need to increase the share of rail transport in transport of bulk goods.	Interpretation
Some years ago, rail transport had much higher share in transport of bulk goods; because of low performance of rail transport, even bulk goods shifted to road transport	Core Statement
Before planning to extend rail network to neighbouring countries, focus should be on increasing performance of network that supports domestic transport	
There is need to increase share of rail transport in transport of bulk goods	
I would immediately upgrade the railway line to Gobabis. I would even extend it to Botswana, but under condition that coal from Botswana is only exported through Namibia and there is a long-term agreement. We could offer Botswana a dry port in Gobabis. I would start a dry port in Grootfontein. Then you only have high maintenance between Grootfontein and Katima Mulilo on the road. Do not extend the railway network; use all the resources to rehabilitate the existing network. Use the existing network optimally and once this is running, and the other countries are making significant use of this dry port, we could offer to extend our railway line to Katima.	Statement NA-26-36

<p>The interviewee states that the railway line to Gobabis should be upgraded to improve the transport link to Botswana. A dry port at Gobabis would provide an intermodal interface from road to rail. A dry port should be build in Grootfontein to provide an intermodal interface from road to rail on the corridor to Zambia and the DR Congo. The updrading of the domestic transport network and provision of dry ports at railheads allows at the same time to strengthen the domestic as well as the cross-border transport network. The railway should be extended to Botswana, if there is an agreement that all coal from Botswana is solely exported through Namibia. For the time being, the focus should be placed on improving the existing network and once the existing network provides the necessary performance and there is demand for an extension of the rail network, an extension of the rail network to neighbouring countries should be considered.</p>	Interpretation
<p>Railway line to Gobabis should be upgraded to improve transport to Botswana; dry port at Gobabis would provide an intermodal interface from road to rail</p>	Core Statement
<p>Dry port should be build at Grootfontein to provide intermodal interface from road to rail on corridor to Zambia and DR Congo</p>	
<p>Updrading of domestic transport network and provision of dry ports at railheads allows to strengthen domestic and cross border transport network</p>	
<p>Railway should be extended to Botswana if there is agreement that all coal from Botswana is solely exported through Namibia</p>	
<p>For time being, focus should be placed on improving existing network and once existing network provides necessary performance and there is demand for extension of rail network, extension of rail network to neighbouring countries should be considered</p>	
<p>Our logistics hub concept linked to industrialisation can only become reality if the government changes its attitude to expatriates</p>	Statement

and the education system. It has never been part of our culture to be a manufacturing country at large scale and to export our output. Since it is part of our NDP4, it is a serious objective and we first need to fulfil the prerequisites. It will take at least a generation to establish the foundation. This should be kick-started by people who know. I do not share the same enthusiasm to suddenly become an industrialised country.	NA-26-37
The interviewee states that the country is pursuing the objective to become a logistics hub and an industrialised country but does not have a considerable manufacturing and export background. To become a logistics hub and industrialised country, the country needs to establish the necessary knowledge base in Namibia. This can only be obtained within reasonable time if knowledge and experienced expatriates are able to contribute and if the education system is improved. However, the negative attitude of the government represents an obstacle.	Interpretation
Country is pursuing objective to become logistics hub and industrialised country but does not have considerable manufacturing and export background	Core Statement
To become logistics hub and industrialised country, country needs to establish necessary knowledge base	
This can only be obtained within reasonable time if knowledge and experienced expatriates are able to contribute and if education system is improved	
However negative attitude of government towards expatriates represents obstacle	
Wonderful reports and ideas. However, if they are so wonderful you would already see actions by the private sector. Just after independence, the government created export-processing zones, near Arandis; it never came off the ground. Why? It does not make economic sense to put it a hundred kilometers away from	Statement NA-26-38

the port. You cannot force the private sector to align to your plan, even if the policy makes sense.	
The interviewee states that the logistics hub concept with its individual projects is not driven by the private, but only by the public sector. The logistics hub concept is similar to the failed public attempt to locate economic centres in underdeveloped and remote areas. The private sector will decide where to put locations. By making this statement, the interviewee indicates that the government should place higher emphasis on preferences of the private sectors instead of trying to instruct the private sector.	Interpretation
Logistics hub concept with its individual projects is not driven by private but only by public sector	Core Statement
Logistics hub concept is similar to failed public attempt to locate economic centres in underdeveloped and remote areas; private sector will decide where to put locations	
Government should place higher emphasis on preferences of private sector instead of trying to instruct private sector	

### Interviewee 27

Interviewee 27, a staff member at a retailing company in Namibia, made the following statements:

People in the supply chain industry are often not adequately educated and trained. Their knowledge is not up to date. They are a bit left behind; for instance, manual orders to suppliers are still dominating.	Statement NA-27-01
The interviewee states that people in the logistics and manufacturing industry are often not sufficiently educated and trained. Many people are not aware of the current state of knowledge.	Interpretation
People in logistics and manufacturing industry are often not sufficiently educated and trained; many people are not aware of current state of knowledge	Core Statement

The middle-income group is growing in Namibia; it is becoming very large. If we do play it right, Namibia will come close to a developed country. We are very dependent on South Africa; everything that happens there affects us. If we produce most of the products we consume in Namibia, we could come close to the competitiveness of South Africa and Egypt.	Statement NA-27-02
The interviewee states that the middle income group is growing in Namibia; economic development is increasing. Due to the dependence of Namibia on South Africa, the economic situation in Namibia is partly determined by South Africa. If most products for the local market could be produced in Namibia, the Namibian economy would become more competitive; similar to much more developed economies.	Interpretation
Middle-income group is growing in Namibia; economic development is increasing	Core Statement
Due to dependence of Namibia on South Africa, economic situation in Namibia is partly determined by South Africa	
If most products for local market could be produced in Namibia, economy would become more competitive; similar to much more developed economies	
The port of Walvis Bay works well; it one of the best ports in southern Africa. The cargo handling at the port is very fast.	Statement NA-27-03
The interviewee states that the performance of the port of Walvis Bay is good. It is one of the best performing ports in southern Africa. The cargo handling is very fast.	Interpretation
Performance of port of Walvis Bay is good	Core Statement
It is one of best performing ports in southern Africa	
Cargo handling is very fast	

The number of containers that will come to the port will increase if the logistics hub comes a reality. I fear that NamPort does not have enough sufficiently skilled people to cope with increased volumes.	Statement NA-27-04
The interviewee states that there could be a shortage of sufficiently educated and trained workforce once the port transshipment volumes gets going.	Interpretation
There could be shortage of sufficiently educated and trained workforce once the port transshipment volumes gets going	Core Statement
Our road facilities are very good compared to other African countries, like Angola. I have seen the roads in Ondjiva and Namibe; they are just fixing the potholes. Our road contractor company maintains the road infrastructure. They do have the skills to maintain the roads.	Statement NA-27-05
The interviewee states that compared to other countries in southern Africa, such as Angola, the road infrastructure is good. The roads contractor company performs well in maintaining the road infrastructure. The company does have an adequately skilled workforce.	Interpretation
Compared to other countries in southern Africa, such as Angola, road infrastructure is good	Core Statement
Roads contractor company performs well in maintaining road infrastructure	
Roads contractor company does have adequately skilled workforce	
The government is supporting the railway with so much money each year. It would be so much easier if TransNamib is run privately. The transport operations and maintenance should be outsourced. There is a lack of competition in rail transport in Namibia.	Statement NA-27-06

The interviewee states the TransNamib is significantly subsidised by the public every year. Private companies should run the railway transport operations as well as the maintenance. There is a lack of competition in rail transport in Namibia.	Interpretation
TransNamib is significantly subsidised by public every year	Core Statement
Private companies should run railway transport operations and maintenance	
There is lack of competition in rail transport in Namibia	
Gauge sizes are different between Namibia and Botswana, they cannot connect to each other. If Namibia is planning to become a logistics hub for the SADC, there is a need for a railway to Botswana. A railway would also reduce congestion on the road. Just imagine how many trucks would leave Walvis Bay every day and how much congestion will be on the road. The railway hinders the process of being a logistics hub.	Statement NA-27-07
The interviewee states that if Namibia is willing to become a logistics hub, there is a need for a railway line to Botswana. However, gauge sizes are different between Namibia and Botswana. Transport volumes will increase if Namibia is becoming a logistics hub. The expected traffic increase would exceed the capacity of the road network. The lack of a cross-border railway to Botswana impedes the development of the logistics hub in Namibia.	Interpretation
If Namibia is willing to become logistics hub, there is need for railway line to Botswana	Core Statement
However gauge sizes are different between Namibia and Botswana	
Transport volumes will increase if Namibia is becoming logistics hub	
Expected traffic increase would exceed capacity of road network	

Lack of cross-border railway to Botswana impedes development of logistics hub in Namibia	
If the railway is not fixed when the logistics hub becomes a success story, the roads will be damaged and become congested. The roads will be overused.	Statement NA-27-08
The interviewee states that if the rail transport performance is not sufficient to support the road transport system once transport volumes increase, excessive traffic and load on roads will cause congestion and damage the road infrastructure.	Interpretation
If rail transport performance is not sufficient to support road transport system once transport volumes increase, excessive traffic and load on roads will cause congestion and damage road infrastructure	Core Statement
TransNamib has good plans to strengthen the rail transport performance, but I did not see any progress within the last three years. I do not think they have the means and skills for action.	Statement NA-27-09
The interviewee states that there are sound plans to increase rail transport performance. However, there have been no major improvements within the last three years. Possibly, the rail transport company does not have the financial means and the skills to improve the rail transport performance as envisioned.	Interpretation
There are sound plans to increase rail transport performance	Core Statement
There have been no major improvements within last three years	
Possibly, rail transport company does not have necessary financial means and skills to improve rail transport performance as envisioned	
Some years ago, TransNamib purchased locomotives which did not fit the the Namibian gauge size. I do not know how this could happen.	Statement NA-27-10



The interviewee states that the public rail transport company procured new locomotives, which did not fit the gauge size in Namibia. By making this statement, the interviewee indicates that there are deficiencies in qualification of the workforce of the public rail transport company.	Interpretation
There are deficiencies in qualification of workforce of public rail transport company	Core Statement
We should focus on producing our own products and have fewer imports on our shelves. We rather export raw materials and let other countries do the processing, such in the case of diamonds.	Statement NA-27-11
The interviewee states that instead of importing, the country should produce more goods locally. Even goods that are mined in Namibia are exported unprocessed.	Interpretation
Instead of importing, country should produce more goods locally	Core Statement
Even goods that are mined in Namibia are exported unprocessed	
In order to strengthen local manufacturing the government should support promising small and medium enterprises by providing loans or providing land. Small farmers often do not have the capabilities to meet the standards of the retailing industry. There is a lot you must comply with before you get listed as a supplier for supermarkets. Small farmers do not have the money to get a necessary food safety audit. We do not even have food safety audits in Namibia; you need to fly somebody in from South Africa. There is not enough support from the government.	Statement NA-27-12
The interviewee states that the government should provide loans or land to small companies that are expected to have sustainable success. Small companies often do not have the financial resources to meet the requirements of potential customers,	Interpretation

such as regulatory requirements. There is a lack of local specialised expertise in Namibia.	
Government should provide loans or land to small companies that are expected to have sustainable success	Core Statement
Small companies often do not have financial resources to meet requirements of potential customers, such as regulatory requirements	
There is lack of local specialised expertise in Namibia	
There is a lot of demand for local products. There is not enough competition in the local market. Some major Namibian manufacturing companies only compete with South African companies. The governments wants us to source more locally, but there are not many suppliers.	Statement NA-27-13
The interviewee states that there is a large demand for locally produced goods but due to a lack of competiton for local goods, companies in Namibia are not in need to improve their product offerings. They only compete with few foreign companies.	Interpretation
There is large demand for locally produced goods but due to a lack of competiton for local goods, companies are not in need to improve their product offerings; they only compete with few foreign companies	Core Statement
For many small companies, there are no incentives to grow. Medium-sized companies need to have audits and pay higher taxes.	Statement NA-27-14
The interviewee states that small companies in Namibia often do not have incentives to grow their business. Small companies are freed from certain audits and taxes.	Interpretation
Small companies in Namibia often do not have incentives to grow their business; small companies are freed from certain audits and taxes	Core Statement

**Interviewee 28**

Interviewee number 28, a head of a business association in Namibia, made the following statements:

Namibia's supply chains are well developed; they are fast and well structured. Some are better than others. For instance, the traditional route from South Africa to Namibia is the most developed supply chain. This is because for a long time, most of our goods are imported from South Africa. The routes from Walvis Bay to neighbouring countries has improved over the years. The routes to Angola and Zambia are good; the routes to DR Congo and Zimbabwe are getting better. We need to get more trade on the routes to Zimbabwe and Botswana.	Statement NA-28-01
The interviewee states that the logistics system of Namibia is well developed. There are, however, differences in the stage of development between different transport corridors. Because of the historical importance of the transport corridor between Namibia and South Africa, it is well established. The transport corridors from Walvis Bay to the other neighbouring countries are still developing. The routes to Angola and Zambia are working well. The routes to DR Congo and Zimbabwe are still in need for improvement; but there is progress. The routes to Zimbabwe and Botswana are in need for higher volumes.	Interpretation
Logistics system of Namibia is well developed	Core Statement
There are however differences in stage of development between different transport corridors	
Because of historical importance of transport corridor between Namibia and South Africa it is well established	
Transport corridors from Walvis Bay to other neighbouring countries are still developing; routes to Angola and Zambia are working well; routes to DR Congo and Zimbabwe are still in need for improvement; but there is progress; routes to Zimbabwe and Botswana are in need for higher volumes	

<p>The difficulty with some of the supply chains is the number of service providers. On some routes, sometimes we do not have a sufficient number of service providers. Those routes are still developing; they are not as developed as the one between South Africa and us.</p>	<p>Statement NA-28-02</p>
<p>The interviewee states that some developing corridors sometimes suffer from a lack of transport capacity. There are not enough transport operators to service these routes.</p>	<p>Interpretation</p>
<p>Some developing corridors sometimes suffer from lack of transport capacity; there are not enough transport operators to service these routes</p>	<p>Core Statement</p>
<p>All the routes we offer, whether it is to Angola, Zambia, Zimbabwe, DR Congo or to South Africa, provide a good performance. The difficulty we face with South Africa and Botswana is that the decision makers in Johannesburg use the Durban and Cape Town supply chains. It is very difficult for us to get a breakthrough. There is a hold on tradition supply chains by companies. Our biggest competitive advantage is the transit time from Walvis Bay to the various markets, i.e. the port and transport lead-time. It is definitely the best compared to all the other alternatives.</p>	<p>Statement NA-28-03</p>
<p>The interviewee states that although the transport routes from Walvis Bay to neighbouring countries work well and transit time is the best from Walvis Bay compared to the alternatives, decision makers often stick to their traditional transport corridors. Decision makers in South Africa tend to use the port and hinterland corridor of Cape Town or Durban.</p>	<p>Interpretation</p>
<p>Although routes from Walvis Bay to neighbouring countries work well and transit time is best from Walvis Bay compared to alternatives, decision makers often stick to traditional transport corridors</p>	<p>Core Statement</p>

Decision makers in South Africa tend to use port and hinterland corridor of Cape Town or Durban	
The supply chain system of Namibia is very structured; this is coming from our German and South African history. We built on that. Our business culture has allowed us to perform. We have less people in Namibia than in South Africa; that means bureaucracy is less. Less people participate in decisions. That makes decisions and business faster.	Statement NA-28-04
The interviewee states that there are two main reasons for the performance of the logistics system in Namibia: First, the country has continued to develop the existing transport infrastructure. Second, the size of the population allows the country to make faster decisions.	Interpretation
There are two main reasons for performance of logistics system in Namibia:	Core Statement
Country has continued to develop existing transport infrastructure	
Size of population allows country to make faster decisions	
Because we have a focus on developing Namibia to a logistics hub, I do not fear any deteriorations. It is incorporated in our national development plan; so there is a very high level of commitment of all stakeholders in ensuring that efficiency levels do not brake down and we have a continuous process in place where we address challenges.	Statement NA-28-05
The interviewee states that there is no fear that logistics performance may deteriorate. There is a high awareness of the importance of the logistics hub plan as well as high commitment of stakeholder to increase the performance of the logistics system.	Interpretation
There is no fear that logistics performance may deteriorate	Core Statement

There is high awareness of importance of logistics hub plan as well as high commitment of stakeholder to increase performance of logistics system	
There are challenges with customs in terms of trading in an electronic way. That is why the country is looking at a single window. We need to get a bit away from the paper work we are doing. The main reason is the lack of implementation. This results from bureaucracy. I am not not saying that we do not have bureaucracy there is less bureaucracy. It is not that we cannot do it; we have not been fast enough. There is progress. Last year, they implemented the new customs system.	Statement NA-28-06
The interviewee states that customs processes are still to reliant on physical documents. There is a need for a higher reliance on electronical documents and processes. This backlog results from an insufficient implementation speed. There is, however, process in customs processes. For instance, a new customs IT system was introduced last year. In order to accelerate border processes, the country is looking at a single window.	Interpretation
Customs processes are still to reliant on physical documents; there is need for higher reliance on electronical documents and processes	Core Statement
Backlog results from insufficient implementation speed	
There is, however, process in customs processes; e.g. a new customs IT system was introduced last year	
To accelerate border processes, country is looking at single window	
We want to develop our competitive position to be able to serve as a logistics hub for southern Africa. When companies want to invest in terms of manufacturing and distribution locations, Namibia should be the best option to meet their needs. We want to	Statement NA-28-07

be best in terms of time, efficiency, ease of doing business and safety and security.	
The interviewee states that the country wants to become the benchmark in terms of efficiency, safety and security and ease of doing business in order to become the preferred logistics gateway and manufacturing location in certain industries for southern African countries.	Interpretation
Country wants to become benchmark in terms of efficiency, safety and security and ease of doing business to become preferred logistics gateway and manufacturing location in certain industries for southern African countries	Core Statement
First, we need to make sure that people understand that Namibia is the best country to serve their distribution needs in southern Africa. Once we have that, people can look at manufacturing. Today, many parts for motor vehicles are coming from Germany; a lot is handled by Durban. We need to convince those companies to send some of their containers through Walvis Bay and then taking it to Johannesburg. Once they realise it is working, we ask them to locate parts of their assembly in Walvis Bay. It takes at least six days less to carry goods from Germany to Walvis Bay compared to Germany to Johannesburg.	Statement NA-28-08
The interviewee states that the Walvis Bay Corridor Group plans to promote the country as a logistics and manufacturing location by communicating its unique selling proposition. Once the logistics hub is in place, the association will focus on promoting the country as a manufacturing location for certain industries. An advantage of the location is the shorter transport time between Europe and Walvis Bay compared to Johannesburg.	Interpretation
WBCG plans to promote country as logistics and manufacturing location by communicating its unique selling proposition	Core Statement
Once logistics hub is in place, association will focus on promoting country as manufacturing location for certain industries	

Advantage of location is shorter transport time between Europe and Walvis Bay compared to Johannesburg	
There are two main obstacles to the logistics hub. The first is the railway that we need to put in place to get a competitive advantage. The second is the traditional route. People ask why they should move away from their traditional route. They can see the advantages but some are not willing to make such a decision. There is a risk element involved in it. Then, large freight forwarders have their African head office in Johannesburg, so why should they move their cargo through Walvis Bay. There are a number of soft or human factors that have an influence.	Statement NA-28-09
The interviewee states that there are two obstacles of becoming a logistics hub. First, there is a need for a railway line that supports the logistics hub concept. Second, although decision makers see the advantages of the country as an alternative transport route, they are not willing to change their port and transport corridors. The decision is not only based on facts but on a number of soft factors, that cannot easily be removed.	Interpretation
There are two obstacles of becoming a logistics hub	Core Statement
First, there is need for railway line that supports the logistics hub concept	
Second, although decision makers see advantages of country as alternative transport route they are not willing to change their port and transport corridors	
Decision is not only based on facts but on number of soft factors that cannot easily be removed	
In many ways, we are ahead of the other countries in southern Africa. Mozambique has already introduced a single window. In the SADC region, only Mozambique has introduced a single window.	Statement NA-28-10



The interviewee states that although Namibia is the benchmark in many logistics factors, in contrast to Namibia, Mozambique has already introduced a single window.	Interpretation
Although Namibia is benchmark in many logistics factors, in contrast to Namibia, Mozambique has already introduced single window	Core Statement
Our biggest challenge is to change the mindset of people. The reason why people are not choosing us is not because we are not as good as others, but rather because in the past they have used other trade routes.	Statement NA-28-11
The interviewee states that the biggest obstacle of becoming a logistics hub is the unwillingness of companies to change their trade routes. Companies stick to their traditional transport routes.	Interpretation
Biggest obstacle of becoming logistics hub is unwillingness of companies to change their trade routes; companies stick to their traditional transport routes	Core Statement
Because we are a young country, we started late to develop our economy. We are trying to build our economy more independent from the South African economy and building our own future. In this process, we are behind in terms of developing certain things such as a stronger nation and looking at economic development. Some economies are already matured in deciding on which industries they will focus on. Other economies, such as Angola and the DR Congo, are still recovering from their war or are are thwarted by their slowness. After 26 years, we are still in the process of developing our own career.	Statement NA-28-12
The interviewee states that because of the late independence, the country has a backlog in certain factors such as its stage of economic development. Although some countries are even further behind, countries whose development has been interrupted	Interpretation

by war such as Angola and DR Congo, other countries have achieved a high level of economic maturity such as South Africa. The country is still in the process of establishing its economic foundation and trying to become more economically independent.	
Because of late independence, country has backlog in certain factors such as its stage of economic development	Core Statement
Although some countries are even further behind, countries whose development has been interrupted by war such as Angola and DR Congo, other countries have achieved high level of economic maturity such as South Africa	
Country is still in process of establishing its economic foundation and trying to become more economically independent	
Safety and security is highest in Namibia compared to the other SADC countries. Because there are no hijackings of trucks, we are even beating South Africa. There is almost no theft on rail.	Statement NA-28-13
The interview states that safety and security of transport is best in Namibia among SADC countries. For instance, in contrast to other countries, even South Africa, there are no hijackings.	Interpretation
Safety and security of transport is best in Namibia among SADC countries, e.g. in contrast to other countries there are no hijackings of lorries and there is hardly any theft during rail transport.	Core Statement
Namibia must identify its competitive advantage. The first thing that we are trying to develop is the logistics. You automatically send a message that you can do that. Then, you need to decide on which type of manufacturing you focus on; whether it is automotive or textile for instance. The ministry of trade is looking at ways to provide incentives for manufacturing companies to locate in Namibia. The logistics hub will help us. There is no clear drive yet into the specific sectors.	Statement NA-28-14

The interviewee states that that the government already has identified certain manufacturing industries that the country should focus on; there are however no actions yet. Government is busy identifying factors that could encourage companies to place a location in Namibia. First of all, the country needs to convince companies to use the country as their logistics gateway to southern Africa. This will help to identify relevant industry and attract manufacturing companies.	Interpretation
Government already has identified certain manufacturing industries that country should focus on; there are no actions yet	Core Statement
Government is busy identifying factors that could encourage companies to place location in Namibia	
First of all, country needs to convince companies to use country as their logistics gateway to southern Africa; this will help to identify relevant industry and attract manufacturing companies	

### Interviewee 31

Interviewee 31, a staff member at a consultancy for logistics in South Africa, made the following statements:

Three years ago, the railway line from to Botswana was highly likely to be build. Coal would be the anchor commodity of that railway line. The price of coal has dropped and is now too low to recover the costs. It is much cheaper for Botswana to build a short link to Ellisras and from there take the railway to Richards Bay. In the near to medium term, there is no way that the Walvis Bay Corridor Group can make a business plan for the railway line. This could only be possible if you consider container transport between Walvis Bay and Gauteng. However, even containers alone would not justify a railway line.	Statement NA-31-01
The interviewee states that three years ago, the global price for coal would have made the extension of the railway line from Namibia to Botswana economically feasible and likely to be build.	Interpretation

<p>The significant decrease of the price for coal has, however, rendered the extension economically infeasible. It is less cost-intensive to transport and export coal from Botswana through South Africa. An extension of the railway line to Botswana could only be economically feasible if there are additional types of freight, such as containers. The necessary demand to justify a railway line between Namibia and Botswana will not be there within the near to medium future.</p>	
<p>Three years ago, global price for coal would have made extension of railway line from Namibia to Botswana economically feasible and likely to be build</p>	Core Statement
<p>Significant decrease of price for coal has rendered extension economically infeasible</p>	
<p>It is less cost-intensive to transport and export coal from Botswana through South Africa</p>	
<p>Extension of railway line to Botswana could only be economically feasible if there are additional types of freight such as containers</p>	
<p>Necessary demand to justify railway line between Namibia and Botswana will not be there within near to medium future</p>	
<p>With regard to the plan to extend the railway from Grootfontein to the Copper Belt, we first need to consider where the cargo is going to. For Asia, Tanzania or Mozambique would represent the best corridors; for South America and Europe, Angola and Namibia would provide the best corridors. The question is who receives the copper and. It is probably cheaper to invest in the railway to Daressalam or to Beira. Despite the fact that transport is a derived demand, it also induces development. The availability of a railway line may bring companies to put their location in the hinterland. It is a bit of a contradiction itself; which one should be first? Namibia wants to build in advance of demand.</p>	<p>Statement NA-31-02</p>

<p>The interviewee states that the feasibility of an extension of the railway from Grootfontein to Zambia and DR Congo mainly depends on the cargo volume that is exported to the west, such as South America and Europe. For exports to Asia, railways and ports in Tanzania and Mozambique are geographically better located than those at the west coast of the African continent. A rehabilitation of the railway to Daressalam or to Beira would be less costly than an extension of the railway from Namibia. However, from an economic development point of view, building a railway line may induce value creation and jobs in the hinterland and may therefore be justifiable from the country’s point of view.</p>	Interpretation
<p>Feasibility of extension of railway from Grootfontein to Zambia and DR Congo mainly depends on cargo volume that is exported to west, such as South America and Europe; for exports to Asia, railways and ports in Tanzania and Mozambique are geographically better located than those at west coast of African continent</p>	Core Statement
<p>Rehabilitation of railway to Daressalam or to Beira would be less costly than extension of railway from Namibia</p>	
<p>However, from economic development point of view, building railway line may induce value creation and jobs in hinterland and may therefore be justifiable from country’s point of view</p>	

### Interviewee 39

Interviewee number 39, a staff member at a business organisation in South Africa, made the following statements:

<p>The projects in progress are Okavango river bridge, the Trans-Kalahari railway to Botswana, one-stop border posts at all border crossings, but the first one we are concentrating on is the Botswana border crossing. We are hoping that in a year's time there will be a single window one-stop border post to Botswana.</p>	<p>Statement NA-39-01</p>
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The interviewee states that the current projects encompass the construction of the Okavango river bridge, the construction of a railway to Botswana on the Trans-Kalahari Corridor as well as the implementation of a single window one-stop border post to Botswana.	Interpretation
Current projects encompass construction of Okavango river bridge, construction of railway to Botswana on Trans-Kalahari Corridor as well as implementation of single window one-stop border post to Botswana	Core Statement
Those people who oppose the logistics hub concept do not look at the bigger picture. Once you have a logistics hub, you immediately create jobs, educate people and eliminate poverty. We are there to look after the people of Namibia. A lot of people in Namibia have a lack of skills. By enabling them to be trained in a specific position or environment, you make a difference to not just them but also to their children. People in Namibia want to learn, want to work and want to gain experience.	Statement NA-39-02
The interviewee states that the logistics hub has the potential to make a significant contribution to the economic development of the country and its population. The logistics hub will create jobs, educate people and thereby reduce poverty. This is of particular importance since many people in Namibia are not sufficiently educated, are willing to develop and an employment would allow them and their children to increase their economic wealth.	Interpretation
Logistics hub has potential to make significant contribution to economic development of country and population	Core Statement
Logistics hub will create jobs, educate people and thereby reduce poverty	
This is of particular importance since many people in Namibia are not sufficiently educated, are willing to develop and employment would allow them and their children to increase their economic wealth	

<p>There is probably a logistical challenge in getting to the necessary facilities where the people can work and there is a lack of education. Historically, many people stayed in their tribes; it is also a cultural mind-set. That is why we travel and educate people.</p>	<p>Statement NA-39-03</p>
<p>The interviewee states that there are barriers in distance and culture to get people to work. The Walvis Bay Corridor Group is trying to reduce that barrier by informing people.</p>	<p>Interpretation</p>
<p>There are barriers in distance and culture to get people to work</p> <p>WBCG is trying to reduce that barrier by informing people</p>	<p>Core Statement</p>
<p>In the year 2000 Namibia formed the Walvis Bay Corridor Group. The mandate of the WBCG is first to educate and share information about Walvis Bay as an alternative route into the SADC and South Africa, second, to increase volume through Walvis Bay and, third, to attract investments both in terms of setting up logistics service providers and manufacturing companies. Since then, we have grown and we are now receiving import and export volume from landlocked countries as well as South Africa. We are also attracting investment; companies are setting up offices in Walvis Bay and Windhoek. For instance, Namibia always used to import cement from South Africa. They now have set up their own plant and started to produce their own cement. The dream is to become the leading gateway to the SADC.</p>	<p>Statement NA-39-04</p>
<p>The interviewee states that in 2000, the Walvis Bay Corridor Group was established to market the port of Walvis Bay and its hinterland transport routes as an alternative gateway and corridor to the SADC and to South Africa as well as a business location. The objective is to make the port of Walvis Bay the primary gateway to the SADC. Since then, cargo volumes have</p>	<p>Interpretation</p>

grown and companies started to set up offices and plants in Namibia. The WBCG was established after independence from South Africa and Namibia always used to rely on goods imports from South Africa.	
In 2000, WBCG was established to market port of Walvis Bay and its hinterland transport routes as alternative gateway and corridor to SADC and to South Africa as well as business location	Core Statement
Objective is to make port of Walvis Bay primary gateway to SADC; since then, cargo volumes have grown and companies started to set up offices and plants in Namibia	
WBCG was established after independence from South Africa and Namibia always used to rely on goods imports from South Africa	
We are getting there, but not as quickly as we would like to. All those projects take time and money. Due to the regional economic and global economic situation as well as elections in various countries – the DR Congo is going through heavy elections and this is affecting the country politically.	Statement NA-39-05
The interviewee states that the plan to become the primary gateway to the SADC is taking shape; the progress is not as high as it was supposed to be. Weak economic situations of countries in southern Africa and around the world place a burden on business volume in Namibia.	Interpretation
Plan to become primary gateway to SADC is taking shape; progress is not as high as it was supposed to be; weak economic situations of countries in southern Africa and around world place burden on business volume	Core Statement
The Namibian government gave land to Botswana, Zambia and Zimbabwe inside the port to encourage them to use the port of Walvis Bay. These countries are already making use of it.	Statement NA-39-06



The interviewee states that the country provided Botswana, Zambia and Zimbabwe with land at the port of Walvis Bay to set up dry ports and make these countries to use the port of Walvis Bay and Namibian transport corridors.	Interpretation
Country provided Botswana, Zambia and Zimbabwe with land at port of Walvis Bay to set up dry ports and make these countries to use port of Walvis Bay and Namibian transport corridors	Core Statement
South African companies have changed their mind in terms of regarding the port of Walvis Bay as an alternative corridor. Some volume has moved to Walvis Bay but not the amount that we would like to see to go through Walvis Bay. They have started investing in Walvis Bay. They are still adjusting to the idea.	Statement NA-39-07
The interviewee states that companies in South Africa increasingly consider the Walvis Bay Corridor as an alternative to established corridors and increasingly make use of it. Companies in South Africa started to invest at the port of Walvis Bay. The volumes and investments are, however, not as high as they are supposed to be.	Interpretation
Companies in South Africa increasingly consider Walvis Bay Corridor as alternative to established corridors and increasingly make use of it	Core Statement
Companies in South Africa started to invest at port of Walvis Bay	
Volumes and investments are not as high as they are supposed to be	
Namibia's competitive edge is there is no congestion at the port. Because the Walvis Bay Corridor Group is a public-private partnership, we have direct access to the main role players of the supply chain, such as the port, customs, roads authority and the	Statement NA-39-08

government. We have the ability to access the various role players in making crucial decisions. Whilst other ports, such as in South Africa, stick to their routine, NamPort is flexible to consider important customer needs. The WBCG supports it. We do not have challenges with hijacking and theft.	
The interviewee states that a major strength of Namibia as a logistics gateway is the central role of the Walvis Bay Corridor Group that joins all major stakeholder of supply chains in Namibia. These include public and private stakeholders, such as the port company, customs authority, roads authority as well as the government. The immediate accessibility allows providing a high degree of orchestrated adaptability to the needs of important customers. Crime in transport, such as hijacking and theft, is low in Namibia.	Interpretation
Major strength of Namibia as logistics gateway is central role of WBCG that joins all major stakeholder of supply chains in Namibia	Core Statement
These include public and private stakeholders, such as port company, customs authority, roads authority as well as government	
Immediate accessibility allows providing high degree of orchestrated adaptability to needs of important customers	
Crime in transport such as hijacking and theft is low in Namibia	
That is different in South Africa. There is no organisation like the Walvis Bay Corridor Group that can facilitate trade in South Africa. There are various organisations in South Africa that represent, freight forwarders, transporters and shippers, but there is no organisation that all of those organisations belong to, no single point of contact. That is what makes Namibia different.	Statement NA-39-09
The existence of the Walvis Bay Corridor group puts the country at an advantage compared to countries, such as South Africa,	Interpretation

which do not have an organisation that brings all the various stakeholders together and provides a single point of contact.	
Existence of WBCG puts country at advantage compared to countries, such as South Africa, which do not have organisation that brings all various stakeholders together and provides single point of contact	Core Statement
There is competition, but there is also enough business for everyone. All we have to do is to concentrate on our ports and corridors and help to optimise the supply chain of our customers. If we do so, I do not fear any deteriorations in the competitiveness of Walvis Bay.	Statement NA-39-10
The interviewee states that if the country continues to provide a very good port and corridor performance that allows its customers to run supply chains at high performance levels, deteriorations in the competitive position against other countries are not expected. Although there is competition among gateways and corridors, the business volume is large enough to provide each competing gateway and corridor with sufficient business volume.	Interpretation
If country continues to provide very good port and corridor performance that allows its customers to run supply chains at high performance levels, deteriorations in competitive position against other countries are not expected	Core Statement
Although there is competition among gateways and corridors, business volume is large enough to provide each competing gateway and corridor with sufficient business volume	
With the expansion of the container terminal and plans for the north port, we have already made provision for the volume that we are going to attract. So, we are positive that the volumes are growing.	Statement NA-39-11

The interviewee states that the expansion plans and actions at the port of Walvis Bay have been made in preparation for the expected increase in cargo volume. These investments underscore the positive future expectations about the development of cargo volume in Namibia.	Interpretation
Expansion plans and actions at port of Walvis Bay have been made in preparation for expected increase in cargo volume; these investments underscore positive future expectations about development of cargo volume in Namibia	Core Statement
We have been to Angola, Tanzania, Mozambique, to all the ports in South Africa, China, Middle East, Europe, the Americas; we have not been shy in learning from the successful ports around the world and we have taken from them what will benefit Namibia. We started in 2000; we are now much further than we were 16 years ago.	Statement NA-39-12
The interviewee states that the Walvis Bay Corridor Group surveyed a number of ports in various regions around the world and adopted those good practices that would benefit Namibia as well. During the last 16 years, the port system developed significantly.	Interpretation
WBCG surveyed number of ports in various regions around world and adopted good practices that would benefit Namibia as well; during last 16 years, port system developed significantly	Core Statement
The Trans-Kalahari Corridor secretariat deals with border issues between Namibia, Botswana and South Africa as well as truck ports. That is very important when you have a corridor, because 80 per cent of your cargo is carried on road. Those truck drivers need a place to stop and rest. It is not only the ocean side; road transport is a very big part of the supply chain. That is where most of the complications are faced.	Statement NA-39-13

The interviewee states that because 80 per cent of cargo is carried on roads in Namibia as well as to its neighbouring countries, road transport is of major importance in supply chains in southern Africa. Most issues along the supply chain appear during road transport. For instance, an issue that needs to be dealt with are lorry parks. The Trans-Kalahari Corridor Secretariat addresses border and lorry park issues.	Interpretation
Because 80 per cent of cargo is carried on road in Namibia as well as to its neighbouring countries, road transport is of major importance in supply chains in southern Africa	Core Statement
Most issues along supply chain appear during road transport; e.g. issue that needs to be dealt with are lorry parks	
Trans-Kalahari Corridor Secretariat addresses border and lorry parks issues	
There is an imbalance of cargo volumes on the various corridors; there needs to be a balance. That is, however, not only a Namibian issue. Every country has an imbalance of cargo. For instance, cargo coming in from Walvis Bay into South Africa is not as much as going from South Africa to Namibia. That increases logistics costs. We need at least a 70 or 80 percent ratio. It all boils down to costs.	Statement NA-39-14
The interviewee states that inbound and outbound cargo volumes are not in balance in Namibia and many other countries. An imbalance in cargo volumes causes, however, additional costs. In order to alleviate the additional cost effects, the gap needs to be reduced.	Interpretation
Inbound and outbound cargo volumes are not in balance in Namibia and many other countries	Core Statement
Imbalance in cargo volumes causes, however, additional costs	
To alleviate additional cost effects, gap needs to be reduced	

<p>The number one challenge is the railway. When they planned rail in Africa, they never planned it coherently with each country. Most countries have a different rail gauge, which does not inter-link with the bordering countries. Rail is also expensive. The government would prefer public and private investments together with government investments. That is meant by attracting investments. There is also a shortage of rails between neighbouring countries; the railway does not cross the border. At Gobabis, the railway stops at the border. The railway in southern Namibia connects into South Africa. On the busiest corridor, the Lubumbashi-Ndola Corridor, there is a shortage of railways of over 230 km. On this corridor, minerals, copper and timber are exported and almost everything is imported. Those countries import most of their consumables and commodities.</p>	<p>Statement</p> <p>NA-39-15</p>
<p>The interviewee states that the greatest weakness in Namibia and southern Africa is rail transport. Rail transport systems in countries in Africa were designed independently, isolated from each other. Different gauge sizes and lacking rail links between neighbouring countries prevent cross-border rail transport. The costs of rail transport are high. Because of the high import and export volumes, there is, however, a potential for cross-border rail transport to neighbouring countries such as Zambia and DR Congo. The government of Namibia prefers public and private investment into rail transport. The Walvis Bay Corridor Group is responsible for attracting private investors for rail transport in Namibia.</p>	<p>Interpretation</p>
<p>Greatest weakness in Namibia and southern Africa is rail transport</p>	<p>Core Statement</p>
<p>Rail transport systems in countries in Africa were designed independently, isolated from each other</p>	
<p>Different gauge sizes and lacking of rail links between neighbouring countries prevent cross-border rail transport</p>	
<p>Costs of rail transport are high</p>	

Because of high import and export volumes, there is however potential for cross-border rail transport to neighbouring countries such as Zambia and DR Congo	
Government of Namibia prefers public and private investment into rail transport	
WBCG is responsible for attracting private investors for rail transport in Namibia	
The government would prefer a public-private partnership. The government would partly finance the railway, but they need the private sector to finance that rail. That is a challenge, because on the one hand the private sector says, it is the government's duty to finance the railway for the better of the economy and the country. On the other hand, the government says they do not have the funding and need the private sector to partly fund the rail project.	Statement NA-39-16
The interviewee states that the government preferred public-private partnership approach to the rail transport system is a challenge. Whilst the government argues that there is a lack of public funds to finance the railway and, thus, a need for private investments, the private sector argues that investments in the rail transport system fall under the public responsibility.	Interpretation
Government preferred public-private partnership approach to rail transport system is challenge	Core Statement
Whilst government argues there is lack of public funds to finance railway and, thus, need for private investments, private sector argues that investments in rail transport system fall under public responsibility	
That is why we are trying to attract investments in terms of companies looking at starting up manufacturing facilities around the area where the rail needs to be extended. They can partly fund it, because they benefit from it. The supply chain will benefit	Statement NA-39-17

from it, because rail is cheaper than road transport. At the moment, 80 percent cargo goes on road. This damages the roads and the environment.	
The interviewee states that the high share of road transport of overall transport in Namibia as well as to neighbouring countries places a burden on the state of the road infrastructure and the environment. Because rail transport is cheaper than road transport, manufacturing companies that locate along the railway as well as stakeholders along that supply chain would benefit. The Walvis Bay Corridor Group is trying to attract companies that would benefit from a railway line and would therefore be willing to invest in railways.	Interpretation
High share of road transport of overall transport in Namibia as well as to neighbouring countries places burden on state of road infrastructure and environment	Core Statement
Because rail is cheaper than road transport, manufacturing companies that locate along railway as well as stakeholders along supply chain would benefit	
WBCG is trying to attract companies that would benefit from railway line and would therefore be willing to invest in railways	
The rail stops at Gobabis for Botswana. The rail stops at Groofontein. Between Grootfontein and Rundu is about 230 km distance that needs to be railed. The current rail infrastructure in Namibia needs to be refurbished and upgraded. More than 90 per cent of the rail infrastructure was built in 1906 and is still narrow standard gauge; so it needs to be upgraded to broad gauge size. There is also a need for a railway line from Rundu to Livingstone and from Livingstone to Lusaka as well as Livingstone to Harare.	Statement NA-39-18
The interviewee states that the railway infrastructure in Namibia is outdated and needs to be refurbished and upgraded. The railway in the north stops at Grootfontein and needs to be extended	Interpretation



to Rundu, Livingstone, Lusaka as well as Harare. The railway line in the east stops at Gobabis; there is no link to Botswana.	
Railway infrastructure is outdated and needs to be refurbished and upgraded	Core Statement
Railway in north stops at Grootfontein and needs to be extended to Rundu, Livingstone, Lusaka as well as Harare	
Railway line in east stops at Gobabis; there is no link to Botswana	
The railway between Krantzberg and Otjiwarongo was also built in 1906. Since the 1990s, the line has continuously been rehabilitated and upgraded, but the speed is limited to 30 km per hour. That is very slow. We are upgrading the rail to an axle load of 18.5 tonnes at a speed of a 100 km per hours. That goes for all the railways.	Statement NA-39-19
The interviewee states that like most railways in Namibia, the section between Krantzberg and Otjiwarongo has been built in 1906. Since the 1990s, this section has been rehabilitated. The speed of the railway lines on this section and all other lines is, however, very low, 30 kilometers per hour on average. Currently, the railway system in Namibia is being upgraded to an axle load of 18.5 tonnes and a speed of 100 kilometres per hour.	Interpretation
Like most railways in Namibia, section between Krantzberg and Otjiwarongo was built in 1906	Core Statement
Since 1990s, this section has been rehabilitated; speed of railway lines on this section and all other lines is however very low, 30 km / h on average	
Currently, railway system is being upgraded to axle load of 18.5 tonnes and speed of 100 km / h	
We have not looked at any railway into Zimbabwe, only to Zambia and DR Congo. There is a railway line to Zimbabwe, but that	Statement NA-39-20

is partly owned by Transnet. What will happen is that Grootfontein will link into the current rail infrastructure in Livingstone and to Lusaka. From the Namibian side, we still need to build that railway line. The government needs to build that railway line; it is part of the National Development Plan. The funding is not sorted out yet.	
The interviewee states that there are only plans to link the railway of Namibia from Grootfontein to Zambia. This railway is considered in the national development plan. The government of Namibia is responsible to build this railway line. A financing agreement of the construction of the railway has still to be reached. There are no plans to link the railway of Namibia with Zimbabwe yet. The railways in Zimbabwe are partly owned by the South African railway company, Transnet.	Interpretation
There are only plans to link railway of Namibia from Grootfontein to Zambia; railway is considered in national development plan	Core Statement
Government of Namibia is responsible to build this railway line	
Financing agreement of construction of railway has still to be reached	
There are no plans to link railway of Namibia with Zimbabwe yet; railways in Zimbabwe are partly owned by South African railway company, Transnet	
Once the coal in Botswana is taking off in conjunction with the Trans-Kalahari rail, then that cargo will start moving. But that is about 2300 km rail that needs to be build.	Statement NA-39-21
The interviewee states that a railway of a distance of 2,300 km needs to be constructed before coal from Botswana can be carried and exported through Namibia.	Interpretation
Railway of distance of 2,300 km needs to be constructed before coal from Botswana can be carried and exported through Namibia	Core Statement

Challenges with railways is a continental problem. It is a historical problem. There are many conferences throughout the year that focus on rail, but there are very little deliverables.	Statement NA-39-22
The interviewee states that rail transport is a challenge that many countries on the African continent face for many years. Challenges in rail transport are related to the past development. Despite the awareness of the importance of rail transport, actions are still insufficient.	Interpretation
Rail transport is challenge that many countries on African continent face for many years; challenges in rail transport are related to past development	Core Statement
Despite awareness of importance of rail transport, actions are still insufficient	
There needs to be regional intergration. What we have done is, we formed the Lubumbashi-Ndola Secretariat and the Trans-Kalahari Secretariat. Between Namibia, Zambia and DR Congo there is communication at the government level between the public and private sector to try to solve these issues with customs, border posts and railway companies to smoothen the flow of cargo. They already achieve a momerandum of understanding with Botswana on the Trans-Kalhari Corridor that would enable us to carry 60 million tonnes of coal, only on completion of the railway.	Statement NA-39-23
The interviewee states that there is a need for increased regional integration in southern Africa. In order to reach agreement in customs, border posts and railway matters at the governmental level between Namibia, Zambia and DR Congo on the one hand, as well as Namibia and Botswana on the other hand, these countries established organisations, consisting of public and private stakeholders.	Interpretation
There is need for increased regional integration in southern Africa	Core Statement

To reach agreement in customs, border posts and railway matters at governmental level between Namibia, Zambia and DR Congo as well as Namibia and Botswana, countries established organisations, consisting of public and private stakeholders	
Because of the lack of funding, the railway is a challenge. The country needs to improve the railway system.	Statement NA-39-24
The interviewee states that there is a need to improve the railway performance in Namibia. The lack of funding, however, represents an obstacle to investments in the rail transport system.	Interpretation
There is need to improve railway performance in Namibia; lack of funding however represents obstacle to investments in rail transport system	Core Statement
The Walvis Bay Corridor Group has the mandate from government together with the ministry of transport and works as well as the spatial development manager to drive the logistics hub and to attract investment for railway and rail freight villages.	Statement NA-39-25
The interviewee states that the Walvis Bay Corridor Group along with the Ministry of Works and Transport and Spatial Development organisations is responsible to push the logistics hub concept of Namibia and to attract investments in railway and transshipment centre infrastructure.	Interpretation
WBCG along with Ministry of Works and Transport and Spatial Development organisations is responsible to push logistics hub concept of Namibia and to attract investments in railway and transshipment centre infrastructure	Core Statement

## South Africa

This section presents, interprets and condenses the statements on South Africa.

### Interviewee 1

Interviewee number one, a consultant in the freight forwarding industry in South Africa, made the following statements:

A look at the global competitiveness ranking of the IMD Lausanne and the global competitiveness report of the World Economic Forum reveals that not much has changed from 2004 to 2016 in South Africa. The slight improvement in the ranking can be neglected. The competitiveness of the country in comparison to other countries remains unchanged. The state of logistics in South Africa has not changed much since 2004; most of what was valid in 2004 is still valid in 2016.	Statement ZA-01-01
The interviewee states that from 2004 until 2016 the country has kept its position in the performance of the economy compared to other countries. There is neither relative progress nor deterioration in the performance of the economy. From 2004 to 2016 the state of logistics performance remained mostly unchanged in absolute terms.	Interpretation
From 2004 until 2016 country has kept its position in performance of economy compared to other countries; there is neither relative progress nor deterioration in performance of economy	Core Statement
From 2004 to 2016 state of logistics performance remained mostly unchanged in absolute terms	
There are four main reasons behind this development. First, poor skills: Basic and professional education in the broad population is still insufficient. Second, high unemployment rate: The unemployment rate stands at 25 to 30 percent. There is a social grant, but it is hardly enough to survive. Third, poor public service delivery: This is worsened by the fact that the state media has a ban on talking about those problems, although freedom	Statement ZA-01-02

of press is still granted. Moreover, the lack of a single, common language as well as the lack of literacy especially in rural areas make the spread of information difficult. Fourth, corruption is a problem.	
The interviewee states that insufficient basic and professional education in the wider population, high unemployment rate along with an insufficient social welfare, poor public services along with a deficient public news reporting and a lack of single common language as well as corruption are main reasons for the economic stagnation.	Interpretation
Insufficient basic and professional education in wider population, high unemployment rate along with insufficient social welfare, poor public services along with deficient public news reporting and lack of single common language as well as corruption are main reasons for economic stagnation	Core Statement
A reason for the stillstand or deterioration in various areas is the fact that the pain threshold is higher in South Africa than in other developed countries. It takes more to tackle and sort problems out in South Africa.	Statement ZA-01-03
The interviewee states that the slow attitude towards improvement is to blame for this development.	Interpretation
Slow attitude towards improvement is to blame for this development	Core Statement
Obstacles to the increase in competitiveness of the South African economy are poor skills in the wider population, stricter labour laws than in other countries, the shortfall in productivity as well as the depreciation of the South African currency and prolonged uncertainty about its trend. For foreign investors, it is difficult to assess how the currency develops. The weakness of the currency places a burden on goods import.	Statement ZA-01-04

<p>The interviewee states that poor skills in the wider population, unreasonably employee-friendly labour laws, the shortfall in productivity as well as the low value of the country's currency and uncertainty about its further development are obstacles to a further improvement in the competitiveness of the South African economy. Since the South African manufacturing industry partly relies on imported input materials, the weakness of the local currency can be regarded as a warning of an impairment of the input-reliant manufacturing industry in South Africa.</p>	Interpretation
<p>Poor skills in wider population, unreasonably employee-friendly labour laws, shortfall in productivity as well as low value of country's currency and uncertainty about its further development are obstacles to further improvement in competitiveness of South African economy</p>	Core Statement
<p>Since manufacturing industry partly relies on imported input materials, weakness of local currency can be regarded as warning of impairment of input-reliant manufacturing industry in South Africa</p>	
Logistics costs in South Africa are high at an international comparison. For instance, Transnet National Port Authority's container cargo dues. The price for seaport services are definitely too high.	Statement ZA-01-05
The interviewee states that port charges of the public port company of South Africa are excessively high compared to ports in other countries.	Interpretation
Port charges of public port company are excessively high compared to ports in other countries	Core Statement
Productivity of South African seaport is only 50 percent of the productivity of seaports in the northern Europe. The cost part is taken as given.	Statement ZA-01-06

The interviewee states that the productivity of ports in South Africa is significantly lower than in other geographic regions, such as Europe. Productivity is the parameter that needs to be adjusted to adapt the cost side.	Interpretation
Productivity of ports in South Africa is significantly lower than in other geographic regions such as Europe	Core Statement
Productivity is parameter that needs to be adjusted to adapt cost side	
Labour strikes are a problem in South Africa. In Durban, the risk of labour strikes is high. In case of labour strikes, goods are re-routed via the port of Walvis Bay or port of Maputo in order to limit the risk of delays.	Statement ZA-01-07
The interviewee states that labour strikes in ports, such as Durban, pose a serious risk in South Africa. To avoid delays during labour strikes in South African ports, companies make use of ports in neighbouring countries, such as Walvis Bay or Maputo.	Interpretation
Labour strikes in ports such as Durban pose serious risk in South Africa	Core Statement
To avoid delays during labour strikes in South African ports, companies make use of ports in neighbouring countries such as Walvis Bay or Maputo	
The permanent extension of the port of Durban represents a risk for the port operations.	Statement ZA-01-08
The interviewee states that the permanent expansion and upgrading of the port of Durban poses a risk for port operations.	Interpretation
Permanent expansion and upgrading of port of Durban poses risk for port operations	Core Statement
A reason for the lag in performance compared to ports in northern Europe could be the lack of private participation. A partial	Statement



privatisation would increase the competitiveness of seaports. Seaports in South Africa are completely owned by the state and controlled by Transnet.	ZA-01-09
The interviewee states that the exclusive operation and ownership of ports by the public port company may be a reason for the shortfall in port productivity. A participation of the private sector could increase productivity.	Interpretation
Exclusive operation and ownership of ports by public port company may be reason for shortfall in port productivity	Core Statement
Participation of private sector could increase productivity	
A problem is the fact that the government excludes the option to allow private participation in seaports and railways. This attitude may be caused by a fear of a loss of state income at the government.	Statement ZA-01-10
The interviewee states that a private sector participation in port and railways in South Africa is not desired by the South African government. This could result from a fear of loss of state income that goes along with a shift of shares to the private sector.	Interpretation
Private sectors participation in port and railways in South Africa is not desired by South African government	Core Statement
This could result from fear of loss of state income that goes along with shift of shares to private sector	
A difference between Angola and Mozambique on the one hand and South Africa on the other hand is the fact that in Angola and Mozambique the private sector is not excluded from a participation in seaports. An example is the port of Luanda and the participation of APM Terminals.	Statement ZA-01-11
The interviewee states that there are differences in port ownership and management models between southern African countries. Whilst in South Africa there is complete public ownership	Interpretation

and management, in Angola and Mozambique there is private participation.	
There are differences in port ownership and management models between southern African countries; whilst in South Africa there is complete public ownership and management, in Angola and Mozambique there is private participation	Core Statement
In seaport and rail transport, there a need for at least a partial privatisation. There is a need for private investors that have an influence at the management level of the seaport and railway system in South Africa.	Statement ZA-01-12
The interviewee states that there is at least a need for private sector participation in ports and railways. The participation should entail the right of co-determination at the management level.	Interpretation
There is at least need for private sector participation in ports and railways	Core Statement
Participation should entail right of co-determination at management level	
It needs to be taken into account that the government in South Africa is a difficult business partner. Which company is willing to expose itself to such as risk?	Statement ZA-01-13
The interviewee states the government of South Africa is a difficult business partner. Private companies may not be willingness to engage in a private public partnership with the South African government.	Interpretation
Government of South Africa is difficult business partner; private companies may not be willing to engage in private public partnership with South African government	Core Statement

Even though the government invests in its seaports, roads and railways, the amount of money is not enough. For more investments, there is however a lack of funding.	Statement ZA-01-14
The interviewee states that the government invests in its ports as well as road and rail transport networks. The amount of investment is, however, not sufficient. A lack of funds hinders higher amounts of investments.	Interpretation
Government invests in its ports, road and rail transport networks	Core Statement
Amount of investment is not sufficient	
Lack of funds hinders higher amounts of investments	
There are some good examples on the African continent. For instance, in western African countries, some seaports are operated as a public-private partnership – that works well. A railway line connects the port of Abidjan on the Ivory Coast with landlocked Burkina Faso.	Statement ZA-01-15
The interviewee states that there are ports in western African countries, such as the port of Abidjan on the Ivory Coast, which are run successfully by public-private partnerships. The port of Abidjan is not only a good example for a successful port but also for a well-functioning railway access between the port and its hinterland and landlocked countries.	Interpretation
There are ports in western African countries such as port of Abidjan on Ivory Coast which are run successfully by public-private partnerships	Core Statement
Port of Abidjan is not only good example for successful port but also for well-functioning railway access between port and its hinterland and landlocked countries	
Road transport in Namibia and South Africa is very good. At the border from South Africa to Mozambique, there are often delays.	Statement ZA-01-16

The interviews states that road transport performance in South Africa and Namibia is very good. There are frequent delays at the border crossing between South African and Mozambique on the way to Maputo.	Interpretation
Road transport performance in South Africa and Namibia is very good	Core Statement
There are frequent delays at border crossing between South African and Mozambique on way to Maputo	
The road infrastructure on the main arteries is good. Off the main arteries, the road infrastructure deteriorates more and more. On the main arteries, the user-pays-principle applies.	Statement ZA-01-17
The interviewee states that whilst on main roads the state of infrastructure is good, on branch roads the state of infrastructure is deteriorating. On main roads users pay for the usage of the main road system through toll. By making this statement, the interviewee indicates that the usage-based payment allows keeping the road system well maintained.	Interpretation
On main roads state of infrastructure is good, on branch roads state of infrastructure is deteriorating	Core Statement
On main roads users pay for usage of main road system through toll	
Usage-based payment allows keeping road system well maintained	
The implementation of acts is a big problem. For instance, the scales for weight control are supposed to be standardised and checked. However, the government regards costs to be higher than the actual benefit.	Statement ZA-01-18
The interviewee states that the application of laws does not work well. The government considers the costs of law enforcement to be higher than their actual benefits.	Interpretation

Application of laws not work well; government considers costs of law enforcement to be higher than actual benefits	Core Statement
The railway line on the Durban-Gauteng Corridor is good. The rail infrastructure throughout South Africa is similar, only distances and thus costs vary.	Statement ZA-01-19
The interviewee states that the railway line from the port of Durban to the Gauteng province is good. The state of rail infrastructure is similar throughout South Africa.	Interpretation
Railway line from port of Durban to Gauteng province is good	Core Statement
State of rail infrastructure is similar throughout South Africa	
Like seaports in South Africa, the railways are completely owned by the state and controlled by the government. There is no separation between the railway infrastructure and operations.	Statement ZA-01-20
The interviewee states that both, the railway infrastructure as well as the operations are publicly owned, managed and operated. By making this statement, the interviewee indicates that there is no participation of the private sector, not even in operations.	Interpretation
Railway infrastructure as well as operations are publicly owned, managed and operated	Core Statement
There is no participation of private sector, not even in operations	
On the railway, there is no piggyback service	Statement ZA-01-21
The interviewee states that there is no piggyback rail service in multimodal transport.	Interpretation
There is no piggyback rail service in multimodal transport	Core Statement

The significant decline in value of the Rand makes locally produced vehicles competitive. Whilst export goods becomes cheaper, import goods become more expensive.	Statement ZA-01-22
The interviewee states that although locally produced goods become cheaper abroad, import goods including imported input goods become more expensive in South Africa. This places a burden on import-intensive industries.	Interpretation
Although locally produced goods become cheaper abroad, import goods including imported input goods become more expensive in South Africa	Core Statement
This places burden on import-intensive industries	
The automobile industry is very important in South Africa, for both employment opportunities as well as the competitiveness of the economy.	Statement ZA-01-23
The interviewee states that the presence of the automobile industry is very important for the country, because this industry creates job opportunities and contributes to the performance of the economy.	Interpretation
Presence of automobile industry is very important for country, because this industry creates job opportunities and contributes to performance of economy	Core Statement
The automobile industry exerts pressure on their suppliers, forces their suppliers to make their price structures transparent and reduce costs. This has an effect on their suppliers as well. The presence along with their local sourcing has cascading effects on suppliers in South Africa.	Statement ZA-01-24
The interviewee states that the presence of the automobile industry in South Africa is very important for the economy, because the high competition in the automobile industry requires not only automobile manufacturing companies in South Africa	Interpretation

but also their suppliers in South Africa to remain competitive. This competitive pressure is passed down the entire supply chain and helps companies in South Africa to remain locally and internationally competitive.	
Presence of automobile industry in South Africa is very important for economy, because high competition in automobile industry not only requires automobile manufacturing companies but also their suppliers to remain competitive	Core Statement
Competitive pressure is passed down entire supply chain and helps companies in South Africa to remain locally and internationally competitive	
The reason why the automobile industry has located its manufacturing plants in South Africa and still sticks to South Africa is the strong subsidisation by the government.	Statement ZA-01-25
The interviewee states that industry development schemes are major incentives for automobile manufacturing companies to locate and keep their manufacturing locations located in South Africa.	Interpretation
Industry development schemes are major incentives for automobile manufacturing companies to locate and keep their manufacturing locations in South Africa	Core Statement

## Interviewee 2

Interviewee number two, a researcher at a university in South Africa, made the following statements:

Supply Chain performance in South Africa is generally very well.	Statement ZA-02-01
The interviewee states that supply chain performance in South Africa is very good.	Interpretation
Supply chain performance in South Africa is very good	Core Statement

<p>There are world-class companies in South Africa. The high level of outsourcing of logistics in the manufacturing or retail industry points to the specialisation and sophistication of the logistics industry in South Africa.</p>	<p>Statement ZA-02-02</p>
<p>The interviewee states that the performance of the logistics service provider industry is high, what is considered to be confirmed by the high level of outsourcing of logistics services to third parties.</p>	<p>Interpretation</p>
<p>Performance of logistics service provider industry is high what is considered to be confirmed by high level of outsourcing of logistics services to third parties</p>	<p>Core Statement</p>
<p>First, the economic isolation during the apartheid period forced the country to become self-sufficient. Significant gold deposits and a strong gross domestic product have provided the necessary funds to invest a lot in its infrastructure. Second, on its own territory the country was never involved in a war. Third, the market liberalisation fell at the right time, the economy is following a free market approach. Fourth, southern African countries still depend on the economy of South Africa.</p>	<p>Statement ZA-02-03</p>
<p>The interviewee states that the economic isolation during the apartheid period, the availability of funds to invest in its infrastructure, the lack of a war in South Africa, the free market approach as well as the country's role as a supplier in southern Africa are the factors allowed the country to have a very good supply chain performance.</p>	<p>Interpretation</p>
<p>Economic isolation during apartheid period, availability of funds to invest in its infrastructure, lack of war in South Africa, free market approach as well as country's role as supplier in southern Africa are factors allowed country to have very good supply chain performance</p>	<p>Core Statement</p>



The seaports are well developed. Much redevelopment is going on.	Statement ZA-02-04
The interviewee states that the ports in South Africa are well developed and currently, significant upgrading measures are carried out.	Interpretation
Ports in South Africa are well developed and currently significant upgrading measures are carried out	Core Statement
South Africa is competing with countries like Australia for Asia.	Statement ZA-02-05
The interviewee states that ports in South Africa compete with ports in Australia and Asia as transshipment hubs.	Interpretation
Ports in South Africa compete with ports in Australia and Asia as transshipment hubs	Core Statement
A leveraging of the private sector is necessary; the main target is rail. There is a need for public-private partnerships in seaports, in quays.	Statement ZA-02-06
The interviewee states that there is a need for private participation in logistics in South Africa, especially in rail transport but also in quay operations of ports.	Interpretation
There is need for private participation in logistics in South Africa, especially in rail transport but also in quay operations of ports	Core Statement
The road transport system is very good. The road transport system is deregulated.	Statement ZA-02-07
The interviewee states that the road transport performance is very good in South Africa. The road transport sector, i.e. the supply of transport capacity, is not publicly regulated anymore.	Interpretation
Road transport performance is very good in South Africa	Core Statement

Road transport sector, i.e. supply of transport capacity, is not publicly regulated anymore	
Provincial roads do not keep up with national roads. On provincial roads, there is a backlog in road maintenance. South Africa is a very large country.	Statement ZA-02-08
The interviewee states that provincial roads are in a worse state than national roads. On provincial roads maintenance was not adequate in the past and that there is a need for maintenance. The country covers a large geographic area. By making this statement, the interviewee indicates that geographical size of the country places a challenge to the adequate maintenance of secondary and tertiary roads.	Interpretation
Provincial roads are in worse state than national roads	Core Statement
On provincial roads maintenance was not adequate in past and that there is need for maintenance	
Country covers large geographic area; geographical size of country places challenge to adequate maintenance of secondary and tertiary roads	
Cross-border trade is an issue. There are delays at border crossings and border process time is high. Unfortunately, some countries like Mozambique are reliant on revenues from trade.	Statement ZA-02-09
The interviewee states that border processes to neighbouring countries take too much time and cause delays. However, neighbouring countries, such as Mozambique, are dependent on revenues from trade.	Interpretation
Border processes to neighbouring countries take too much time and cause delays	Core Statement
Neighbouring countries such as Mozambique are dependent on revenues from trade	

Even though the total volume of cargo is increasing, the volume of railway cargo remains at the same level. This gap is filled by road transport.	Statement ZA-02-10
The interviewee states that the total volume of freight is increasing in South Africa. Yet, the volume of freight on roads and rails does not increase equally. Whilst the volume on rails remains stable, the volume on roads increases and soaks up the additional freight volume.	Interpretation
Total volume of freight increasing in South Africa	Core Statement
Yet volume of freight on roads and rails does not increase equally; whilst volume on rails remains stable volume on roads increases and soaks up additional freight volume	
South Africa's economy changes. Today, there are more time-critical goods.	Interviewee ZA-02-11
The interviewee states that because of changes of value chains requirement to transport are increasing.	Interpretation
Because of changes of value chains requirement to transport are increasing	Core Statement
The strategies are there. For instance, South Africa has experience in toll systems for 25 – 30 years, experience in solar energy and commuter trains.	Statement ZA-02-12
The interviewee states that the strategies and experience to further improve the transport system already exist, for instance experience of almost 30 years in road toll systems, solar energy and commuter trains.	Interpretation
Strategies and experience to further improve transport system already exist e.g. experience of almost 30 years in road toll systems, solar energy and commuter trains	Core Statement

It is a governmental task to find a way to adapt it transport system	Statement ZA-02-13
The interviewee states that the government is responsible to adapt the transport system.	Interpretation
Government is responsible to adapt transport system	Core Statement
The rail transport system is good. There are some weaknesses; it is improving.	Statement ZA-02-14
The interviewee states that the rail transport system is good. There are, however, some weaknesses, although the rail transport system is improving.	Interpretation
Rail transport system is good; there are some weaknesses, although rail transport system is improving	Core Statement
The rail transport system has fallen behind, but it is catching up because of the investment right now. Without a good road transport system, South Africa would have fallen behind.	Statement ZA-02-15
The interviewee states that the rail transport system got weaker in the past, but the ongoing investments in the rail transport system already lead to improvements. The high performance of road transport compensated the low rail transport performance. This modal shift saved the entire economy from an economic decline.	Interpretation
Rail transport system got weaker in past, but ongoing investments already lead to improvements	Core Statement
High performance of road transport compensated low rail transport performance	
Modal shift saved entire economy from economic decline	
There are goods, which are transported by road but should be on railway. The condition of the railway system justifies it. Years	Statement ZA-02-16

ago, there was a decision to close branch lines, the railway infrastructure deteriorated. Cargo, which was previously transported by rail, moved to road transport. For instance, mining and agricultural goods should be transported by rail. Container transport by rail could play a much bigger role.	
The negligence and deterioration of the rail transport system in the past caused a shift of freight from rail to road. Today, there are many types of cargo, which lend itself to rail transport, such as agricultural and mining bulk goods but also containerised freight. Rail transport could become much more important in transport of containerised freight.	Interpretation
Negligence and deterioration of rail transport system in past caused shift of freight from rail to road	Core Statement
Today there are many types of freight which lend itself to rail transport such as agricultural and mining bulk goods but also containerised freight	
Rail could become much more important in transport of containerised freight	
The rail speed is low.	Statement ZA-02-17
The interviewee states that the speed of railway transport is low in South Africa.	Interpretation
Speed of railway transport low in South Africa	Core Statement
Railway gauge from Durban and Cape Town is standard gauge. At the moment, there is a research underway investing standard gauge in South Africa. The country is looking at standard gauge. At the moment, it is narrow gauge.	Statement ZA-02-18
The interviewee states that it is currently analysed whether a change of the rail gauge size from narrow to standard gauge is reasonable. By making this statement, the interviewee indicates	Interpretation

that there is a serious plan to absorb an increase in freight also by rail transport.	
It is currently analysed whether change of rail gauge size from narrow to standard gauge is reasonable; there is serious plan to absorb increase in freight also by rail transport	Core Statement
Some of the cargo, which moved from rail to road, will never go back to rail, due to just-in-time; it is lost forever. Rail must find its place in bulk. This takes place at satellite freight transfer hubs, e.g. from Durban via rail to City Deep near Johannesburg and then on road.	Statement ZA-02-19
The interviewee states that increasing requirements to transport have made the shift from rail to road transport irreversible. Rail transport has to redefine its role in the supply chain. A multi-modal transport approach with rail transport from ports to freight centres is an option.	Interpretation
Increasing requirements to transport made shift from rail to road transport irreversible	Core Statement
Rail transport has to redefine its role in supply chain; multimodal transport approach with rail transport from ports to freight centres is option	
There is not enough private investment in rail transport. A strategy for a private public partnership has been formalised. There is a need for a private sector approach to rail.	Statement ZA-02-20
The interviewee states that the investment in rail transport is not sufficient. There is a need for private participation in the rail transport system, in order to improve rail transport performance. A strategy for a private-public-partnership has been defined.	Interpretation
Investment in rail transport not sufficient	Core Statement
There is need for private participation in rail transport system, to improve rail transport performance	

Strategy for private public partnership in rail transport has been defined	
A leveraging of the private sector is necessary; the main target is rail.	Statement ZA-02-21
The interviewee states that there is a need to bring the private sector in in order to improve the rail transport performance.	Interpretation
There is need to bring private sector in to improve rail transport performance	Core Statement
Right now, rail is a monopoly; Transnet keeps the infrastructure owned by the government. It should be owned by the government; the operations should be concessioned. However, Transnet is resistant; it wants to dominate the Supply Chain. The strategies are rewritten right now.	Statement ZA-02-22
The interviewee states the provision of rail transport infrastructure and operations should be separated. Whilst the rail transport infrastructure should be publicly owned and managed, the operations should be operated under license by the private sector. However, the unwillingness of the public rail transport company to give up control may represent an obstacle.	Interpretation
Provision of rail transport infrastructure and operations should be separated; whilst rail transport infrastructure should be publicly owned and managed, operations should be operated under license by private sector	Core Statement
However unwillingness of public rail transport company to give up control may represent obstacle	

### Interviewee 3

Interviewee number three, a head of an organisation at a logistics service provider in South Africa, made the following statements:

Skilled labour is a major issue. For example, in order to operate a port crane, specific skills are necessary. These skills are, however, not there. The labour force is widely unskilled. Sufficient people are there, skills are not. The skills gap is getting larger. By comparison, in Namibia, in the wide population skills are good and in Angola poor.	Statement  ZA-03-01
The interviewee states that there is a lack of skilled labour. Despite a sufficient labour force, people are not sufficiently skilled to perform the tasks. In Namibia, the skills of the wide population are good; in Angola the skills of the population are poor.	Interpretation
There is lack of skilled labour; despite sufficient labour force, people are not sufficiently skilled to perform tasks	Core Statement
In Namibia skills of wide population are good; in Angola skills of population are poor	
The necessary education bodies are there in South Africa, however only few people have access. People, who can afford, attend university. Companies need to provide basic education and professional skills.	Statement  ZA-03-02
The interviewee states that the education centres exist in South Africa. However, few people can make use of it. The inability to pay tuition fees keeps many people from making use of education offerings. To alleviate the gap between demand and supply for skilled labour, companies help out.	Interpretation
Education centres exist in South Africa; however few people can make use of it; inability to pay tuition fees keeps many people from making use of education offerings	Core Statement
To alleviate gap between demand and supply for skilled labour companies help out	



There are skilled people who attended university, however, these people are too demanding and already start with excessive salary expectations. Then there are unskilled people. What lacks are people with a sound vocational education, who run the daily business. At the moment, this gap is addressed by business associations and private companies.	Statement ZA-03-03
The interviewee states that on the one hand, there are university graduates, who are qualified but too costly considering the job. On the other hand, there are unqualified people who do not possess the necessary qualifications to cope with the job. In between, there is a lack of adequately qualified and affordable people for the daily business operations. In order to find the right people, business associations and companies currently provide the necessary basic and professional education.	Interpretation
One hand,there are university graduates who are qualified but too costly considering job; on other hand there are unqualified people who do not possess necessary qualifications to cope with job; inbetween there is lack of adequately qualified and affordable people for daily business operations	Core Statement
To find right people business associations and companies currently provide necessary basic and professional education	
The issue of insufficient skills needs to be addressed. Only a small percentage of the population leaves school or university. People need education from the beginning on.	Statement ZA-03-04
The interviewee states that many people do not attend or have never attended school or university. In order to reduce the skills gap, all people need education from an early age.	Interpretation
Many people do not attend or have never attended school or university	Core Statement
To reduce skills gap all people need education from early age	

All of us are responsible for education.	Statment ZA-03-05
The interviewee indicates that all stakeholders are responsible to provide people with the necessary basic and professional education.	Interpretation
All stakeholders are responsible to provide people with necessary basic and professional education	Core Statement
What makes South Africa unique is the fact that the security measures are high. That is basically not bad, but leads to red tape, causes congestion and translates into additional costs. In the end, higher security measures represent a competitive disadvantage for South Africa. In other countries, security measures are lower and more trust-based. The past has shown that additional costs for security can represent a decisive factor in the location decision of logistics operations for our customers.	Statement ZA-03-06
The interviewee states that the logistics operations in South Africa are subject to high security regulations. Although this is generally a positive factor for security in the supply chain, it comes with an additional administrative and operational effort and time and causes additional costs. In competition with foreign locations with less strict security regulations, this may represent a competitive disadvantage.	Interpretation
Logistics operations in South Africa are subject to high security regulations; although this is generally positive factor for security in supply chain, it comes with additional administrative and operational effort and time and causes additional costs	Core Statement
In competition with foreign locations with less strict security regulations this may represent competitive disadvantage	

The ports of Cape Town and Port Elizabeth are wind-bound. Whilst in Cape Town, strong winds only occur during the summer months, in Port Elizabeth, strong winds take place throughout the year. In case of strong winds in Port Elizabeth, vessels are often rerouted to Durban. Cape Town is such an important port, vessel rather wait for days to enter.	Statement  ZA-03-07
The interviewee states that operations of the port of Cape Town and Port Elizabeth are particularly weather-dependent, what either leads to waiting time or rerouting to alternative ports.	Interpretation
Operations of port of Cape Town and Port Elizabeth are particularly weather-dependent what either leads to waiting time or rerouting to alternative ports	Core Statement
Compared to European seaports, South African seaports are at standard. Compared to African seaports, South African seaports perform very well. However, South African seaports lack in productivity. In contrast, the port of Walvis Bay in Namibia is more efficient.	Statement  ZA-03-08
The interviewee states that in comparison to ports on the African continent, ports in South Africa are performing well. In comparison to ports on the European continent, ports in South Africa are only able to keep pace. In southern Africa, there are ports, like the port of Walvis Bay, which perform particularly well and show a higher efficiency than ports in South Africa.	Interpretation
In comparison to ports on African continent, ports in South Africa are performing well	Core Statement
In comparison to ports on European continent ports in South Africa are only able to keep pace	
In southern Africa there are ports like port of Walvis Bay which perform particularly well and show higher efficiency than seaports in South Africa	

On the African continent, seaports are best in South Africa. Although it takes more time via South African seaports instead of seaports that are closer to the origin or destination of cargo, it works and there is trustworthiness. South African seaports are connected through major corridors to countries like Mozambique, Zambia, Zimbabwe and DR Congo.	Statement ZA-03-09
The interviewee states that despite the geographic disadvantage of ports in South Africa with regard to pre- and on-carriage to countries further north, companies regard South African ports as more reliable than its foreign counterparts. South African ports are well connected to many countries further north by transport corridors.	Interpretation
Despite geographic disadvantage of ports in South Africa with regard to pre- and on-carriage to countries further north, companies regard South African ports as more reliable than its foreign counterparts	Core Statement
South African ports are well connected to many countries further north by transport corridors	
South Africa is mainly an import country. The low productivity of South Africa's seaports burdens the competitiveness of companies and the economy.	Statement ZA-03-10
The interviewee states the low productivity of ports in South Africa reduces the performance of import processes. Because of the high share of imports, this places a burden on manufacturing companies that are reliant on import goods from foreign suppliers.	Interpretation
Low productivity of ports in South Africa reduces performance of import processes	Core Statement
Because of high share of imports, this places burden on manufacturing companies that are reliant on import goods from foreign suppliers	

Since the government owns and runs as well as wants to control the seaports, it is their responsibility to improve seaport productivity. The same applies to rail transport.	Statement ZA-03-11
The interviewee states that due to the public ownership and operation of ports and the rail transport system in South Africa, the government is responsible for increasing productivity.	Interpretation
Due to public ownership and operation of ports and railway system in South Africa government is responsible for increasing productivity	Core Statement
The government has the right vision. However, private business participation is necessary to address the issues. Private business is only interested, if it pays off. It relies on governmental funds, if there is no adequate private business participation.	Statement ZA-03-12
The interviewee states that the government has the right vision for the further development of ports, but unless there is private participation and investment, the development of ports completely relies on public funding.	Interpretation
Government has right vision for further development of ports	Core Statement
Unless there is private participation and investment, development of ports completely relies on public funding	
The road transport network is very good. However, there is an oversupply of vehicles.	Statement ZA-03-13
The interviewee states that the road transport network is very good. There is, however, an oversupply of road transport vehicles.	Interpretation
Road transport network is very good	Core Statement
There is however oversupply of road transport vehicles	

Road transport is completely privatised; that is the reason why it works.	Statement ZA-03-14
The interviewee states that the road transport industry is privately owned and operated. The privatisation explains the road transport performance. By making this statement, the interviewee indicates that the ownership and management model account for differences in performance between road and rail transport.	Interpretation
Road transport industry is privately owned and operated	Core Statement
Privatisation explains road transport performance	
Ownership and management model account for differences in performance between road and rail transport	
There is a lack of maintenance of roads. The maintenance strategy is there; it lacks the actual maintenance actions. In contrast, in Namibia on the Trans-Kalahari-Corridor the maintenance works very well.	Statement ZA-03-15
The interviewee states that there is a lack in maintenance of the existing roads infrastructure. In contrast, the Trans-Kalahari-Corridor is well-maintained.	Interpretation
There is lack in maintenance of existing roads infrastructure	Core Statement
In contrast, Trans-Kalahari-Corridor is well maintained	
There is a need for the correct infrastructure. Unfortunately, there is not enough money to address this issue.	Statement ZA-03-16
The interviewee states that the provision of adequate road infrastructure is an area of improvement. However, there are not enough funds to provide an adequate road infrastructure.	Interpretation
Provision of adequate road infrastructure is area of improvement	Core Statement

There are not enough funds to provide adequate road infrastructure	
The railway line from Durban to Johannesburg as well as from Port Elizabeth to Johannesburg have the same effectiveness.	Statement ZA-03-17
The interviewee states that rail transport from the port of Durban and from Port Elizabeth to Johannesburg provide the same performance.	Interpretation
Rail transport from port of Durban and Port Elizabeth to Johannesburg provide same performance	Core Statement
Rail infrastructure is very congested. Pre-carriage is not an issue, but on-carriage. However, Transnet will tell you a totally different story.	Statement ZA-03-18
The interviewee states that there is a lack of capacity in rail infrastructure. Whilst infrastructure capacity on the pre-carriage to ports is sufficient, infrastructure capacity on the on-carriage from ports to the hinterland is not sufficient. However, the public rail transport company has a different view on this issue.	Interpretation
There is lack of capacity in rail infrastructure; whilst infrastructure capacity on pre-carriage to ports is sufficient, infrastructure capacity on on-carriage from ports to hinterland is not sufficient	Core Statement
Public rail transport company has different view on this issue	
Railway gauge sizes are different in southern Africa. Therefore, there is a need to change waggons at the border, for instance to Botswana.	Statement ZA-03-19
The interviewee states that gauge sizes varies country to country in southern Africa. On cross-border rail transport, there is a need to change traction units and waggons. By making this statement, the interviewee indicates that differences in rail infrastructure among countries impede cross-border rail transport.	Interpretation

Gauge sizes varies from country to country in southern Africa; on cross-border rail transport, there is need to change traction units and waggons	Core Statement
Differences in rail infrastructure among countries impede cross-border rail transport	
20 years ago, railway was by far the most preferred mode of transport. At that time, road transport was double the price of rail transport. However, deteriorations have led to an increase in road transport usage.	Statement ZA-03-20
The interviewee states that, 20 years ago, rail transport was the primary mode of transport. The costs of rail transport were significantly lower than of road transport. A deterioration of the rail transport performance has led to a reverse and made road transport the primary mode of transport.	Interpretation
20 years ago rail transport was primary mode of transport; costs of rail transport were significantly lower than of road transport.	Core Statement
Deterioration of rail transport performance has led to reverse and made road transport primary mode of transport	
The government tries to attract manufacturing companies, by offering lower taxes, lower rates on property, other benefits, like at the DubeTradePort in Durban for Samsung.	Statement ZA-03-21
The interviewee states that the government tries to attract companies to South Africa by improving location factors through various benefits such as tax discounts and industrial zones	Interpretation
Government tries to attract companies by improving location factors through various benefits, e.g tax discounts and industrial zones	Core Statement



**Interviewee 4**

Interviewee number four, a head of an organisation at a business association in South Africa, made the following statements:

Freight from Johannesburg has at least two main export routes: In the port of Maputo as well as the port of Durban, dwell times are high. In Maputo, this is due to the free storage time at the port. It takes only 40 minutes to conduct a non-intrusive inspection for a container; the overall inspection duration is often expanded up to the maximum free storage of three days. This increases transport time and reduces predictability. In Durban, high dwell times result from congestion.	Statement ZA-04-01
The interviewee states that dwell times at the port of Maputo as well as the port of Durban are high. Whilst in Maputo, this results from the availability and utilisation of high free storage time; in Durban this results from congestion.	Interpretation
Dwell times at port of Maputo as well as Durban are high; whilst in Maputo this is results from availability and utilisation of high free storage time, in Durban this results from congestion	Core Statement
The proximity of the port of Maputo to the far east and India is a competitive edge. The port is not congested.	Statement ZA-04-02
The interviewee states that a strength of the port of Maputo is its lower maritime distance to Asia compared to South African ports. There is no congestion at the port of Maputo, unlike in ports in South Africa.	Interpretation
Strength of port of Maputo is its lower maritime distance to Asia compared to South African ports	Core Statement
There is no congestion at port of Maputo unlike in ports in South Africa	
Two factors contribute to the performance of the Maputo Corridor. First, South Africa's electronic customs clearance system.	Statement

Mozambique has introduced a single electronic window in 2010 and IT systems have been improved. Second, infrastructure development. There is a collaboration between Caminhos de Ferro de Moçambique, Transnet Rail Freight and Swaziland Railways with regard to rolling stock and drivers for transport of magnetite.	ZA-04-03
The interviewee states that particularly two factors contribute to the performance of the Maputo corridor: Mozambique already introduced a single window customs system and thereby facilitated trade between South Africa and Mozambique. Collaboration between the national railway operating companies allows for better-integrated railway transport services.	Interpretation
Particularly two factors contribute to performance of Maputo corridor	Core Statement
Mozambique already introduced single window customs system and thereby facilitated trade between South Africa and Mozambique	
Collaboration between national railway operating companies allows for better-integrated railway transport services	
The legislation has to facilitate trade. Unfortunately, the government regards border posts as cash cows. The issue is not only the view of border posts as sources of income, but also the time it takes to cross borders. Border crossings are inefficient. If high waiting times cause delays to such an extent that a vessel cannot be reached, excessive waiting time cause additional costs and increase costs of exporting through a corridor.	Statement ZA-04-04
The interviewee states that a government should facilitate trade by providing a conducive trade legislation. In contrast, the Mozambican government considers border posts as a source of revenues and thereby impedes trade. Border post operations are inefficient. This leads to additional waiting time and may cause significant additional costs.	Interpretation

Government should facilitate trade by providing conducive trade legislation; in contrast Mozambican government considers border posts as source of revenues and thereby impedes trade	Core Statement
Border post operations are inefficient; this leads to additional waiting time and may cause significant additional costs	
Typically, it does not take much time to inspect cargo at border crossings. However, corruption at both sides of the border provoke additional random inspections.	Statement ZA-04-05
The interviewee states that there is corruption at both the South African as well as Mozambican side of the border. Resulting additional cargo inspections cause additional waiting time and increase the costs of crossing borders.	Interpretation
There is corruption at both South African as well as Mozambican side of border; resulting additional cargo inspections cause additional waiting time and increase costs of crossing borders	Core Statement
Compared to where we came from, the operating hours of border posts have been increased, efficiency at the port has been increased, the credibility of the Maputo corridor has increased – that is important. There were improvements in all areas.	Statement ZA-04-06
The interviewee states that there were improvements in all factors that contribute to the performance of the Maputo corridor. Operating hours of border posts have been extended, efficiency at the port of Maputo has been increased and altogether the credibility of the Maputo corridor as a serious alternative to other corridors increased.	Interpretation
There were improvements in all factors that contribute to performance of Maputo corridor	Core Statement
Operating hours of border posts have been extended	
Efficiency at port of Maputo has been increased	

Altogether credibility of Maputo corridor as serious alternative to other corridors increased	
Ideally, there would be a one-stop border post at the South African-Mozambican border with preferred lanes for pre-cleared goods. At the moment, the border crossing time is not predictable. There is much waiting time, due to the risk management.	Statement ZA-04-07
The interviewee states that currently waiting times are high and vary significantly at the South African-Mozambican border. A one-stop border post including accelerated control for pre-cleared cargo could sort that out.	Interpretation
Currently waiting times are high and vary significantly at South African-Mozambican border	Core Statement
One-stop border post including accelerated control for pre-cleared cargo could sort that out	
According to the 80 / 20 rule, I see the need for the following improvements: A reduction in border crossing time, a reduction in variability, a reduction in border crossing costs and a reduction in corruption. A 24-hour one-stop border post would solve all those issues. An increase in transparency in dealing with government regulations is of priority as well.	Statement ZA-04-08
The interviewee states that a reduction in duration, time variability, costs and corruption at border crossings as well as an increase in transparency of public trade and transport regulation could be achieved relatively easily compared to the resulting benefit and should be prioritised. A one-stop border post would sort the current deficiencies at border crossings out.	Interpretation
Reduction in duration, time variability, costs and corruption at border crossings as well as increase in transparency of public trade and transport regulation could be achieved relatively easily compared to resulting benefit and should be prioritised	Core Statement

One-stop border post would sort current deficiencies at border crossings out	
To get the one-stop border post started, the regulatory environment for the one-stop border post needs to be established, the infrastructure at border crossings needs to be built and the capacity of governmental services, for instance customs, health, immigration and security needs to be improved.	Statement ZA-04-09
The interviewee states that to get a one-stop border post up and running there is a need for the provision of the legislation, infrastructure and necessary capacity in public services with regard to customs, health, immigration and security.	Interpretation
To get one-stop border post post running there is need for provision of legislation, infrastructure and necessary capacity in public services with regard to customs, health, immigration and security	Core Statement
We are looking for solutions for effective corruption mechanisms. Corruption is so complex and gets so deep very quickly.	Statement ZA-04-10
The interviewee states that there is a need to find mechanisms to reduce corruption at border posts. The issue with corruption is its depth and complexity. By making this statement, the interviewee indicates that it is necessary to understand the root causes of corruption in order to reduce it.	Interpretation
There is need to find mechanisms to reduce corruption at border posts; issue with corruption is its depth and complexity	Core Statement
It is necessary to understand root causes of corruption to reduce it	
The government is responsible for implementing the one-stop border post, because they would benefit from. Government needs to set up the legislation, private sector needs to carry out	Statement ZA-04-11

the compliance checks. The private sector should be involved in the provision of infrastructure.	
The interviewee states that because governments are major beneficiaries of trade facilitation, the government is responsible for driving the implementation. Whilst the government should provide the legislation, the private sector should get involved in the provision of infrastructure as well as execution of border compliance controls.	Interpretation
Because governments are major beneficiaries of trade facilitation, government is responsible for driving implementation	Core Statement
Whilst government should provide legislation, private sector should get involved in provision of infrastructure as well as execution of border compliance controls	
Unfortunately, the government often does not consult the users before they take actions, such as in changing of documentation requirements for customs clearing.	Statement ZA-04-12
The interviewee states that the government does not communicate sufficiently with stakeholders before it takes actions, for instance in case of changes in border regulations as well as lack of notification of users of border posts.	Interpretation
Government does not communicate sufficiently with stakeholders before it takes actions, e.g. in case of changes in border regulations as well as lack of notification of users of border posts	Core Statement
Obstacles on the way to the one-stop border post could exist in political interference, corruption and lack of political will. There is a need to draw the attention of governmental committees on these issues. There is a border management agency, which belongs to the ministry of immigration. However, their focus is on ensuring security instead of facilitating trade.	Statement ZA-04-13
The interviewee states that obstacles to the realisation of a one-stop border post may exist in political interference, corruption	Interpretation

and a lack of political will to realise a one-stop border post. There is a need to make the government aware of those issues. There is a border management agency. However, their focus is on ensuring security instead of facilitating cross border trade.	Core Statement
Obstacles to realisation of one-stop border post may exist in political interference, corruption and lack of political will to realise one-stop border post	
There is need to make government aware of those issues	
There is border management agency; however their focus is on ensuring security instead of facilitating cross-border trade	

### Interviewee 5

Interviewee number five, a researcher at a university in South Africa, made the following statements:

The World Bank Logistics Performance Index indicates that South Africa is doing quite well compared to developing countries. However, when comparing South Africa with developed countries, it fell behind.	Statement ZA-05-01
The interviewee states that logistics performance in South Africa is above the level of developing countries, yet below the level of developed countries. Logistics performance worsened in comparison to developed countries.	Interpretation
Logistics performance in South Africa is above level of developing countries, yet below level of developed countries	Core Statement
Logistics performance worsened in comparison to developed countries	
The economy has not grown as it was supposed to be. There are capacity constraints in roads, energy and seaports.	Statement ZA-05-02

The interviewee states that the economy did not meet the envisioned objectives and there are capacity constraints in ports, roads and energy.	Interpretation
Economy did not meet envisioned objectives	Core Statement
There are capacity constraints in ports, roads and energy	
The national freight logistics plan was a good start, but there was not enough progress. The government is still not aware of what private companies want. There were improvements in rail, seaports and pipelines.	Statement ZA-05-03
The interviewee states that there have been improvements, for instance in ports, rail and pipeline transport. However, the national freight plan was only a start and there is not enough progress. The government is not aware of all the needs of the private sector.	Interpretation
There have been improvements, e.g. in ports, rail and pipeline transport	Core Statement
However, national freight plan was only start and there is not enough progress	
Government is not aware of all needs of private sector	
Seaports are not very competitive in cargo dues. Container terminals have, however, improved.	Statement ZA-05-04
The interview states that port dues of South African ports are too high in comparison to other ports. There was an improvement in container terminal performance.	Interpretation
Port dues of South African ports too high in comparison to other ports	Core Statement
There was improvement in container terminal performance	



The focus regarding seaports should be on productivity. There is not enough competition. The parastatals are not efficient enough.	Statement ZA-05-05
The interviewee states that the public port company does not provide the necessary efficiency. There is a need for improvements in efficiency. There is not enough competition in the port industry in South Africa.	Interpretation
Public port company does not provide necessary efficiency	Core Statement
There is need for improvements in efficiency	
There is not enough competition in port industry in South Africa	
South Africa has as huge road network. The branch lines deteriorate. Law enforcement could be better; it is getting worse.	Statement ZA-05-06
The interviewee states that the country has a very large road network. The branch lines, however, deteriorate. Law enforcement is not as good as it is supposed to be and it is even getting worse.	Interpretation
Country has very large road network	Core Statement
Branch lines however deteriorate	
Law enforcement is not as good as it is supposed to be and it is even getting worse	
There is an imbalance in inbound and outbound transports. Even the port of Durban imports more than it exports. 40 per cent of trucks return empty.	Statement ZA-05-07
The interviewee states that there is a gap between import and export volume and hence resulting problems with imbalances between in- and outbound road transport volume. A large share of lorries returns empty on the way back.	Interpretation

There is gap between import and export volume and hence resulting problems with imbalances between in- and outbound road transport volume; large share of lorries returns empty on way back	Core Statement
South Africa's companies found to solve transport issues in other countries. The road freight industry operates at world-class level. There is a number of world-class companies in South Africa. Their performance results from the technology they use and their world-class practitioners. South Africa's economies of scale are much higher than other countries.	Statement ZA-05-08
The interviewee states that the performance of road freight companies is very good. This results from the technology used as well as the skills and experience of their workforce. These companies are not only familiar with business in their own country, they do business successfully in other countries on the African continent as well. The economies of scale are much higher in South Africa than in other countries in southern Africa.	Interpretation
Performance of road freight companies is very good	Core Statement
This results from technology used as well as skills and experience of their workforce	
These companies are not only familiar with business in their own country, they do business successfully in other countries on African continent as well	
Economies of scale are much higher in South Africa than in other countries in southern Africa	
The banking and finance system is world-renowned and it is stable. Corporate governance works. The governmental revenue collection system is efficient and a company does not easily get away from paying taxes.	Statement ZA-05-09

The interviewee states that the availability of a stable banking sector, sound corporate governance and a properly functioning public revenue collection system are factors that contribute to the high performance of the road freight industry in South Africa.	Interpretation
Availability of stable banking sector, sound corporate governance and properly functioning public revenue collection system contribute to high performance of road freight industry in South Africa	Core Statement
I do not see enough money going into municipal roads. Maintenance of municipal roads is behind the schedule. The problem is not so much the investment, but rather maintenance. This was not always the case but became so within the last 10 years.	Statement ZA-05-10
The interviewee states that the reason for deteriorating branch roads is the insufficient investment in maintenance of secondary and tertiary roads within the last decade. Not new investment, but rather maintenance of the existing road network is an issue.	Interpretation
Reason for deteriorating branch roads is insufficient investment in maintenance of secondary and tertiary roads within last decade	Core Statement
Not new investment but rather maintenance of existing road network is issue	
Cities are becoming congested. There is a need for infrastructure to deal with it.	Statement ZA-05-11
The interviewee states that traffic in cities in South Africa is increasing. The existing road transport infrastructure is not able to accommodate the traffic volume anymore. There is a need for infrastructure to absorb the increase in traffic.	Interpretation

Traffic in cities in South Africa is increasing; existing road transport infrastructure is not able to accommodate traffic volume anymore; there is need for infrastructure to absorb increase in traffic	Core Statement
First, big capital funding projects. I hope the government has learned from SANRAL. Although the roads are good, people paid for it. Second, law enforcement. Third, border posts in terms of inefficiency and corruption. Other low hanging fruits are a reduction in power of labour unions.	Statement ZA-05-12
The interviewee states that the successful realisation of large capital funding projects, stricter law enforcement, increase in efficiency and reduction of corruption at border posts and a reduction of power of labour unions are major areas of improvement.	Interpretation
Successful realisation of large capital funding projects, stricter law enforcement, increase in efficiency and reduction of corruption at border posts and reduction of power of labour unions are major areas of improvement	Core Statement
With regard to transport, the Department of Transport is responsible. That is what they are supposed to do. It is an endemic problem, coming from a lack of training, too much corruption and a lack of productivity.	Statement ZA-05-13
The interviewee states that the Department of Transport is responsible for actions of improvements. Problems result from the public organisations itself, i.e. a lack of training and productivity as well as corruption.	Interpretation
Department of Transport is responsible for actions of improvements	Core Statement
Problems result from public organisations itself, i.e. lack of training and productivity as well as corruption	

There is a need for money and therefore need for growth of gross domestic product as well as fiscal prudence. The condition for fiscal prudence are there, it just needs to be done.	Statement ZA-05-14
The interviewee states that the lack of sufficient funds represents an obstacle. There is a need for more economic growth and fiscal prudence to provide the necessary funds.	Interpretation
Lack of sufficient funds represents obstacle; there is need for more economic growth and fiscal prudence to provide necessary funds	Core Statement
On long distances, rail freight transport of bulk goods is very competitive. For instance, the Saldanha-Sishen railway line for iron ore operates at world-class efficiency and service levels.	Statement ZA-05-15
The interviewee states that the performance of rail transport for bulk freight on long distances is high and bulk rail transport is well positioned in competition with other modes of transport.	Interpretation
Performance of rail transport for bulk freight on long distances is high and bulk rail transport is well positioned in competition with other modes of transport	Core Statement
The railway line from the Mpumalanga region to the port of Richards Bay for coal export has lost cargo volume between 2003 and 2011. There was not enough capacity to transport coal to the coast, although the mines supplied enough. There was a supply chain misalignment.	Statement ZA-05-16
The interviewee states that for almost a decade the railway line from the Mpumalanga province to the port of Richards Bay lost cargo due to the lack of transport capacity.	Interpretation
For almost decade railway line from Mpumalanga province to port of Richards Bay lost cargo due to lack of transport capacity	Core Statement

Transnet Freight Rail was neither effective nor efficient. Since freight transport was deregulated rail transport gradually deteriorated. However, Transnet spend a huge amount on rail infrastructure and rolling stock.	Statement ZA-05-17
The interviewee states that since the deregulation of road transport, railway transport performance deteriorated in effectiveness and efficiency. Rail transport did not provide a sufficient level of performance. However, the public rail company has significantly invested in the rail transport system.	Interpretation
Since deregulation of road transport railway transport performance deteriorated in effectiveness and efficiency; rail transport did not provide sufficient level of performance	Core Statement
However, public rail transport company has significantly invested in rail transport system	
All the major automotive manufacturers are in South Africa. The automobile industry in South Africa is very successful, although there are massive transport constraints.	Statement ZA-05-18
The interviewee states that all major automobile producers have a manufacturing location in South Africa. The automobile industry in South Africa performs very well. There are significant constraints in transport in South Africa.	Interpretation
All major automobile producers have manufacturing location in South Africa	Core Statement
Automobile industry in South Africa performs very well	
There are significant constraints in transport in South Africa	
Recently, a South African automobile plant has been awarded as the most efficient plant within the company. What makes this industry so powerful and competitive is its internal competition, plant versus plant.	Statement ZA-05-19

The interviewee states that at an international comparison automobile manufacturing plants in South Africa rank among the best plants in terms of performance. Their internal, international competition is precisely what helps them to stay competitive.	Interpretation
At international comparison automobile manufacturing plants in South Africa rank among best plants in terms of performance; their internal, international competition is precisely what helps them to stay competitive	Core Statement
The National Development Plan 2030 does not go far enough; there is no South Africa 2050 plan. There is a lack of vision. Planning is only happening gradually. It does not stress the niche areas; it is too reliant on minerals.	Statement ZA-05-20
The interviewee states that that a strategy for the development of the economy, the National Development Plan, has been put down. However, the time horizon is too short and it is too narrowly focussed on the mineral sector.	Interpretation
Strategy for development of the economy, National Development Plan, has been put down; however time horizon is too short and it is too narrowly focussed on mineral sector	Core Statement
There is an imbalance in production in South Africa. Export of minerals is decreasing and the import share of manufactured goods is increasing.	Statement ZA-05-21
The interviewee states that mineral exports as well as the share of locally produced manufactured goods is decreasing. By making this statement, the interviewee indicates that the importance of the manufacturing industry in South Africa is decreasing.	Interpretation
Mineral exports as well as share of locally produced manufactured goods is decreasing; importance of manufacturing industry in South Africa is decreasing	Core Statement

In the past, the focus was too much on social issues and the economy has been neglected. The new government needs to balance between spending on social and economic issues.	Statement ZA-05-22
The interviewee states that in the past, investments in factors that improve the social situation of the population has led to a negligence of investments in the economy. The following government needs to strike a balance between public spending on social issues on the one hand and economic issues on the other hand.	Interpretation
In past investments in factors that improve social situation of population has led to negligence of investments in economy	Core Statement
Following government needs to strike balance between public spending on social issues on one hand and economic issues on other hand	

### Interviewee 6

Interviewee number six, a researcher at a university in South Africa, made the following statements:

In the 1990s and 2000s, South African Railways decided to close branch lines. Freight, even bulk, moved from rail to road transport.	Statement ZA-06-01
The interviewee states that in the 1990s there was a decision to concentrate the rail network in South Africa, which has led to a shift of freight to road transport. Not only general but also bulk freight moved to road transport.	Interpretation
In 1990s there was decision to concentrate rail network in South Africa which has led to shift of freight to road transport; not only general but also bulk freight moved to road transport	Core Statement
Transnet is limiting the railways in rolling stock and personnel to Maputo in order to move goods via Durban.	Statement ZA-06-02



The interviewee states that the public rail transport company limits the capacity on the line from South Africa to the port of Maputo in order to direct freight instead of through Mozambican ports through its own ports.	Interpretation
Public rail transport company limits capacity on line from South Africa to port of Maputo to direct freight instead of through Mozambican ports through its own ports	Core Statement

### Interviewee 7

Interviewee number seven, a head of a team at a logistics service provider in South Africa, made the following statements:

We are pretty much on par with logistics in Australia.	Statement ZA-07-01
The interviewee states that logistics performance of South Africa is similar to logistics performance of Australia.	Interpretation
Logistics performance of South Africa is similar to logistics performance of Australia	Core Statement
South Africa has always been politically and economically stable. Before 1994, South Africa was isolated and we had to trade with ourselves. Even before 1994, the logistics and manufacturing system in South Africa was world class; there was a continuous improvement. At that time, a number of automobile manufactures was already there. The opening up of the economy has led to an increase in competition.	Statement ZA-07-02
The interviewee states that the economic and political stability of the country have allowed the country to have a high logistics and manufacturing performance. Isolation during the apartheid period brought the necessity to become self-sufficient. The opening of the economy has exposed the country to international competition and increased its competitiveness.	Interpretation

Economic and political stability of country have allowed country to have high logistics and manufacturing performance	Core Statement
Isolation during apartheid period brought necessity to become self-sufficient	
Opening of economy has exposed country to international competition and increased its competitiveness	
Despite the availability of a large unskilled labour pool in South Africa, in comparison to Asia labour costs are too high in South Africa. The Gini coefficient is one of the highest worldwide. People demand high salaries, because they need to support other people.	Statement ZA-07-03
The interviewee states that despite a large unskilled labour pool, labour costs are too high compared to other developing countries. The need for employees to financially support many relatives is a major reason for the high level of labour costs. The inequality of income in the population is high, among the highest worldwide.	Interpretation
Despite large unskilled labour pool, labour costs are too high compared to other developing countries	Core Statement
Need for employees to financially support many relatives is major reason for high level of labour costs	
Inequality of income in population is high, among highest worldwide	
South Africa was considered as the gate to Africa – that is still true.	Statement ZA-07-04
The interviewee states that in the past South Africa was regarded as the gateway to the African continent; today, this is still valid.	Interpretation

In past South Africa was regarded as gateway to African continent; today, this is still valid	Core Statement
The port of Durban is too busy; we make use of the car terminals of the port of Maputo and Port Elizabeth. The handling fees are lower and there is always space in Maputo, in contrast to Durban.	Statement ZA-07-05
The interviewee states that the port of Durban is congested and the company makes use of alternatives ports that are equipped with car terminals, such as the port of Maputo or Port Elizabeth. Port charges of the port of Maputo are lower than of the port of Durban. Supply and demand for capacity is balanced at the port of Maputo, in contrast to Durban.	Interpretation
Port of Durban is congested	Core Statement
Company makes use of alternative ports that are equipped with car terminals such as port of Maputo or Port Elizabeth	
Port charges of port of Maputo are lower than of port of Durban	
Supply and demand for capacity is balanced at port of Maputo, in contrast to Durban	
The distribution of finished vehicles for the automobile industry works, but it is not operating optimally. First, there is a lack of collaboration between logistics service providers and the customers. Second, we do not make use of intermodal transport. The rail network is very limited.	Statement ZA-07-06
The interviewee states that the distribution of finished vehicles generally works. However, there are some weaknesses. The intensity of collaboration between customers and their logistics service providers is insufficient. Because of deficiencies in rail transport, the company does not make use of intermodal transport. The rail network extent is rather small.	Interpretation

Distribution of finished vehicles generally works; however there are some weaknesses	Core Statement
Intensity of collaboration between customers and their logistics service providers is insufficient	
Because of deficiencies in rail transport, company does not make use of intermodal transport	
Rail network extent is rather small	
Rail transport is a weakness in South Africa. I am an advocate of rail transport. Some years ago, Johannesburg was the largest city worldwide that that did not have access to a river or the sea.	Statement ZA-07-07
The interviewee states that the major economic centre of South Africa, the Gauteng Province, is one of the few large centres globally that do not have direct river- or sea-access. This implies the need for long-haul transport and costs to get access to maritime transport networks. Because of the long transport distances and high transport costs, rail transport is a reasonable mode of transport in South Africa. However, rail transport performance is not sufficient.	Interpretation
Major economic centre of South Africa, Gauteng Province, is one of few large centres globally that do not have direct river- or sea-access	Core Statement
This implies need for long-haul transport and costs to get access to maritime transport networks	
Because of long transport distances and high transport costs, rail transport is reasonable mode of transport in South Africa	
However rail transport performance is not sufficient	
The reasons why our company mainly relies on road transport instead of rail transport are as follows. Rail transport is not as reliable as it is supposed to be. There are issues with the infrastructure. This causes derailments. The narrow gauge and	Statement ZA-07-08

small tunnels limit the speed. Heat leads to expansion or shrinkage of the track in certain areas of the country. When there is a breakdown, this often causes damages or theft.	
The interviewee states that the reliability of rail transport is insufficient. Deficiencies of infrastructures cause derailments and limit the speed. The harsh environment in certain regions of the country keeps the infrastructure from functioning. Resulting breakdowns and stoppages cause damages and lead to theft. For these reasons, the company does not make much use of rail transport but mainly relies on road transport.	Interpretation
Reliability of rail transport is insufficient	Core Statement
Deficiencies of infrastructures cause derailments and limit speed	
Harsh environment in certain regions of country keeps infrastructure from functioning	
Resulting breakdowns and stoppages cause damages and lead to theft	
For these reasons company does not make much use of rail transport but mainly relies on road transport	
There is an initiative called “road to rail project”. That is a collaborative project between Transnet, the government and the industry.	Statement ZA-07-09
The interviewee states that major public and private stakeholders of the transport industry, the public rail transport company, the government as well as the private sector, set up an initiative to get freight from road to rail.	Interpretation
Major public and private stakeholders of the transport industry, public rail transport company, government as well as private sector, set up an initiative to get freight from road to rail	Core Statement

There is a need for intermodal transport, more reliable and frequent rail services, better collaboration between customers and logistics service providers as well as a coastal train from Maputo to Cape Town for mixed goods, such as FMCG, textile and vehicles. This would require an increased investment in infrastructure and rolling stock. The previous investment was not significant enough. An improvement in the human side, in management, would be necessary.	Statement ZA-07-10
The interviewee states that there is a need for intermodal transport, more reliable and frequent rail transport services as well as a railway line along the coast from the south of Mozambique to the west of South Africa. There is a need for intensified collaboration between shippers and their logistics service providers. This requires additional investments in railway infrastructure and rolling stock as well as improvements in the organisation of the public rail transport company.	Interpretation
There is need for intermodal transport, more reliable and frequent rail transport services as well as railway line along coast from south of Mozambique to west of South Africa	Core Statement
There is need for intensified collaboration between shippers and their logistics service providers	
This requires additional investments in railway infrastructure and rolling stock as well as improvements in organisation of public rail transport company	
A deregulation of the rail industry could bring the private sector in and create some healthy competition to increase innovation.	Statement ZA-07-11
The interviewee states that an opening up of the rail transport industry in South Africa would allow the private sector to participate. This would create some competition and foster performance of rail transport in South Africa.	Interpretation

Opening up of rail transport industry in South Africa would allow private sector to participate; this would create some competition and foster performance of rail transport in South Africa	Core Statement
Since the rail infrastructure is government owned, Transnet is responsible for improvements.	Statement ZA-07-12
The interviewee states that because the public owns the rail infrastructure, the public rail transport company is responsible for improving rail transport performance.	Interpretation
Because public owns rail infrastructure, public rail transport company is responsible for improving rail transport performance	Core Statement
There are many obstacles, including political obstacles. The government does not like competition and powerful people are kept in power.	Statement ZA-07-13
The interviewee states that there is a number of obstacles. For instance, the political unwillingness to create competition in the rail transport sector represents an obstacle to improvements in rail transport.	Interpretation
There is number of obstacles, e.g. political unwillingness to create competition in rail transport sector represents obstacle to improvements in rail transport	Core Statement
South Africa is caught in the middle. Distances are too high for road and too short for rail and rail consolidation.	Statment ZA-07-14
The interviewee states that the country is facing a difficult transport situation. Transport distances are too high for road transport and too low for rail transport and consolidation.	Interpretation
Country is facing difficult transport situation; transport distances are too high for road transport and too low for rail transport and consolidation	Core Statement

The predictability, efficiency and capacity of railway transport in Germany from inland manufacturing locations to major seaports shows that railway transport works well in the distribution of finished vehicles.	Statement ZA-07-15
The interviewee states that there are examples of well working rail transport in the distribution of finished vehicles, even at lower distances, for instance in Germany. By making this statement, the interviewee indicates that competitive rail transport in vehicle transport in South Africa is feasible.	Interpretation
There are examples of well working rail transport in distribution of finished vehicles, even at lower distances, e.g. in Germany	Core Statement
Competitive rail transport in vehicle transport in South Africa is feasible	

### Interviewee 8

Interviewee number eight, a head of a division at a port operator in South Africa, made the following statements:

South African ports are very much on average compared to international benchmarks. They are failing to keep up with European and US ports. Nobody can keep up with Chinese ports, e.g. in terms of efficiency.	Statement ZA-08-01
The interviewee states that South African port performance corresponds to the average performance of ports worldwide. However, South African port performance is below that of European, US and especially Chinese ports.	Interpretation
South African port performance corresponds to average performance of ports worldwide; however South African port performance is below that of European, US and especially Chinese ports	Core Statement



A strength of South African ports is their location at the south-south routes. Seaport infrastructure in South Africa is the best in Africa; perhaps infrastructure in Egypt is similar; the other countries in the SADC are far behind. Seaport efficiency and productivity is good.	Statement ZA-08-02
The interviewee states that ports in South Africa are geographically well-located on the south-south maritime transport route. Port infrastructure in South Africa is by far the best in the SADC. Port performance in South Africa is good.	Interpretation
Ports in South Africa are geographically well-located on south-south maritime transport route	Core Statement
Port infrastructure in South Africa is by far best in SADC	
Port performance in South Africa is good	
According to the World Economic Forum's World Competitiveness report, South Africa's policy framework is among the best.	Statement ZA-08-03
The interviewee states that according to international benchmarks public policies in South Africa are very good.	Interpretation
According to international benchmarks public policies in South Africa are very good	Core Statement
Reasons why the seaports are performing as described are the facts that country is politically stable, never had wars as well as that the country has experience for many years and there is a need for seaports.	Statement ZA-08-04
The interviewee states that the state of port performance in South Africa is explained by the political stability, the absence of wars, the necessity for ports and the country's vast experience in ports.	Interpretation

State of port performance in South Africa is explained by political stability, absence of wars, necessity for ports and country's vast experience in ports	Core Statement
Seaport performance could be affected by rating agencies' credit rating, political interference and high bureaucracy.	Statement ZA-08-05
The interviewee states that there is a risk that the financial status along with the credit rating of major rating agencies, political interference and the high degree of administrative requirements could deteriorate port performance.	Interpretation
There is risk that financial status along with credit rating of major rating agencies, political interference and high degree of administrative requirements could deteriorate port performance	Core Statement
There are administrative, red tape constraints. The port act makes it difficult to fund port development projects. The port act requires that new ports are privatised. Chances of reinvesting the money are rather low and the costs of privatisation have gone up, like in Mozambique. There is no reinvesting in the country, no long-term benefits for the countries.	Statement ZA-08-06
The interviewee states that there are administrative constraints. The port act requires private participation in new port projects. There is a risk that foreign private participation in ports could lead to short-term view and skimming-off of profits without a long-term view and development.	Interpretation
There are administrative constraints; port act requires private participation in new port projects; there is risk that foreign private participation in ports could lead to short-term view and skimming-off of profits without long-term view and development	Core Statement

The South African economy has slowed down. However, it will probably go back to 2014. A market demand strategy was defined in 2012. There will be further focus on long-term investment as well as on other commodities.	Statement ZA-08-07
The interviewee states that in the last two years, port business in South Africa slowed down. The market demand strategy of Transnet will, however, help to recover.	Interpretation
In last two years port business in South Africa slowed down; market demand strategy of Transnet will however help to recover	Core Statement
Before the year 2000, Transnet was tax-financed. Now, Transnet investments are financed by bonds and thereby exposed to the open market. Transnet's credit rating status is slightly higher than the government's. New investments will be more difficult.	Statement ZA-08-08
The interviewee states that the sources of funding have changed from tax-financed to market financed. Behind the background of the country's looming notches to junk status, the funding of investments in ports will become more difficult in the future.	Interpretation
Sources of funding have changed from tax-finances to market financed	Core Statement
Behind background of country's looming notches to junk status funding of investments in ports will become more difficult in future	
One major concern is the mining business. Mining is a big business; however, this is going to decline. Therefore, Transnet focusses on other commodities and wants to move goods from road to rail.	Statement ZA-08-09
The interview states that there are concerns about the development of the mining business. The mining business represents	Interpretation

an important part of the company's transshipment volume and business; it is however shrinking. In order to absorb the decline in the mining business, the company is focussing on other types of goods. In addition, the company wants to attract freight from road transport and shift it to its rail business.	
There are concerns about development of mining business; mining business represents important part of company's transshipment volume and business; it is however shrinking	Core Statement
To absorb decline in mining business, company is focussing on other type of goods	
In addition, company wants to attract freight from road transport and shift it to its rail business	
The total costs of business need to go down. Therefore, Trans-net is looking at ways to integrate the supply chain.	Statement ZA-08-10
The interviewee states that there is a need to reduce the total costs of business. In order to reduce costs, the company is searching for means to increase integration along the supply chain.	Interpretation
There is need to reduce total costs of business; to reduce costs, company is searching for means to increase integration along supply chain	Core Statement
There is a need for integration on the seaside with other countries, like Namibia, Mozambique, Kenia and Tanzania. If South Africa could control the trade on shortsea shipping in southern Africa, it could for instance do the customs clearance in Cape Town. When the vessel arrives in Daressalam, the clearance is already done. There is no risk for bribery and corruption there. This would lead to job creation in South Africa, also in related industries such as shipbuilding and maintenance.	Statement ZA-08-11

The interviewee states that integration in maritime transport and ports across countries in southern Africa is an area for improvement. For instance, customs pre-clearance for a transport from South Africa to Tanzania would facilitate the import process in Tanzania and have a positive effect on job creation in South Africa.	Interpretation
Integration in maritime transport and ports across countries in southern Africa is area for improvement	Core Statement
E.g. customs pre-clearance for transport from South Africa to Tanzania would facilitate import process in Tanzania and have positive effect on job creation in South Africa	
We also need to look at the port terminal itself and improve efficiency by technology. South Africa needs to learn from places that already make use of digitisation technology, such as the IntelliPort concept in Europe.	Statement ZA-08-12
The interviewee states that there is a need to increase productivity through digitisation of port operations. The country should adopt from ports, which already make use of such approaches.	Interpretation
There is need to increase productivity through digitisation of port operations; country should adopt from ports which already make use of such approaches	Core Statement
The government needs to initiate. Transnet also needs to take actions, such as the new Transnet International Holdings to increase intra-SADC and intra-Africa trade.	Statement ZA-08-13
The interviewee states that the government is responsible for initiating actions. Transnet is responsible for taking actions, for instance the Transnet International holdings is responsible for taking actions to increase intra-SADC and intra-Africa trade.	Interpretation
Government is responsible for initiating actions; Transnet is responsible for taking actions, e.g. Transnet International holdings	Core Statement

is responsible for taking actions to increase intra-SADC and intra-Africa trade	
There are a couple of things: First, financial means to get into other countries. Second, political will. Local elections change governments and interrupt negotiations. Third, because of the history of licensing, there is a need for a partnership approach. Government support is crucial to get alignment of intentions.	Statement ZA-08-14
The interviewee states that there are obstacles in a number of ways with regard to the extension of supply chains to other countries. An unavailability of sufficient funds to extend supply chains into other countries could represent an obstacle. The will of counterparty governments and the change of governments makes conclusions of agreements difficult.	Interpretation
There are obstacles in number of ways with regard to extension of supply chains to other countries; unavailability of sufficient funds to extend supply chains into other countries could represent obstacle; will of counterparty governments and change of governments makes conclusions of agreements difficult	Core Statement

### Interviewee 9

Interviewee number nine, a head of a division at a logistics service provider in South Africa, made the following statements:

South Africa is the gateway to Africa.	Statement ZA-09-01
The interviewee states that South Africa is the logistics gateway to the African continent.	Interpretation
South Africa is logistics gateway to African continent	Core Statement
South Africa works better than other African countries.	Interviewee ZA-09-02

The interviewee states that the economy of South Africa works much better than other economies on the African continent.	Interpretation
Economy of South Africa works much better than other economies on African continent	Core Statement
In theory, we are able to understand everything; there are no grey areas. In fact, there are too many variables; we are dealing with humans from different cultures and educational backgrounds and we are reliant on third parties.	Statement ZA-09-03
The interviewee states that because the company is dealing with people from different cultures, different educational backgrounds and makes use of third parties, there is incomplete visibility in logistics process. There are too many factors outside the company's control.	Interpretation
Because company is dealing with people from different cultures, different educational backgrounds and makes use of third parties, there is incomplete visibility in logistics process	Core Statement
There are too many factors outside company's control	
One of the biggest challenges is corruption. The people, who are corrupt, do not have an idea what effects this does have on the local manufacturing companies in South Africa.	Statement ZA-09-04
The interviewee states that a major problem is corruption. People who are open to bribery are not aware of the effects of their behaviour – they do not see the big picture. Corruption places a burden on manufacturing companies in South Africa.	Interpretation
Major problem is corruption	Core Statement
People who are open to bribery are not aware of effects of their behaviour; corruption places burden on manufacturing companies in South Africa	

Customs clearing in South Africa is probably the best in the world, how quickly we can process the entries.	Statement ZA-09-05
The interviewee states that customs clearance system is very good; for instance, the efficiency of processing of entries.	Interpretation
Customs clearance system is very good; e.g. efficiency of processing of entries	Core Statement
There is nothing to improve from a logistics system point of view. Ok, perhaps the rail system.	Statement ZA-09-06
The interviewee states that the logistics system of South Africa does not offer any room for improvement, apart from the rail transport system.	Interpretation
Logistics system does not offer any room for improvement, apart from rail transport system	Core Statement
It is often much quicker to import from Durban than from any other port and then move it to other countries on the landside.	Statement ZA-09-07
The interviewee states that import processes through a South African port along with land transport to countries further north are often much quicker than through alternative ports, which are geographically closer to the destination. By making this statement, the interviewee indicates that cross-border transport from South Africa to countries further north provide a high performance.	Interpretation
Import processes through South African port along with land transport to countries further north are often much quicker than through alternative ports which are geographically closer to destination	Core Statement
Cross-border transport from South Africa to countries further north provide high performance	



At the moment, the economic outlook is not very good. Investors realise that it is an unstable environment. The government is not stable. For the last 24 years, there was a gradual downward, the economy gets weaker.	Statement ZA-09-08
The interviewee states that during the last two decades the economy got weaker. At the moment, the government of South Africa does not provide the necessary stability. This in turn creates an uncertain environment for the economy.	Interpretation
During last two decades economy got weaker; at moment, government of South Africa does not provide necessary stability; this in turn creates uncertain environment for the economy	Core Statement
Since 1994, since the freedom, what has actually happened? We should be a first world country.	Statement ZA-09-09
The interviewee states that 22 years since the end of the apartheid period, the country should have reached the level of a politically and economically very well developed country. By making this statement, the interviewee indicates that the country has not reached the level of a politically and economically very developed country and failed to meet the expected objectives.	Interpretation
22 years since end of apartheid period, country should have reached level of politically and economically very well developed country	Core Statement
Country has not reached level of politically and economically very developed country and failed to meet expected objectives	
The system of the ruling party in South Africa is based on self-gain. Despite the obvious deficiencies of the economy, people are not able to change their mind. Their culture is totally different.	Statement ZA-09-10
The interviewee states that the current ruling political party places too much value on their personal interests instead of	Interpretation

public interests. Although there are significant shortcomings in the economy, there is no change in people’s attitude and behaviour.	
Current ruling political party places too much value on their personal interests instead of public interests; although there are significant shortcomings in economy, there is no change in people’s attitude and behaviour	Core Statement
The BBBEE brings unqualified people in high positions.	Statement ZA-09-11
The interviewee states that the affirmative action programme leads to inadequate staffing decisions. By making this statement, the interviewee indicates that inadequate staffing decisions impede improvements in the political and economic system.	Interpretation
Affirmative action programme leads to inadequate staffing decisions	Core Statement
Inadequate staffing decisions impede improvements in political and economic system	
Most major carriers have chosen Durban as their primary port of call. It is easier get import goods via South Africa and move it to the other countries.	Statement ZA-09-12
The interviewee states that the port of Durban is the preferred port for many major ocean carriers. Imports through a port in South Africa and its hinterland to other countries are often faster than through any port closer to the destination.	Interpretation
Port of Durban preferred port for many major ocean carriers	Core Statement
Imports through port in South Africa and its hinterland to other countries are often faster than through any port closer to destination	

South Africa is in a key position. Easy access to global trade lanes; there is a weekly sailing to any location; in Africa perfectly positioned.	Statemen ZA-09-13
The interviewee states that from a maritime transport point of view, South Africa is well located at a major trade lane and well connected through frequent sailings to destinations worldwide.	Interpretation
From maritime transport point of view, South Africa is well located at major trade lane and well connected through frequent sailings to destinations worldwide	Core Statement
The port of Durban is not big enough. This affects how the economy develops. Many vessels are berthed outside the port; that is, there is additional waiting time outside the port prior to berthing and unloading.	Statemen ZA-09-14
The interviewee states that the port of Durban does not have sufficient capacity. This leads to waiting time prior to unloading, and constrains transport and trade and eventually the development of the economy of South Africa.	Interpretation
Port of Durban does not have sufficient capacity	Core Statement
This leads to waiting time prior to unloading, and constrains transport and trade and eventually development of economy of South Africa	
The road infrastructure is sufficient to support any requirement.	Statement ZA-09-15
The interviewee states that the road transport system is able to fulfil any transport requirement.	Interpretation
Road transport system is able to fulfil any transport requirement	Core Statement
Competition is so fierce, everything is about volume, everyone fights for the same business and reduces rates, this in turn erodes margins and is not sustainable. Our freight forwarding	Statement ZA-09-16

company does not accept customers who are willing to bypass correct clearing. This is a vicious circle.	
The interviewee states that the competition in the freight forwarding industry is very high. High competition negatively affects margins and business practices; some companies take unfair measures to gain a competitive advantage.	Interpretation
Competition in the freight forwarding industry is very high	Core Statement
High competition negatively affects margins and business practices; some companies take unfair measures to gain competitive advantage	
The SAFF and FIATA should be able to punish unethical companies. It is too easy to open up a new company.	Statement ZA-09-17
The interviewee states that business organisations, such as the South African Association of Freight Forwarders and International Federation of Freight Forwarders Associations, should be able to penalise non-compliant companies. The ease of setting up a new company fosters non-compliant behaviour.	Interpretation
Business organisations, such as South African Association of Freight Forwarders and International Federation of Freight Forwarders Associations, should be able to penalise non-compliant companies	Core Statement
Ease of setting up new company fosters non-compliant behaviour	
Our freight forwarding company does not consider rail at all. All our freight is moved on roads.	Statement ZA-09-18
The interviewee states that the company does not make use of rail transport at all.	Interpretation
Company does not make use of rail transport at all	Core Statement

Rail infrastructure is not efficient enough. They have been talking about improvements, but it lacks the implementation. Companies get the tender, which are not suited.	Statement ZA-09-19
The interviewee states the rail infrastructure is not sufficient. There are plans to improve rail transport performance, but it lacks the implementation. Contracts for infrastructure measures are awarded to companies, which do not have the necessary qualifications to fulfil the orders.	Interpretation
Rail infrastructure is not sufficient	Core Statement
There are plans to improve rail transport performance but it lacks implementation; contracts for infrastructure measures are awarded to companies which do not have necessary qualifications to fulfil orders	
Up to the late 1980s and early 1990s, the rail system was quite efficient. No maintenance and no development have led to a deterioration of the rail transport system in South Africa.	Statement ZA-09-20
The interviewee states that in the 1980s and 1990s rail transport performance was good. Since then, insufficient maintenance and development led to a deterioration of the rail transport system.	Interpretation
In 1980s and 1990s rail transport performance was good	Core Statement
Since then, insufficient maintenance and development led to deterioration of rail transport system	
There is very much planning in rail, but I do not see any actions. The time it takes to implement those ideas is too long.	Statement ZA-09-21
The interviewee states that planning to improve the rail transport system takes place, but it takes too much time to put those plans into action.	Interpretation

Planning to improve rail transport system takes place, but it takes too much time to put those plans into action	Core Statement
Rail transport is cheaper than road transport, but it is unreliable and inefficient. Road transport has gained from the inefficiency of rail transport.	Statement ZA-09-22
The interviewee states that although the direct rail transport costs are lower than road transport costs, rail transport is less reliable and efficient than road transport. The deterioration of rail transport performance led to shift of freight from rail to road transport.	Interpretation
Although direct rail transport costs are lower than road transport costs, rail transport is less reliable and efficient than road transport	Core Statement
Deterioration of rail transport performance led to shift of freight from rail to road transport	
If I were a manufacturer with a plant in Johannesburg, the transport system is sufficient. The only drawback is the long way to Durban. There are, however, reliable road transport companies. Currently, people are able to procure goods from South Africa very cheap, export is booming.	Statement ZA-09-23
The interviewee states that the transport system is sufficient to support manufacturing plants, for instance in Johannesburg. The long distance to ports, such as the port of Durban, is a disadvantage; reliable transport companies alleviate this disadvantage. Currently, the costs of goods from South Africa are low.	Interpretation
Transport system is sufficient to support manufacturing plants; long distance to ports is disadvantage; reliable transport companies alleviate this disadvantage	Core Statement
Currently, costs of goods from South Africa are low	

No matter where you are located in South Africa, you can set up a location. Of course, there are costs challenges, depending on how you sell the product, the Incoterms.	Statement ZA-09-24
The interviewee states that the basic requirements of manufacturing locations can be fulfilled throughout South Africa. Transport costs to bring goods to markets may represent a challenge.	Interpretation
Basic requirements of manufacturing locations can be fulfilled throughout South Africa	Core Statement
Transport costs to bring goods to markets may represent challenge	

### Interviewee 10

Interviewee number ten, a head of team at a logistics service provider in South Africa, made the following statements:

Most problems occurred during the last 10 years. The infrastructure still lasted up to 2004, e.g. electrical and rail infrastructure. Since then, the infrastructure deteriorates.	Statement ZA-10-01
The interviewee states that until 2004 the state of the infrastructure of the country was good. Since then, infrastructure such as electrical and rail transport infrastructure is deteriorating.	Interpretation
Until 2004 state of infrastructure of country was good; since then infrastructure such as electrical and rail transport infrastructure is deteriorating	Core Statement
From 1994 to 1996 many skilled people got retired. This led to an institutional breakdown, which came along with massive costs for the economy. Institutions have been destroyed. There was no continuity.	Statement ZA-10-02

The interviewee states that the transition from the apartheid period entailed a retirement of skilled people in public organisations. There was no proper transition from the former to the new political and economic system. This led to a collapse of the functioning of public organisations and public service delivery. This failure impeded the performance of the economy.	Interpretation
Transition from apartheid period entailed retirement of skilled people in public organisations; there was no proper transition from former to new political and economic system	Core Statement
This led to collapse of functioning of public organisations and public service delivery; this failure impeded performance of economy	
There is a need for improvement in local government services, in terms of condition of secondary roads, water and sanitation, electricity infrastructure, law enforcement, prevention of crime, prosecution of traffic offences. The functioning of the billing system for all these kind of services is still a big problem. Companies are often billed incorrectly; this touches on manufacturing locations and roads.	Statement ZA-10-03
The interviewee states that there is a need for an improvement in public services at the level of the local government. This includes public services with regard to roads, water and sanitation, electricity, law enforcement, prevention of crime and prosecution of traffic offences as well as the invoicing for such services.	Interpretation
There is need for improvement in public services at level of local government; this includes public services with regard to roads, water and sanitation, electricity, law enforcement, prevention of crime and prosecution of traffic offences as well as invoicing for such services	Core Statement



On a scale from one to ten, one being the worst and ten the best, I rate seaport performance in South Africa as 6. Issues are delays and congestion at the port of Durban.	Statement ZA-10-04
The interviewee states that port performance is between fair and good. An issue is congestion and resulting delays at the port of Durban.	Interpretation
Port performance is between fair and good	Core Statement
Issue is congestion and resulting delays at port of Durban	
Seaports are functional, can accommodate relatively large vessels, offer very frequent services and have a good capacity. There is continuous improvement by Transnet. The government is committed to development. The government recognises the problem; it is just an implementation issue. The capacity and efficiency implementation is much better in seaports than in rail transport. Perhaps it is easier to look at seaports in contrast to rail transport network with a large geographical expansion.	Statement ZA-10-05
The interviewee states that port operations work well, seaward infrastructure is well dimensioned, ports are well connected to maritime transport networks, capacity is good and there is continuous improvement. The government is aware of problems and is keen to further improve port performance. The implementation of improvements is insufficient. Even though this is an issue in ports, it is even more pronounced in rail transport.	Interpretation
Port operations work well, seaward infrastructure is well dimensioned, ports are well connected to maritime transport networks, capacity is good and there is continuous improvement	Core Statement
Government is aware of problems and is keen to further improve port performance	
Implementation of improvements is insufficient; even though this is issue in ports, it is even more pronounced in rail transport	

The performance of seaports can be traced back to Transnet's strategy, the continuous improvement, as exemplified in the port of Ngqura.	Statement ZA-10-06
The interviewee states that the fair to good port performance can be traced back to the port company's long-term focus on improvements, as indicated by new port development projects, such as the port of Ngqura.	Interpretation
Fair to good port performance can be traced back to port company's long-term focus on improvements, as indicated by new port development projects such as port of Ngqura	Core Statement
I am not worried about the ports, but the inability to raise funds resulting from the actual instability of the state could become a long-term problem.	Statement ZA-10-07
The interviewee states that there is no cause of concern regarding port performance in South Africa. The only worrying factor is the country's ability to raise funds, which may have an effect on how ports in South Africa can be developed in the future.	Interpretation
There is no cause of concern regarding port performance in South Africa; only worrying factor is country's ability to raise funds which may have effect on how ports in South Africa can be developed in future	Core Statement
Congestion of ports constrains the freight going into Africa. Companies look for alternatives, such as the port of Walvis Bay.	Statement ZA-10-08
The interviewee states that because of congestion and delays at ports in South Africa, companies are looking for alternative ports in southern Africa.	Interpretation
Because of congestion and delays at ports in South Africa, companies are looking for alternative ports in southern Africa	Core Statement

The port of Durban is running out of capacity. The port is wind bound what causes crane operations to stop. This happens quite regularly, once or twice a month. On one pier, there are problems with old equipment.	Statement ZA-10-09
The interviewee states that the port of Durban does not provide sufficient capacity, deficient equipment at a pier causes problems and strong winds force the port operations to stop frequently.	Interpretation
Port of Durban does not provide sufficient capacity	Core Statement
Deficient equipment at pier causes problems and strong winds force port operations to stop frequently	
On a scale from one to ten, one being the worst and ten the best, I rate road transport performance in South Africa as 7. Issues are the condition of secondary roads, theft on the road and hijacking at any time.	Statement ZA-10-10
The interviewee states that road transport performance is good. Some of the issues are the state of secondary roads, theft as well as hijacking.	Interpretation
Road transport performance is good; some of issues are state of secondary roads, theft as well as hijacking	Core Statement
Strengths of road transport are the quality of the road infrastructure, coverage of the road network, capacity of the road surface, road transport operations because of an unregulated market and competition, technology for planning as well as availability of spare parts.	Statement ZA-10-11
The interviewee states that strengths of road transport are the quality of the road infrastructure, road network coverage, bearing capacity of the road infrastructure, road transport operations resulting from a deregulated market and competition, use of	Interpretation

technology of transport planning software as well as availability of spare parts.	
Strengths of road transport are quality of road infrastructure, road network coverage, bearing capacity of road infrastructure, road transport operations resulting from deregulated market and competition, use of technology of transport planning software as well as availability of spare parts	Core Statement
The investment and development of the road transport system is the reason for the good road transport performance. In the 1970s, the road network was built. Road transport was deregulated in the 1980s / 90s. From 2009 to 2012 the road network was expanded and in 2013 / 2014 the electronic toll system was implemented.	Statement ZA-10-12
The interviewee states that the strengths of road transport can be traced back to continuous investment and development in the road transport system. This includes the construction of road transport infrastructure during the 1970s, the deregulation of the road transport industry in the 1980s / 1990s, the network expansion from 2009 to 2012 as well as the implementation of the electronic toll system in the Gauteng Province in 2013 / 14.	Interpretation
Strengths of road transport can be traced back to continuous investment and development in road transport system	Core Statement
This includes construction of road transport infrastructure during 1970s, deregulation of road transport industry in 1980s / 1990s, network expansion from 2009 to 2012 as well as implementation of electronic toll system in Gauteng Province in 2013 / 14	
The condition of the road network deteriorates. The inability to raise funds hinders maintenance and development. Road users often do not pay toll fees, there is no control, and it is too expensive to control. Fuel levies already make up 50 percent of the fuel price. There is a double taxation. Revenues from fuel tax	Statement ZA-10-13

are not earmarked for roads. There is a lack of government capacity at the local government level to regulate, maintain and build roads. Road-unworthy trucks destroy roads; they do not enforce the law. Local governments are corrupt and dysfunctional; decision makers give tenders to unqualified companies what leads to insufficient work.	
The interview states that the road transport infrastructure is deteriorating. The inability to raise funds impedes new investment and maintenance of the road transport system. Due to a lack of control of payment of toll fees as well as reluctance of road users to pay for both, toll and fuel levy, the electronic toll system in the Gauteng Province is not able to ensure the usage-dependent financing. Raising of funds are further complicated by the fact that revenues from fuel levy are not earmarked for investment in roads. The deterioration of the road transport infrastructure can also be traced back to the insufficient capacity of the municipalities to invest in new and maintain existing roads as well as to enforce the law. Corruption and inoperability at the municipal level leads to inappropriate government contracting.	Interpretation
Road transport infrastructure is deteriorating	Core Statement
Inability to raise funds impedes new investment and maintenance of road transport system; due to lack of control of payment of toll fees as well as reluctance of road users to pay for both, toll and fuel levy, electronic toll system in Gauteng Province is not able to ensure usage-dependent financing	
Raising of funds are further complicated by fact that revenues from fuel levy are not earmarked for investment in roads	
Deterioration of road transport infrastructure can also be traced back to insufficient capacity of municipalities to invest in new and maintain existing roads as well as to enforce law	
Corruption and inoperability at municipal level leads to inappropriate government contracting	

Road competitiveness keeps the economy competitive in over border transports.	Statement ZA-10-14
The interviewee states that the high road transport performance industry keeps the country competitive in cross-border transport. By making this statement, the interviewee indicates that the rail transport performance is not sufficient to assume that role.	Interpretation
High road transport performance industry keeps country competitive in cross-border transport	Core Statement
Rail transport performance is not sufficient to assume that role	
Secondary roads outside of urban areas are in need of improvement, including the infrastructure as well as law enforcement, in particular driver behaviour and vehicle condition. The regulations are there, but they are not enforced. Overload control, regulation of drivers and driver's licences, regulation of goods vehicles need to be addressed.	Statement ZA-10-15
The interviewee states that the road network outside of cities is in need of improvement. There is a need for improvements in infrastructure as well as law enforcement. The legislation for the regulation of the road transport industry exists; it lacks the enforcement with regard to vehicle condition, overloading as well as driver behaviour and licences.	Interpretation
Road network outside of cities is in need for improvement	Core Statement
There is need for improvements in infrastructure as well as law enforcement; legislation for regulation of road transport industry exists; it lacks enforcement with regard to vehicle condition, overloading as well as driver behaviour and licences	

On a scale from one to ten, one being the worst and ten the best, I rate rail transport performance in South Africa as 3. Issues are the variability in transport time and the availability with regard to frequent and consistent services as well as weather.	Statement ZA-10-16
The interviewee states that rail transport performance is poor. Some of the issues are variability in transport time, lack of frequent services as well as weather susceptibility.	Interpretation
Rail transport performance is poor	Core Statement
Some issues are variability in transport time, lack of frequent services as well as weather susceptibility	
There is a lack of investment in the rail network. There is only one transshipment centre in Gauteng, City Deep. There are some private sidings, but not in use in Gauteng. I do not see improvements; I do not see innovation. Rail freight is not market-oriented and not trying to compete. The operations are very inefficient. Coal for power stations is significantly transported on road instead of rail.	Statement ZA-10-17
The interviewee states that not enough investment is going into rail transport. There is a lack of transshipment centres for the rail-road-interface. Improvements in the rail transport network are not apparent. The public rail transport company does not align its business according to the market requirements. Rail transport operations are inefficient. Even rail-friendly goods are transported by road transport.	Interpretation
Not enough investment is going into rail transport	Core Statement
There is lack of transshipment centres for rail-road-interface	
Improvements in rail transport network are not apparent	
Public rail transport company does not align its business according to market requirements	
Rail transport operations are inefficient	

Even rail-friendly goods are transported by road transport	
Rail was neglected in the 1990s. Skilled people left the sector.	Statement ZA-10-18
The interviewee states that during the 1990s, maintenance and development of the rail transport network was neglected and many skilled people left the rail transport industry.	Interpretation
During 1990s maintenance and development of rail transport network was neglected and many skilled people left rail transport industry	Core Statement
The government intends to bring more freight from road to rail.	Statement ZA-10-19
The interviewee states that the government is planning to shift freight back from road to rail transport.	Interpretation
Government is planning to shift freight back from road to rail transport	Core Statement
Definitely, rail needs to improve in overall performance, meaning functioning, costs, reach and consistency.	Statement ZA-10-20
The interviewee states that rail transport performance needs to be improved comprehensively, i.e. in the functioning, costs, and network coverage as well as service consistency.	Interpretation
Rail transport performance needs to be improved comprehensively, i.e. in functioning, costs, and network coverage as well as service consistency	Core Statement
On a scale from one to ten, one being the worst and ten the best, I rate manufacturing locations in South Africa as 2. The reasons are as follows: First, main manufacturing locations are far away from the main markets, for instance three hours from	Statement ZA-10-21



Rosslyn to Johannesburg; within 1.5 hours from Johannesburg 60 % percent of the GDP is created. Second, manufacturing locations are far away from skilled labour; in contrast to for instance Switzerland or Germany; there is no residential development in heavy industry locations. Third, main manufacturing locations are far away from sources of supply.	
The interviewee states that manufacturing location performance is poor. This is due to the high distances between manufacturing locations and the main markets in South Africa, the high distance between manufacturing locations and the skilled labour pool as well as the high distance to sources of supply.	Interpretation
Manufacturing location performance is poor	Core Statement
This is due to high distances between manufacturing locations and main markets in South Africa, high distance between manufacturing locations and the skilled labour pool as well as high distance to sources of supply	
An area where we are very competitive is the automotive industry; but the new government just maintains the state. There are only few industrial policy projects and not enough specific interventions. I do not see progress in the manufacturing industry in South Africa. There are some new plants, in outlying areas, far away from markets.	Statement ZA-10-22
The interviewee states that there is one industry, which stands out in terms of performance in South Africa, even at an international comparison, the automobile industry. However, the government only maintains the state and does not take actions to further improve the manufacturing location performance of South Africa. There are some new manufacturing location projects, even though far away from major domestic markets.	Interpretation
There is one industry, which stands out in terms of performance in South Africa, even at international comparison, automobile industry	Core Statement

However, government only maintains state and does not take actions to further improve manufacturing location performance in South Africa	
There are some new manufacturing location projects, even though far away from major domestic markets	
There is no correlation between productivity and wage. We do not have enough technical and semi-technical skills. There is no middle training on the job. There are private institutions for education. Companies in the mining and automotive industry educate their employees.	Statement ZA-10-23
The interviewee states that the increases in labour costs are not in line with the increases in productivity in South Africa. There is not enough skilled labour in the semi-technical and technical professions. This is due to the lack of a well-established vocational education. Private educational service providers and companies provide their employees with the professional skills.	Interpretation
Increases in labour costs are not in line with increases in productivity in South Africa	Core Statement
There is not enough skilled labour in semi-technical and technical professions	
This is due to lack of well-established vocational education; private educational service providers and companies provide their employees with professional skills	
From a cost perspective, domestically, the manufacturing industry in South Africa is competing against imports; in foreign markets, the industry is competing against other exporters.	Statement ZA-10-24
The interviewee states that the manufacturing industry in South Africa is competing against imports and exports on costs. By	Interpretation

making this statement, the interviewee indicates that the manufacturing industry is subject to fierce cost competition, both in the domestic market as well as in foreign markets.	
Manufacturing industry is subject to fierce cost competition, both in domestic market as well as in foreign markets	Core Statement
The exchange rate worsens our competitiveness.	Statement ZA-10-25
The interviewee states that the currency exchange rate worsens the competitiveness of manufacturing companies in South Africa. By making this statement, the interviewee indicates that the low value of the currency against major currencies make imports to South Africa costlier.	Interpretation
Currency exchange rate worsens competitiveness of manufacturing companies in South Africa	Core Statement
Low value of currency against major currencies make imports to South Africa costlier	
Since the 1960s and 1970s, manufacturing is taking place in outlying locations. The whole idea was to develop underdeveloped areas, but social development did not take place, e.g. schools. What should have been done is a broad-based development. They have not developed new areas in economic centres; the actual industry is based on governmental support.	Statement ZA-10-26
The interviewee states that since the 1960s, the government has supported economically less developed geographic areas and promoted industry location far away from economic centres. These measures only focussed on promotion of industry location and neglected a holistic location development approach.	Interpretation
Since 1960s government has supported economically less developed geographic areas and promoted industry location far away from economic centres	Core Statement

These measures only focussed on promotion of industry location and neglected holistic location development approach	
We need to set up clusters, consisting of industry, education and residential elements, close to industrial centres. There are proposals for such clusters including rail freight stations, container terminals, light industry, educational entities and shopping facilities.	Statement ZA-10-27
The interviewee states that there is a need to set up clusters that comprise company locations, transport infrastructure, educational entities, residential districts as well as shopping facilities.	Interpretation
There is need to set up clusters that comprise company locations, transport infrastructure, educational entities, residential districts as well as shopping facilities	Core Statement
A starting point would be to look at private public partnerships, involving a number of players, such as Transnet, SANRAL, local government, national government, private operators and private developers. Actions could include free land, tax breaks and public provision of infrastructure such as road, rail and water. Bureaucracy needs to be streamlined. In addition, due to insufficient labour competitiveness, there is a need to look at labour regulation.	Statement ZA-10-28
The interviewee states that the set-up of holistic economic clusters could include a number of public and private stakeholders in the areas of local and national government, transport authorities and companies as well as manufacturing and service companies. Actions could include incentives for plots of land and taxes, public infrastructure in transport and sanitation, efficiency improvements in public administration as well as labour regulation.	Interpretation

Set-up of holistic economic clusters could include number of public and private stakeholders in areas of local and national government, transport authorities and companies as well as manufacturing and service companies	Core Statement
Actions could include incentives for plots of land and taxes, public infrastructure in transport and sanitation, efficiency improvements in public administration as well as labour regulation	
I do not suggest changing of roles. The public sectors is responsible to initiate those actions for improvement. They need to get the private sector to run the operations. Tax breaks only will not be enough; there is a need for further factors.	Statement ZA-10-29
The interviewee states that the government is responsible for initiating those actions. To put those actions into practice the government needs to bring the private sector in. Financial location incentives will not be sufficient to establish holistic economic centres; there is a need for the provision of additional locational factors.	Interpretation
Government is responsible for initiating those actions; to put those actions into practice government needs to bring private sector in	Core Statement
Financial location incentives will not be sufficient to establish holistic economic centres; there is need for provision of additional locational factors	

### Interviewee 11

Interviewee number eleven, a head of a division at a manufacturing company in South Africa, made the following statements:

The challenge that the manufacturing sector encounters is a difficult labour market and significant deficiencies in some of the skill bases that this requires. For instance, in the case of lowly skilled employees, you get what you pay for, whilst in the case	Statement ZA-11-01
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<p>of highly skilled employees, it is difficult to assess their capacity. If the employee does not meet the requirements, it is difficult to get rid of them. Strict labour regulations impede hiring of staff. The labour regulation environment is biased towards the employee, as opposed to the employer. This results into unproductivity.</p>	
<p>The interviewee states that the manufacturing industry in South Africa suffers from a difficult labour market in terms of skills as well as from labour market regulations. It is difficult to assess job applicant's capabilities for more sophisticated positions in advance. If it turns out that a job candidate does not meet the positions' requirements, it is difficult to dismiss people. Labour market regulation is biased towards employees. This prevents companies from adjusting their labour force according to their labour demand. After all, insufficiently assessable skills along with strict labour laws impede recruitment, capacity and performance of companies.</p>	Interpretation
<p>Manufacturing industry suffers from difficult labour market in terms of skills as well as from labour market regulations</p>	Core Statement
<p>It is difficult to assess job applicant's capabilities for more sophisticated positions in advance; if it turns out that job candidate does not meet positions' requirements, it is difficult to dismiss people; labour market regulation is biased towards employees; this prevents companies from adjusting their labour force according to their labour demand</p>	
<p>After all insufficiently assessable skills along with strict labour laws impede recruitment, capacity and performance of companies</p>	
<p>I think we are productive. We produce fair to good quality products. We are sufficiently innovative to bring new products to markets. We could be even more successful if competency and productivity were better.</p>	<p>Statement</p> <p>ZA-11-02</p>

The interviewee states that because of fair productivity, fair innovativeness and proven ability to produce products at fair to good quality levels the performance of manufacturing companies is good. If skills were better and productivity higher, the performance of manufacturing companies could even be better.	Interpretation
Because of fair productivity, fair innovativeness and proven ability to produce products at fair to good quality levels performance of manufacturing companies is good	Core Statement
If skills were better and productivity higher, performance of manufacturing companies could even be better	
Our Industry is well positioned. We have good access to infrastructure such as roads, seaport and airports. There is not too much influence by external factors.	Statement ZA-11-03
The interviewee states that the manufacturing industry in South Africa is well positioned. There is good access to domestic and international transport networks and the influence from external factors is balanced.	Interpretation
Manufacturing industry in South Africa is well positioned; there is good access to domestic and international transport networks and influence from external factors is balanced	Core Statement
There was a major road upgrade for the soccer world cup in 2010 in the Gauteng Province. This upgrade has assisted us in being more productive. The drawback is the electronic toll system, which added costs. Only 20 per cent of users are paying. The break-even point is 60 per cent.	Statement ZA-11-04
The interviewee states that the road upgrade in 2009 / 2010 allowed companies to make use of better transport services and increased their performance. However, the costs of road upgrades are much higher than the revenues from toll fees. Only 20 percent of road users pay for usage.	Interpretation

Road upgrade in 2009 / 2010 allowed companies to make use of better transport services and increased their performance	Core Statement
Costs of road upgrades are much higher than revenues from toll fees; only 20 percent of road users pay for usage	
South Africa's manufacturing sector is highly reliant on industrial actions such as labour force unrest. The union environment does not get the economics right. We have very fair labour laws, but employees want more. Due to their low education, it is difficult to sway them. In Europe, there is labour strike for two days, in South Africa for two weeks. From an international manufacturing point of view, would you place manufacturing operations in South Africa? Only in case of rebates and tax incentives. There was an increase in industrial actions during the last few years.	Statement ZA-11-05
The interviewee states that although labour laws are already biased towards employees, employees and labour unions place even higher demands. There was an increase in labour strikes during recent years. The duration of labour strikes is much higher than in other countries and continents. Frequent labour strikes and excessively increasing labour costs create an unfavourable environment for foreign companies, which consider setting up a manufacturing location in South Africa. Only by means of subsidies, a location in South Africa becomes an alternative.	Interpretation
Although labour laws are already biased towards employees, employees and labour unions place even higher demands	Core Statement
There was increase in labour strikes during recent years; duration of labour strikes is much higher than in other countries and continents	
Frequent labour strikes and excessively increasing labour costs create unfavourable environment for foreign companies, which consider setting up manufacturing location in South Africa	



Only by means of subsidies location in South Africa becomes alternative	
Automation in the manufacturing industry is a weakness. Automation technology is expensive compared to labour and has high entry barriers. There are costs from overseas. Small and medium companies rather employ labour, although labour has a high risk of strike. Only large-scale vehicle manufacturers buy automation. If you are optimistic about it, there is an opportunity to produce it itself.	Statement ZA-11-06
The interviewee states that despite the frequent risk and costs of labour strikes, the manufacturing industry in South Africa does not make much use of automation technology. Whilst automation technology comes with significant entry barriers in terms of costs of investment into foreign automation technology, labour comes with the risk of labour strikes and resulting costs. Small and medium companies tend to employ people instead of investing in automation technology. There could be a domestic demand for automation technology from South Africa.	Interpretation
Despite frequent risk and costs of labour strikes manufacturing industry in South Africa does not make much use of automation technology	Core Statement
Whilst automation technology comes with significant entry barriers in terms of costs of investment into foreign automation technology, labour comes with risk of labour strikes and resulting costs; small and medium companies tend to employ people instead of investing in automation technology	
There could be domestic demand for automation technology from South Africa	
We do not have the skills to run sophisticated businesses, at least many small and medium enterprises face it. For instance, basic specialised knowledge gets over the head of 90 per cent	Statement ZA-11-07

of the population. We could do so much more if we had better educated people.	
The interviewee states that there is a lack of skilled labour to run advanced businesses. Especially small and medium sized companies are affected. If companies were adequately equipped with skilled labour, they could perform much better.	Interpretation
There is lack of skilled labour to run advanced businesses; especially small and medium sized companies are affected	Core Statement
If companies were adequately equipped with skilled labour, they could perform much better	
The political situation and influence is causing an erosion in investor confidence, along with the depreciation of the currency and recent land reforms in mines, farms, property, enterprises. Before 1994, the minority suppressed the majority; now they want to run the show, it is understandable. However, political parties have overcommitted to the majority what they can deliver on. Who is going to pay for it? Over-commitment is sucking up money from electricity, road, dams and water as well as internet infrastructure. The taxation increases. A massive issue around this is increasing corrupt behaviour. This has in effect on investor confidence. This is a difficult environment for manufacturing companies. The risk to put money into South Africa is becoming higher.	Statement ZA-11-08
The interviewee states that after years of oppression of large parts of the population, it is understandable that the population now wants to participate socially, politically and economically. However, the government made promises in some areas, which can only fulfilled at the expense of other critical areas such as road, electricity and water infrastructure. In order to raise the necessary funds, there is a need for an increase in taxes. In light of the willingness to participate, corruption is increasing. The value of the local currency depreciated. Changes in property	Interpretation

rights of assets cause uncertainty. All these factors worsen the attractiveness of South Africa as an investment location. Companies circumvent business risks by investing in other countries.	
After years of oppression of large parts of population, it is understandable that population now wants to participate socially, politically and economically; however, government made promises in some areas which can only fulfilled at expense of other critical areas such as road, electricity and water infrastructure; to raise necessary funds, there is need for increase in taxes	Core Statement
In light of willingness to participate, corruption is increasing	
Value of local currency depreciated	
Changes in property rights of assets cause uncertainty	
All these factors worsen attractiveness of South Africa as investment location; companies circumvent business risks by investing in other countries	
There is change. For the first year of democracy, there is competition for a political party. The biggest competition is gaining more momentum.	Statement ZA-11-09
The interviewee states that for the first time since democracy in South Africa, there is competition among political parties and the opposition is enjoying greater popularity. Changes in the political system are taking place. By making this statement, the interviewee indicates that large parts of the population revise their former opinion and electoral behaviour.	Interpretation
For first time since democracy in South Africa there is competition among political parties and opposition is enjoying greater popularity; changes in political system are taking place	Core Statement
Large parts of population revise their former opinion and electoral behaviour	

Manufacturing costs are going up because of higher taxation, lower productivity and high inflation in workforce wages. South African wages diverge to industrialised countries, but productivity does not keep up. We need to start automation or get rid of social unrest.	Statement ZA-11-10
The interviewee states because of increasing taxes and increasing labour as well as unit labour costs, costs of manufacturing are increasing. Because labour costs increase disproportionately compared to labour productivity, labour unit costs are diverging between South Africa and industrialised countries. In order to prevent further cost increases, the use of more automation technology in manufacturing or a reduction in the frequency of labour strikes is necessary.	Interpretation
Because of increasing taxes and increasing labour costs as well as unit labour costs, costs of manufacturing are increasing	Core Statement
Because labour costs increase disproportionately compared to labour productivity, unit labour costs are diverging between South Africa and industrialised countries	
To prevent further cost increases, use of more automation technology in manufacturing or reduction in frequency of labour strikes is necessary	
There are great opportunities in the supply chain, for instance we can learn from world-class companies in terms of efficiency and technology. There is a need for improvement in training and education. There is a need for more bilateral, relaxed labour laws, a shift to the employer.	Statement ZA-11-11
The interviewee states there are great opportunities to increase supply chain performance. In order to put this into action, there is a need for improvements in education and training as well as a shift in labour laws towards employers. There is a need for more direct agreements between employers and employees, instead of employers and labour unions.	Interpretation

There are great opportunities to increase supply chain performance	Core Statement
To put this into action, there is need for improvements in education and training as well as shift in labour laws towards employers	
There is need for more direct agreements between employers and employees, instead of employers and labour unions	
South Africa requires stability and unification of the three major sectors: Labour force, public sector and private sector. The lacking critical public sector leadership and instability between these three sectors is putting off foreign direct investment and further re-investment of private funds into the economy and subsequently manufacturing sectors. Many companies are moving away from local manufacturing and look to trade in imported products, given the risks involved with buying expensive capital equipment that would only be paid off in several years to come.	Statement ZA-11-12
The interviewee states that there is a need for unification between the public sector, labour sector and private sector. The lack of public leadership and strained relations between the three sectors create business uncertainty and hinders private re-investment. Against the background of significant business uncertainty and long payback periods of investments in machinery and equipment, companies rather import goods than put their finance at risk.	Interpretation
There is need for unification between the public sector, labour sector and private sector	Core Statement
Lack of public leadership and strained relations between three sectors create business uncertainty and hinders private re-investment	

Against background of significant business uncertainty and long payback periods of investments in machinery and equipment, companies rather import goods than put their finance at risk	
Actions of improvement comprise a stabilisation of labour market and reduction in labour unrest, improvements in the education standards, i.e. raising the standards of institutions and teachers, a relaxation of labour laws with regard to dismissing incompetent staff as well as governmental schemes that can assist companies to invest in capital-intensive infrastructure through tax rebates and subsidies. The country needs to readress the BBBEE charter and discrimination that such a plan is bringing. This policy is affecting established companies that are driving the manufacturing and related industries.	Statement ZA-11-13
The interviewee names the following actions: First, there is a need for a stabilisation of the labour market by means of a reduction of industrial actions. Second, there is a need for an increase in the quality of education by means of higher quality standards of education entities and teachers. Third, there is a need for relaxed labour laws that make it easier for employers to dismiss inadequate employees. Fourth, there is a need for public programmes to facilitate private company investments in capital infrastructure. Fifth, there is a need for an elimination of unreasonable disadvantages that the affirmative action programme places on established companies.	Interpretation
There is need for stabilisation of labour market by means of reduction of industrial actions	Core Statement
There is need for increase in quality of education by means of higher quality standards of education entities and teachers	
There is need for relaxed labour laws that make it easier for employers to dismiss inadequate employees	
There is need for public programmes to facilitate private company investments in capital infrastructure	

There is need for elimination of unreasonable disadvantages that affirmative action programme places on established companies	
Both the public, private and labour sector have a significant role to play in getting this to work. The lead would need to come from the government.	Statement ZA-11-14
The interviewee states that the government is responsible for guiding actions, albeit the public, private as well as labour sectors play a role in its implementation.	Interpretation
Government is responsible for guiding actions, albeit public, private as well as labour sectors play role in its implementation	Core Statement
The country lacks leadership at a governmental level. Widespread corruption and incompetence has radically eroded investor confidence and brought instability in the social sector. Without clear leadership through well-educated leaders, we will struggle to turn the trend the other way.	Statement ZA-11-15
The interviewee states that obstacles may come from a continued lack of leadership at the government. In the recent past, the lack of a determined leadership yielded political, economic and social uncertainty. There is a need for a resolute leadership at the government to reclaim political, economic and social stability.	Interpretation
Obstacles may come from continued lack of leadership at government; in recent past, lack of determined leadership yielded political, economic and social uncertainty	Core Statement
There is need for resolute leadership at government to reclaim political, economic and social stability	
There are some good practices with regard to lower levels of corruption, more liberal labour policies supporting job creation and a strong public and private sector relationship.	Statement ZA-11-16

The interviewee states that there are good examples of lower levels of corruption, labour laws that facilitate job creation and strong public-private relations.	Interpretation
There are good examples of lower levels of corruption, labour laws that facilitate job creation and strong public-private relations	Core Statement

### Interviewee 12

Interviewee number twelve, a researcher at a university in South Africa, made the following statements:

There are many innovations in supply chains in South Africa, e.g. efficiency increases in container movements.	Statement ZA-12-01
The interviewee states that there have been various improvements in supply chains in South Africa, for instance increases in the efficiency of (un-)loading of container vessels.	Interpretation
There have been various improvements in supply chains in South Africa, e.g. increases in efficiency of (un-)loading of container vessels	Core Statement
There are many innovations, e.g. in the collaboration among freight forwarders to reduce empty transport legs resulting from unbalanced transports. Companies are still afraid of losing their competitive advantage; but in the end, this would bring a more effective solution for all.	Statement ZA-12-02
The interviewee states that there have been improvements in collaboration among freight forwarders to reduce empty returns.	Interpretation
There have been improvements in collaboration among freight forwarders to reduce empty returns	Core Statement



Manufacturing locations are centralised, clustered around resources throughout South Africa. However, branch output is often reported by headquarters, which suggests a higher concentration than can actually be found. Most companies are located in the Gauteng Province.	Statement ZA-12-03
The interviewee states that manufacturing locations show a high degree of geographical centralisation in South Africa. Manufacturing locations cluster around sources of supply. However, figures on the concentration of manufacturing locations overstate the degree of concentration, since for reporting reasons local value add is summarised under headquarters' account.	Interpretation
Manufacturing locations show high degree of geographical centralisation in South Africa; manufacturing locations cluster around sources of supply	Core Statement
However, figures on concentration of manufacturing locations overstate degree of concentration, since for reporting reasons local value add is summarised under headquarters' account	
South Africa is the most economically and politically stable country in Africa.	Statement ZA-12-04
The interviewee states that South Africa is the most politically and economically stable country on the African continent.	Interpretation
South Africa is most politically and economically stable country on African continent	Core Statement
There is a tax on imported cars; the government has put in place measures that prevents importing of second hand cars to protect the car industry in South Africa.	Statement ZA-12-05
The interviewee states that there are public policies that are intended to protect the local vehicle manufacturing industry.	Interpretation
There are public policies that are intended to protect local vehicle manufacturing industry	Core Statement

I fear a deterioration in the labour market. It is very difficult to hire people, to some extent an overprotection of workers. The unions have a lot of power. This leads to uncertainty and has implications such as costs in the motor and mining industry. In the mining industry, there were strikes with the aim of achieving very high salary increases.	Statement ZA-12-06
The interviewee states that employees enjoy a high protection from labour law and labour unions are very powerful. The high degree of protection makes hiring of new employees more difficult. Labour union power creates uncertainty and costs for industries, such as the automobile and mining industry.	Interpretation
Employees enjoy high protection from labour law and labour unions are very powerful	Core Statement
High degree of protection makes hiring of new employees more difficult	
Labour union power creates uncertainty and costs for industries, such as automobile and mining industry	
Macroeconomic factors influence the prosperity and attractiveness of the economy. The devaluation of the currency makes imports expensive and increases production costs. Companies have to charge higher prices but that makes them uncompetitive.	Statement ZA-12-07
The interviewee states that the sustained weakness of the currency of South Africa increases costs of import goods and makes products costlier in the domestic market. Higher costs of imports increase the costs of local production and reduce the attractiveness of manufacturing locations in South Africa.	Interpretation
Sustained weakness of currency increases costs of import goods and makes products costlier in the domestic market	Core Statement

Higher costs of imports increase costs of local production and reduce attractiveness of manufacturing locations in South Africa	
The geographical location is a weakness. Transport costs are high, the country is far away from main markets. South Africa is always one foot behind.	Statement ZA-12-08
The interviewee states that because of the distance to main foreign markets and the resulting transport costs, the geographical location of the country puts the country at a disadvantage.	Interpretation
Because of distance to main foreign markets and resulting transport costs, geographical location of country puts country at disadvantage	Core Statement
The fuel price increased due to the decrease of the South African Rand. Although the oil price is relatively low, fuel price is still high. The economic conditions affect the operational business.	Statement ZA-12-09
The interviewee states that despite the low oil price, the weakness of the currency of South Africa makes fuel expensive. This increases costs for local businesses.	Interpretation
Despite low oil price, weakness of currency of South Africa makes fuel expensive; this increases costs for local businesses	Core Statement
There are lots of opportunities; South Africa is still the gateway to Africa.	Statement ZA-12-10
The interviewee states that South Africa is still the gateway to the African continent.	Interpretation
South Africa is still gateway to African continent	Core Statement
The main challenge is the agglomeration of manufacturing locations. Where nothing happens, nothing will continue to happen.	Statement ZA-12-11

The government needs to ensure that even small towns are renowned for certain industries, as it is the case in European countries. The government should encourage municipalities to push economic diversification at provincial level by providing a feasible environment.	
The interviewee states that the main challenge of the location is the high geographical concentration. The national government should create incentives that allow federal governments to attract companies and thereby increase economic diversification.	Interpretation
Main challenge of location is high geographical concentration	Core Statement
National government should create incentives that allow federal governments to attract companies and thereby increase economic diversification	
First of all, let all the interests get together, in order to understand that there is a potential benefit. The government has to provide the enabling environment that will make businesses to locate in these less agglomerated regions. First, the politics have to be right. Second, effects of the politics on the economy have to be stabilised, i.e. the inflation and the currency exchange rate. Only if companies see positive perspectives they will invest, otherwise the risk is higher.	Statement ZA-12-12
The interviewee states that first of all, it is necessary to bring all the relevant stakeholders together and to ensure that there is an understanding of the locational advantages. The government is responsible for providing the regulatory environment to make companies locate in less economically agglomerated areas. The government needs to stabilise the political situation with its impact on the economy through the inflation and currency exchange rate. Companies are only willing to invest if the foreseeable risk is likely to pay off.	Interpretation

First of all it is necessary to bring all relevant stakeholders together and to ensure that there is understanding of locational advantages	Core Statement
Government is responsible for providing regulatory environment to make companies locate in less economically agglomerated areas	
Government needs to stabilise political situation with its impact on economy through inflation and currency exchange rate	
Companies are only willing to invest if foreseeable risk is likely to pay off	
The government would have to be the driver and has to put incentives in place. They need to make the businesses fully understand the potential and benefits.	Statement ZA-12-13
The interviewee states that the government is responsible for putting the regulatory environment in place that makes companies wanting to locate in less agglomerated areas. The government needs to ensure that companies understand the potential benefits of a location in a specific area.	Interpretation
Government is responsible for putting regulatory environment in place that makes companies wanting to locate in less agglomerated areas	Core Statement
Government needs to ensure that companies understand potential benefits of location in specific area	
The culture and law are obstacles. Labour unions should not overturn. People know, for things to change they need to strike. This will not change overnight. The development of labour unions is also a result of how the independence has been obtained. Revolutions brought the independence.	Statement ZA-12-14
The interviewee states that the power of labour unions may represent an obstacle. Their power represents a risk with regard to	Interpretation

labour costs and industrial action. The power of labour unions is a result of how the majority of the population became independent – rebellions brought a change in the political and economic system.	
Power of labour unions may represent obstacle; their power represents risk with regard to labour costs and industrial action	
Power of labour unions is result of how majority of population became independent – rebellions brought change in political and economic system	Core Statement

### Interviewee 13

Interviewee number 13, a head of organisation at an ocean freight forwarder and carrier in South Africa, made the following statements:

Early British pioneers transported minerals from the mines to the seaports. The infrastructure was developed to bring resources to the hinterland. Between 1961 and 1994 a lot of infrastructure was built. The country inherited a very good infrastructure from the previous government, including transport, electrical, telecommunication and banking infrastructure.	Statement ZA-13-01
The interviewee states that as early as around 1900 there was a need for transport infrastructure between the mines and the ports. During the apartheid period, significant investments were made in infrastructure, including transport, energy, telecommunications and banking infrastructure. The state of the infrastructure of South Africa was very good upon transition to the new political and economic system.	Interpretation
As early as around 1900 there was need for transport infrastructure between mines and ports. During apartheid period, significant investments have been made in infrastructure, including transport, energy, telecommunications and banking infrastructure	Core Statement

State of infrastructure of South Africa was very good upon transition to new political and economic system	
Since independence in 1994, the focus of the government has been on infrastructure for black people, like roads, housing and electricity. Governmental spending on infrastructure renewal such as power stations has not been a priority. Mines were asked to reduce their demand for electricity. In 2010, there was a power crunch; exports went down; demand for mineral goods from China and India was still high. Exploration costs increased, mines shut down and made redundancies. Labour unions tried to manipulate the mines. The combined effects formed a perfect storm.	Statement ZA-13-02
The interviewee states that after 1994, the main emphasis of public investment has been on residential infrastructure for the previously disadvantaged population. Other critical infrastructure, such as electricity for the industry, has been neglected. In 2010, despite still high foreign demand for mining commodities, shortages in electricity supply forced the mines to slow down, increased the costs of exploration and led to redundancies. Deficiencies in economic infrastructure had a significant impact on the economic situation of South Africa.	Interpretation
After 1994 main emphasis of public investment has been on residential infrastructure for previously disadvantaged population; other critical infrastructure such as electricity for industry has been neglected	Core Statement
In 2010 despite still high foreign demand for mining commodities shortages in electricity supply forced mines to slow down, increased costs of exploration and led to redundancies	
Deficiencies in economic infrastructure had significant impact on economic situation of South Africa	

The mineral exports have created an infrastructure around. For instance power stations in Witbank due to the availability of coal. 60 per cent of South Africa’s power stations are located there.	Statement ZA-13-03
The interviewee states that the availability and export of mineral resources, such as coal, allowed the country to build up infrastructure, such as electrical infrastructure.	Interpretation
Availability and export of mineral resources such as coal allowed country to build up infrastructure such as electrical infrastructure	Core Statement
The government policy, in particular black economic empowerment is a weakness. Less capable people get into positions at the government and there is no accountability for their performance.	Statement ZA-13-04
The interviewee states that the affirmative action programme leads to inadequate staffing decisions at the government and there is no accountability for performance delivery. By making this statement, the interviewee indicates that the design of the affirmative action programme negatively effects the performance of the government and economy.	Interpretation
Affirmative action programme leads to inadequate staffing decisions at government and there is no accountability for performance delivery	Core Statement
Design of affirmative action programme negatively effects performance of government and economy	
Since 1994, more than 10,000,000 people have moved from low income to middle class. There is a growing middle class of black people. New graduates have better qualifications; but this is only a slight layer. 10 per cent of the total mass of 500,000 school leavers per annum come out well educated; the other – you cannot employ them. The government has lowered the	Statement ZA-13-05



level, the pass mark from 50 to 30. There is an improvement, but it will probably take a generation to get a strong middle class.	
The interview states that there is progress in education and economic wealth, especially in the group of previously disadvantaged people. At the same time, the share of adequately educated school graduates is insufficient. Still too many graduates do not meet the requirements of the labour market. It will take many years until the country will have a considerable middle class.	Interpretation
There is progress in education and economic wealth, especially in group of previously disadvantaged people	Core Statement
At same time share of adequately educated school graduates as insufficient; still too many graduates do not meet requirements of labour market	
It will take many years until country will have considerable middle class	
The government is trying to enforce black economic empowerment. Take for instance the example of a mine: Over 25 per cent of the shares and the dividends went to previously disadvantaged shareholders. After five years, those shareholders cashed out and suddenly the mine does not comply with BEE anymore but has lost shares. This will not work with large multinational companies. The question whether “Once empowered – always empowered” holds true is currently addressed by the constitutional court. Small companies are coming under the same pressure as large companies. There is business uncertainty. Investors do not invest anymore. New foreign direct investment is not happening. South African companies who have money to invest do not invest in South Africa, but abroad.	Statement ZA-13-06
The interviewee states that the government is willing to enforce its affirmative action programme. The design of the affirmative	Interpretation

<p>action programme places an excessive and unsustainable burden on companies, especially on small companies. In contrast to small companies, which almost have no choice, large multinational companies refuse to comply. Because of the risk, foreign companies do not make new investment in South Africa and local companies rather invest in abroad. The design of the affirmative action programme may not only temporarily but sustainably impede local and foreign investment in South Africa and does more harm than good to the economy.</p>	
<p>Government is willing to enforce its affirmative action programme</p>	Core Stateme
<p>Design of affirmative action programme places excessive and unsustainable burden on companies, especially on small companies; in contrast to small companies which almost have no choice large multinational companies refuse to comply</p>	
<p>Because of risk foreign companies do not make new investment in South Africa and local companies rather invest in abroad</p>	
<p>Design of affirmative action programme may not only temporarily but sustainably impede local and foreign investment in South Africa and does more harm than good to economy</p>	
<p>Unlike in Europe there is no competition; all seaports are publicly owned. Their tariff increase is above the annual inflation rate. All South African ports rank among the most expensive ports, what reduces trade. For instance, container dues for the use of the port – that is an indirect tax.</p>	Statement ZA-13-07
<p>The interviewee states that there is no competition among ports in South Africa. This stands in stark contrast to the competitive situation of ports in Europe, where ports compete against each other. At an international comparison, port charges and their annual increase are high in South Africa. High port charges have a similar effect as an import tax – high port charges inhibit trade. All ports in South Africa are publicly owned. By making these</p>	Interpretation

statements, the interviewee indicates that the lack of competition and sole public ownership contributes to high port charges.	
There is no competition among ports in South Africa; this stands in stark contrast to competitive situation of ports in Europe where ports compete against each other	Core Statement
At international comparison port charges and their annual increase are high in South Africa; high port charges have similar effect as import tax – high port charges inhibit trade	
All ports in South Africa are publicly owned; lack of competition and sole public ownership contributes to high port charges	
Ports in South Africa are losing its competitive relevance compared to international standards and the productivity is lower than of its benchmarks. For instance 27 - 30 container moves per hour on gantry cranes is far below European seaports.	Statement ZA-13-08
The interviewee states that ports in South Africa are falling behind in terms of performance compared to international benchmarks. For instance, (un-)loading performance of port cranes is far below of European ports.	Interpretation
Ports in South Africa are falling behind in terms of performance compared to international benchmarks; e.g. (un-)loading performance of port cranes is far below of European ports	Core Statement
From a geographical perspective, South Africa is well located at the South America – Asia route.	Statement ZA-13-09
The interviewee states that South Africa is geographically well located at the maritime transport route between the South American and the Asian continent.	Interpretation
South Africa is geographically well located at maritime transport route between South American and Asian continent	Core Statement

For a vessel to pass the Suez Canal, it costs 200,000 US \$, one passage. To pass Africa via the Cape of Good Hope its costs five days of extra steaming.	Statement ZA-13-10
The interviewee states that although there are alternative routes for maritime transport between America and Asia, such as the Suez Canal, the amount of canal charges may make it economically advantageous to pass Africa via the southern tip of Africa.	Interpretation
Although there are alternative routes for maritime transport between America and Asia, such as Suez Canal, amount of canal charges may make it economically advantageous to pass Africa via southern tip of Africa	Core Statement
Port Elizabeth has lost business to Ngqura due to the draft limit in Port Elizabeth. The draft limit in Port Elizabeth is less than 14 meters, whilst in Ngqura it is more than 14 meters.	Statement ZA-13-11
The interviewee states that there are deteriorations in the competitive position of the port of Port Elizabeth, due to the limited draft and alternative ports with higher draft, such as the port of Ngqura.	Interpretation
There are deteriorations in competitive position of port of Port Elizabeth, due to limited draft and alternative ports with higher draft such as port of Ngqura	Core Statement
The government is employing more black people; however, there is a tendency to put people into positions where they do not have the competencies. The black economic empowerment is effecting all spheres of the government. The productivity of ports is decreasing more and more.	Statement ZA-13-12
The interviewee states that because of the design of the affirmative action programme, people get into positions at the government, which exceed their qualifications. This has negative effects on port performance as well. The productivity of ports in South Africa is decreasing.	Interpretation

Because of design of affirmative action programme people get into positions at government which exceed their qualifications	Core Statement
This has negative effects on port performance as well; productivity of ports in South Africa is decreasing	
Ports in South Africa do not have weaknesses compared to other ports on the African continent. South Africa is well developed. Compared to Asia, work ethics and education is higher in Singapore.	Statement ZA-13-13
The interviewee states that ports in South Africa are well developed and do not have any weaknesses compared to ports in other African countries. However, ports in South Africa do not keep up with port performance in Asia. For instance, work ethics and education is higher in Singapore than in South Africa.	Interpretation
Ports in South Africa are well developed and do not have any weaknesses compared to ports in other African countries	Core Statement
However, ports in South Africa do not keep up with port performance in Asia; e.g., work ethics and education is higher in Singapore than in South Africa	
Due to the geographical position, South Africa is a transshipment hub. Nonetheless, because of high port costs vessels went to Mauritius.	Statement ZA-13-14
The interviewee states that because of their geographical location, ports in South Africa serve as transshipment hubs. However, because of high port charges, shipping lines moved to less cost-intensive hubs. Ports in South Africa lost business.	Interpretation
Because of their geographical location, ports in South Africa serve as transshipment hubs; however, because of high port charges, shipping lines moved to less cost-intensive hubs; ports in South Africa lost business	Core Statement

<p>The best area to start would be to increase productivity in the ports and to reduce port tariffs, thereby making shipping lines to increase the frequency. Currently, there is no real competition, only with the port of Walvis Bay and Maputo. The Maputo port tariffs are similar to Durban. Walvis Bay will redirect cargo from Cape Town, if they play the cards right.</p>	<p>Statement ZA-13-15</p>
<p>The interviewee states that actions to improve port performance should start with productivity increases and reductions in port charges. This would make shipping lines to increase their port calls in South Africa. There is no considerable competition among ports in South Africa. Only the port of Walvis Bay and the port of Maputo represent alternatives to ports in South Africa. Port charges in Durban and Maputo are similar. The port of Walvis Bay may become a serious competitor to the port of Cape Town, provided the port is developed according to the market demand.</p>	<p>Interpretation</p>
<p>Actions to improve port performance should start with productivity increases and reductions in port charges; this would make shipping lines to crease their port calls in South Africa</p>	<p>Core Statement</p>
<p>There is no considerable competition among ports in South Africa; only port of Walvis Bay and port of Maputo represent alternatives to ports in South Africa</p>	
<p>Port charges in Durban and Maputo are similar</p>	
<p>Port of Walvis Bay may become serious competitor to port of Cape Town provided port is developed according to market demand</p>	
<p>Instead of total state-ownership, Transnet should enter in public-private partnerships, e.g. Dubai Ports or APM ports. This would bring a commercial aspect into seaports in South Africa.</p>	<p>Statement ZA-13-16</p>
<p>The interviewee states that in contrast to the sole public ownership, ports in South Africa should be owned and run as public-</p>	<p>Interpretation</p>

private partnerships, for instance in cooperation with a major international port operator. Participation of the private sector would bring a commercial aspect into their business. By making this statement, the interviewee indicates that there is a need for an intensified focus on needs and demand of the market.	
In contrast to sole public ownership, ports in South Africa should be owned and run as public private partnerships, e.g. in cooperation with major international port operator	Core Statement
Participation of private sector would bring commercial aspect into their business; there is need for intensified focus on needs and demand of market	
The Department of Trade and Industry, with all public Enterprises below. The DTI is the stakeholder in all state-owned enterprises.	Statement ZA-13-17
The interviewee states that the Department of Trade and Industry with its subordinate state-owned enterprises is responsible for taking actions for improvements.	Interpretation
Department of Trade and Industry with its subordinate state-owned enterprises is responsible for taking actions for improvements	Core Statement
Political will. There is a strong influence by the South African communist party. That is why they are reluctant to give up power. They are self-defeating and do not make ports attractive for foreign investment.	Statement ZA-13-18
The interviewee states that obstacles may come from the willingness of the current government to maintain complete power and control over ports and resulting unwillingness to let the private sector exert influence.	Interpretation
Obstacles may come from willingness of current government to maintain complete power and control over ports and resulting unwillingness to let private sector exert influence	Core Statement

Mombasa port has given equity to private companies.	Statement
In Maputo, Dubai Ports is a shareholder in the terminal.	ZA-13-19
The interviewee states that there are examples of private sector participation in ports on the African continent, for instance in the port of Maputo and port of Mombasa.	Interpretation
There are examples of private sector participation in ports on the African continent e.g. in port of Maputo and port of Mombasa	Core Statement

#### Interviewee 14

Interviewee number 14, a researcher at a university in South Africa, made the following statements:

At the moment, three fourths of the gross domestic product in southern Africa is generated by South Africa; this will change by 2050 when South Africa will only generate one fourth of the gross domestic product.	Statement ZA-14-01
The interviewee states that the county currently generates 75 per cent of the GDP of the southern African region. By 2050, this number will shrink to 25 per cent. By making this statement, the interviewee indicates that the relative importance of other economies in southern Africa will increase and the importance of and reliance on the economy of South Africa will decrease.	Interpretation
Country currently generates 75 per cent of GDP of southern African region; by 2050, this number will shrink to 25 per cent; relative importance of other economies in southern Africa will increase and importance of and reliance on economy of South Africa will decrease	Core Statement
Other corridors are becoming more important, for instance corridors through Angola, Tanzania and Mozambique.	Statement ZA-14-02



The interviewee states that whilst transport corridors through South Africa are becoming less important, transport corridors through Angola, Tanzania and Mozambique are becoming more important.	Interpretation
Whilst transport corridors through South Africa are becoming less important, transport corridors through Angola, Tanzania and Mozambique are becoming more important	Core Statement
Because of the high distances, domestic transport costs are an issue. In geographically similar countries like Australia and Brazil, the major industrial centres are located at the coast. The transport kilometres per produce of gross domestic product are too high. On the demand side of transport, the country needs to rearrange economic centres to the coast, by means of special economic zones such as in Saldanha, Coega or the Dube Trade port. On the supply side of transport, we need a modal shift and what remains on road needs to be efficient. Because of the high distances, small improvements in efficiency have large effects.	Statement ZA-14-03
The interviewee states that high transport distances are a weakness of South Africa. Whilst in geographically similar countries, major economic centres are located at the coast, in South Africa major economic centres are located at the interior of the country. High transport distances cause high transport costs. To alleviate these effects, actions for improvement should target at the location of origins and destinations of cargo as well as at transport performance. On the one hand, new economic centres should be located at the coast. On the other hand, freight should be shifted from road to rail transport and road transport needs to be made more efficient.	Interpretation
High transport distances are weakness of South Africa; whilst in geographically similar countries, major economic centres are located at coast, in South Africa major economic centres are located at interior of country	Core Statement

High transport distances cause high transport costs	
To alleviate these effects, actions for improvement should target at location of origins and destinations of cargo as well as at transport performance	
On one hand new economic centres should be located at coast	
On other hand freight should be shifted from road to rail transport and road transport needs to be made more efficient	
The policy environment for transport is extremely poor. The Department of Transport is inefficient and there is no guidance. The policy environment is not conducive at all.	Statement ZA-14-04
The interviewee states that public policies are not conducive for transport performance. There is a lack of guidance from the Department of Transport. The Department of Transport is not efficient enough.	Interpretation
Public policies are not conducive to transport performance	Core Statement
There is lack of guidance from Department of Transport	
Department of Transport is not efficient enough	
25 per cent of trade costs result from inefficiencies at the port. These inefficiencies arise on the seaside, namely the time before the vessel enters the port and the turnaround time, as well as on the landside, namely time before trucks enter the port and the waiting time. Port inefficiencies are even higher than what we pay the port for.	Statement ZA-14-05
The interviewee states that a significant share of trade costs results from inefficiencies in transport and transshipment. On the one hand, inefficiencies arise on the seaside, i.e. the time before vessels enter the port and the turnaround time within the port. On the other hand, inefficiencies arise on the landside, i.e. the time before lorries enter the port and the waiting time within the port.	Interpretation

Significant share of trade costs results from inefficiencies in transport and transshipment	Core Statement
On one hand inefficiencies arise on seaside i.e. time before vessels enter port and turnaround time within port	
On other hand inefficiencies arise on landside i.e. time before lorries enter port and waiting time within port	
It is not only rail transport that makes use of transshipment; road transport makes use of transshipment too. For instance, neither road nor rail is directly transported from Cape Town to Johannesburg. It is not only rail transport that is subject to theft; road transport is affected as well.	Statement ZA-14-06
The interviewee states that the argument that only rail transport is interrupted by necessary transshipment does not hold true. On long distances, road transport makes use of transshipment as well. The same applies to theft during transport. Not only rail transport is subject to theft, but road transport as well.	Interpretation
Argument that only rail transport is interrupted by necessary transshipment does not hold true; on long distances road transport makes use of transshipment as well	Core Statement
Not only rail transport is subject to theft but road transport as well	
For rail, there is a general rule of thumb. For distances up to 500 kilometres, road is the preferred mode of transport. For distances above 600 kilometres, rail is the preferred mode of transport. From 1000 kilometres on, it is more or less impossible for road transport to be cheaper than rail transport.	Statement ZA-14-07
The interviewee states that on distances higher than 600 kilometres, rail transport becomes the most cost-efficient mode of transport and on distances above 1000 kilometres, rail transport is usually the most cost-efficient mode of transport.	Interpretation

On distances higher than 600 kilometres rail transport becomes most cost-efficient mode of transport and on distances above 1000 kilometres rail transport is usually most cost-efficient mode of transport	Core Statement
The phase of the deterioration began in 1985 with the De Villiers report, which recommended because of enough capacity the government should not invest in rail infrastructure. In 1990, the rail transport market has been deregulated and other countries invested heavily. In the mid-1990s, when the new government took over, qualified people were replaced by ineffective people at the management level. This changed in 2005 when Maria Ramos led Transnet. She started thinking about Transnet differently. The current problem of rail transport is not about service, it is about tariffs.	Statement ZA-14-08
The interviewee states that between 1985 and about 2005, rail transport performance deteriorated. In 1985, because of adequate rail transport capacity the government decided to omit investments in rail transport infrastructure. In 1990, the rail transport market was deregulated. Other countries invested in their rail transport system, whilst rail transport in South Africa stagnated. In the mid-1990s, in the course of change of the political and economic system, insufficiently qualified people were put into positions at the management level of the rail transport company. It was only in 2005 when the new chief executive officer started to embark on a new strategy. Today, the problem is not about transport service but rather about tariffs.	Interpretation
Between 1985 and about 2005, rail transport performance deteriorated	Core Statement
In 1985 because of adequate rail transport capacity government decided to omit investments in rail transport infrastructure	

In 1990, rail transport market was deregulated; other countries invested in their rail transport system, whilst rail transport in South Africa stagnated	
In mid-1990s in course of change of political and economic system, insufficiently qualified people were put into positions at management level of rail transport company	
It was only in 2005 when new chief executive officer started to embark on new strategy	
Today problem is not about transport service but rather about tariffs	
First, the locomotives need to be improved. Second, the service and equipment need to be improved. The rail transport company should not do the design of services; they should just push the waggons. The government needs to become a wholesaler and integrate with major logistics companies. The government does not have a choice. They will be intermediated between the rail transport company and clients. Moreover, they need to drop their tariffs; they do not understand their tariff structure well.	Statement ZA-14-09
The interviewee states that there is need for improvement in locomotives, services and equipment as well as tariffs. The rail transport company should become a mere transport operator; the government should become a wholesaler for broad range of transport solutions. The rail transport company has to lower their tariffs.	Interpretation
There is need for improvement in locomotives, services and equipment as well as tariffs	Core Statement
Transport company should become mere transport operator; government should become wholesaler for broad range of transport solutions	
Rail transport company has to lower their tariffs	

The strategy of the current CEO of Transnet is more or less what I was saying 20 years ago. Today, it is too late to turn things around.	Statement ZA-14-10
The interviewee states that although the objectives and actions of the new strategy are right, the timing is not; the new strategy came too late.	Interpretation
Although objectives and actions of new strategy are right, timing is not; new strategy came too late	Core Statement

### Interviewee 16

Interviewee number 16, a staff member at a logistics service provider in Namibia, made the following statements:

In logistics and manufacturing performance, South Africa is still the leading country in southern Africa. It is, however, in question for how long this will remain.	Statement ZA-16-01
The interviewee states that logistics and manufacturing performance in southern Africa is highest in South Africa. There are, however, doubts about the country's ability to keep its relative strength; it is only a question of time until other emerging countries will catch up. By making this statement, the interviewee indicates that the superior importance of the economy of South Africa in southern Africa is at risk.	Interpretation
Logistics and manufacturing performance in southern Africa is highest in South Africa	Core Statement
There are however doubts about country's ability to keep its relative strength; it is only question of time until other emerging countries will catch up	
Superior importance of economy of South Africa in southern Africa is at risk	

**Interviewee 31**

Interviewee 31, a staff member at a consultancy in South Africa, made the following statements:

<p>The state of logistics performance in South Africa is probably worse than the logistics performance index suggests. Our rail transport system is not living up to expectations. The rail transport operator does not provide a performance that invites potential customers to decide for rail transport. For this reason, logistics costs are higher. The economic geography of South Africa is different from other countries such as Angola, Mozambique or Brazil. Our main economic centre is 600 kilometers away from the coast. We first need to get our goods from the hinterland to the coast. That is a logistical competitive disadvantage.</p>	<p>Statement ZA-31-01</p>
<p>The interviewee states that the logistics performance of South Africa is not as good as a major indicator, the logistics performance index, suggests. This is because of the insufficient rail transport performance and resulting higher transport costs in South Africa. Rail transport performance does not meet the market requirements. The main economic centre, the Gauteng Province, is located far off the coast and thus far off maritime transport routes. In contrast, in other countries, such as Angola, Mozambique and Brazil main economic centres are located at the coast. To link up with maritime transport routes, there is a need for an additional 600 km transport. Its economic geography puts South Africa at a disadvantage.</p>	<p>Interpretation</p>
<p>Logistics performance of South Africa is not as good as major indicator, logistics performance index, suggests; this is because of insufficient rail transport performance and resulting higher transport costs in South Africa</p>	<p>Core Statement</p>
<p>Rail transport performance does not meet market requirements</p>	

Main economic centre Gauteng Province is located far off coast and thus far off maritime transport routes; to link up with maritime transport routes, there is need for an additional 600 km transport	
In contrast in other countries such as Angola, Mozambique and Brazil main economic centres are located at coast	
Its economic geography puts South Africa at disadvantage	
Our technology, such as IT systems and internet connectivity is well developed. Our financial system is very well developed. That means, we are able to fund large projects. Finance and funding is probably one of our best areas.	Statement ZA-31-02
The interviewee states that the information and communication system is well developed in South Africa. The country has a well-developed financial system that allows the country to fund large infrastructure projects. This significantly contributes to the supply chain performance of the country.	Interpretation
Information and communication system is well developed in South Africa	Core Statement
Country has well-developed financial system that allows country to fund large infrastructure projects	
This significantly contributes to supply chain performance of country	
Because labour unions are strong in South Africa, we cannot really compete in terms of labour costs. We have one big challenge in South Africa: Unemployment. Usually, we would expect that because many people are unemployed, we would have low labour costs. Because of the labour unions, the labour costs are actually high.	Statement ZA-31-03



The interviewee states that despite high unemployment in South Africa, labour costs are high in South Africa. Labour unions prevent balancing mechanisms between supply and demand for labour. High labour costs reduce the competitiveness of the economy.	Interpretation
Despite high unemployment in South Africa labour costs are high in South Africa	Core Statement
Labour unions prevent balancing mechanisms between supply and demand for labour	
High labour costs reduce competitiveness of economy	
Many large automobile producing companies are still assembling cars in South Africa, because we are competitive.	Statement ZA-31-04
The interviewee interviewee states that many automobile producing companies – an industry which is known for its high performance and reliance on a similarly performing environment – are after many years still producing vehicles in South Africa. Their adherence to South Africa is an indicator for the high performance of the economy of South Africa.	Interpretation
Many automobile producing companies – industry which is known for its high performance and reliance on similarly performing environment – are after many years still producing vehicles in South Africa	Core Statement
Their adherence to South Africa is indicator for high performance of economy of South Africa	
In most areas that affect supply chain performance, South Africa is taking the lead. Our economy is so much bigger than other economies.	Statement ZA-31-05
The interviewee states that many factors that determine supply chain performance are best in South Africa and the economy is much larger than the other economies in southern Africa.	Interpretation

Many factors that determine supply chain performance are best in South Africa and economy is much larger than other economies in southern Africa	Core Statement
Our transport networks are well developed and the best in southern Africa. Our warehousing services are good.	Statement ZA-31-06
The interviewee states that the road transport system of South Africa is well developed and road transport performance of South Africa is the highest in southern Africa. The performance of warehousing services is high.	Interpretation
Road transport system is well developed and road transport performance of South Africa is highest in southern Africa	Core Statement
Performance of warehousing services is high	
Improvements in road transport have to do with the regulation. There are some challenges with regard to overloading. That can be addressed by load accreditation programmes.	Statement ZA-31-07
The interviewee states that there are weaknesses in regulation of transport, in particular load regulation. Load accreditation programmes are a solution to address this issue.	Interpretation
There are weaknesses in regulation of transport in particular load regulation	Core Statement
Load accreditation programmes are solution to address this issue	
The issue of overloading is not so much with legislation, but enforcement. We have a good legislation, but we do not have good enforcement. We need better enforcement. All the weighbridges should be operational; sometimes not all the weighbridges work. We need to spend money to make sure all the weighbridges work 24 / 7. We need to make sure that fraud and corruption	Statement ZA-31-08

during traffic controls is prevented. This is not only a South African or African phenomenon. It is not a main issue, but one of the issues. Transport companies try to circumvent regulatory requirements such as load limitations.	
The interviewee states that the weakness in regulation of transport is the insufficient implementation. The necessary legislation exists, but there is an insufficient degree of enforcement. Transport companies try to circumvent regulatory requirements, such as load limitations. This is, however, not only an issue in South Africa or Africa. Actions for improvement would include implementation of continuous operations of weighbridges at any time as well as prevention of bribery.	Interpretation
Weakness in regulation of transport is insufficient implementation; necessary legislation exists but there is insufficient degree of enforcement	Core Statement
Transport companies try to circumvent regulatory requirements such as load limitations; this is however not only issue in South Africa or Africa	
Actions for improvement would include implementation of continuous operations of weighbridges at any time as well as prevention of bribery	
Law enforcement has three components. The first is education and training. There is room for improvement in education and training. The second component are regulatory authorities. That is where fraud and corruption comes in. That is the most difficult issue to address. The third component is the road freight industry. In some sectors, the road freight industry already entered in self-regulatory agreements with the ministry of transport. That allows them to pass weighbridges. We need to see more of these self-regulatory agreements.	Statement ZA-31-09
The interviewee states that the performance of law enforcement is determined by three factors: The education and training of	Interpretation

inspectors, the lawful behaviour of inspectors during traffic controls as well as the behaviour of the road transport industry. All three factors provide room for improvement. Education and training of inspectors should be improved. Lawful behaviour of traffic inspectors needs to be increased. This is, however, the most difficult issue to address. Self-regulatory agreements and measures of the road transport industry should be expanded.	
Performance of law enforcement is determined by three factors: education and training of inspectors, lawful behaviour of inspectors during traffic controls as well as behaviour of road transport industry	Core Statement
All three factors provide room for improvement	
Education and training of inspectors should be improved	
Lawful behaviour of traffic inspectors needs to be increased; this is however most difficult issue to address	
Self-regulatory agreements and measures of road transport industry should be expanded	
Australia is successful in implementing self-regulatory agreements and we are following their example.	Statement ZA-31-10
The interviewee states that the road freight industry and government of Australia successfully implemented self-regulatory measures. That is a good example to look at and South Africa is doing so.	Interpretation
Road freight industry and government of Australia successfully implemented self-regulatory measures; that is good example to look at and South Africa is doing so	Core Statement
The road and rail infrastructure in Tanzania is not as good as in South Africa, but currently they are investing a lot. Namibia has an excellent road infrastructure. Some of their gravel roads are better than our tar roads.	Statement ZA-31-11

The interviewee states that the road and rail transport infrastructure in Tanzania is not as good as in South Africa, but the country is significantly investing in the road and rail infrastructure. By making this statement, the interviewee indicates that the road and rail infrastructure development in Tanzania is a good example to look at. The state of the road transport infrastructure of Namibia is very good.	Interpretation
Road and rail transport infrastructure in Tanzania is not as good as in South Africa but country is significantly investing in road and rail infrastructure; road and rail infrastructure development in Tanzania is good example to look at	Core Statement
State of road transport infrastructure of Namibia is very good	
Our rail transport system is not living up to the expectations. Over the years, our rail transport company has lost a lot of operational efficiency and knowledge. Globally, rail transport is a challenge. Anywhere, you rarely see single waggons; most are block trains on high distances.	Statement ZA-31-12
The interviewee states that, during the last years, the rail transport performance deteriorated and does not meet the market requirements any more. Knowledge got lost. However, rail transport is struggling to meet market requirements not just in South Africa, but in many other countries as well. Rail transport can only show its strength in case of high transport volumes and long distances.	Interpretation
During last years rail transport performance deteriorated and does not meet market requirements any more	Core Statement
Knowledge got lost	
However rail transport is struggling to meet market requirements, not just in South Africa but in many other countries as well	

Rail transport can only show its strength in case of high transport volumes and long distances	
The transport distance on the Durban-Gauteng-Corridor is sufficiently high for rail transport to become cost-competitive. The rail transport distance is slightly higher than the road transport distance. The costs are more or less the same on road and rail transport in South Africa. The service on rail transport is, however, much lower than on road transport. On rail transport, it takes five to seven days to carry a container between Durban and Gauteng. On road transport, a container can be carried overnight and it is door-to-door delivery. The necessary transshipment on rail transport significantly increases transport time.	Statement ZA-31-13
The interviewee states that although on the Durban-Gauteng-Corridor distances are sufficient for rail transport to become cost-competitive and road and rail transport distances as well as transport costs per distance are more or less the same, the rail transport time is much higher than the road transport time. The necessary transshipment on rail transport as well as pre- on on-carriage cause some days of additional transport time.	Interpretation
Although on Durban-Gauteng-Corridor distances are sufficient for rail transport to become cost-competitive and road and rail transport distances as well as costs per distance are more or less same, rail transport time is much higher than road transport time	Core Statement
Necessary transshipment on rail transport as well as pre- on on-carriage cause some days of additional transport time	
When we talk about rail transport performance in South Africa, we need to distinguish between the different markets that Transnet serves and their business units. The heavy bulk railway lines for coal, e.g. between Highveld and Richards Bay, and iron ore, e.g. from Sishen to Saldanha, provide an excellent transport	Statement ZA-31-14

performance. They run trains up to four kilometres and are are leaders in terms of performance. General freight business is a different story. In container transport and completely built units, i.e. cars, there is much to be improved. The future of Transnet is much better. The current management is serious.	
The interviewee states that rail transport performance varies significantly between different types of freight. The performance of heavy bulk railway lines is very high in South Africa. The performance of general freight, such as containers and finished vehicles, is insufficient and in need of improvement. Because the current management of the rail transport company is serious about improvements, a positive future development is likely.	Interpretation
Rail transport performance varies significantly between different types of freight; performance of heavy bulk railway lines is very high in South Africa; performance of general freight such as containers and finished vehicles is insufficient and in need of improvement	Core Statement
Because current management of rail transport company is serious about improvements, positive future development is likely	
Rail and road transport should not be regarded as competitors, but rather as complementary modes. We will only have a smooth supply chain, if we integrate the different transport modes from origin to destination. Rail cannot work without road; rail is not a door-to-door mode. We should invest in rail transport where it is relevant. You often see convoys of trucks that carry copper from DR Congo or Zambia through Zimbabwe down to the coast. This type of freight is supposed to be on rail.	Statement ZA-31-15
The interviewee states that rail and road transport should not be regarded as competing modes of transport but rather as complementary along an intermodal transport chain. Whilst rail transport is well suited to heavy goods on long distances, road distinguishes itself through its high flexibility. There is need for	Interpretation

investments in the railway system for rail friendly goods, such as copper. Too much rail-friendly freight is carried on roads.	
Rail and road transport should not be regarded as competing modes of transport but rather as complementary along inter-modal transport chain	Core Statement
Whilst rail transport is well suited to heavy goods on long distances, road distinguishes itself through its high flexibility	
There is need for investments in railway system for rail friendly goods such as copper	
Too much rail-friendly freight is carried on roads	
There are huge challenges in cross-border rail transport. You do not want to change traction at every border, you want to allow trains to run through the different countries. For instance, we do not want to change trains at Ressano Garcia, we want to rail the trains straight to Maputo. It is much better to invest in those challenges instead of putting it on road. These challenges receive attention, there is progress, but it is a complicated thing. If I were to spend some money, I would sort that out. That would help our transport corridors to be much more efficient.	Statement ZA-31-16
The interviewee states that due to varying traction between the rail transport systems in southern Africa, there is a need to change locomotives at borders. Instead of putting rail-friendly freight on roads, cross-border rail transport should be improved. There are improvements; it is however a difficult matter. Improvements in cross-border rail transport would significantly increase the cross-border transport corridors performance of South Africa and should therefore be prioritised.	Interpretation
Due to varying traction between rail transport systems in southern Africa there is need to change locomotives at borders	Core Statement
Instead of putting rail-friendly freight on roads cross-border rail transport should be improved	



There are improvements; it is however difficult matter	
Improvements in cross-border rail transport would significantly increase cross-border transport corridors performance of South Africa and should therefore be prioritised	
We need to consider the relationship between distances and suitable modes of transport. For instance, on the Durban – Gauteng Corridor with a distance of about 600 kilometers, road and rail transport costs are similar. Hence, competition between road and rail transport is high. Because rail transport performance is not up to standard, people easily switch to road transport. Road transport allows for overnight transport.	Statement ZA-31-17
The interviewee states that on distances up to 600 km rail transport is in fierce competition with road transport. On that distance, rail and road transport costs are similar. The much higher road transport performance – even on that distance – makes road transport the preferred mode of transport.	Interpretation
On distances up to 600 km rail transport is in fierce competition with road transport; on that distance rail and road transport costs are similar	Core Statement
Much higher road transport performance – even on that distance – makes road transport preferred mode of transport	
Service reliability must be improved. For instance, the automotive sector has serious problems with rail transport service delivery. The lack of reliability is the main reason why companies do not use rail transport. There are technical issues. Some of the railways have different traction, so you have to switch locomotives. Transnet is already investing in locomotives that can run on different tractions. There are operational issues in terms of availability of rolling stock and capacity of railway tracks at	Statement ZA-31-18

terminals. Transnet is aware of it and it working towards it. Service reliability is like a puzzle, you need to put the things together.	
The interviewee states that rail transport performance does not meet the market requirements. For instance, the automobile industry is struggling with rail transport performance. Insufficient performance explains the disinclination of potential rail freight customers to make use of rail transport. Rail transport performance needs to be improved. The weaknesses result from technical issues such as different traction on railways, rolling stock allocation and availability as well as capacity constraints at terminals. The rail transport company is aware of the weaknesses and busy implementing improvements.	Interpretation
Rail transport performance does not meet market requirements; e.g. automobile industry is struggling with rail transport performance	Core Statement
Insufficient performance explains disinclination of potential rail freight customers to make use of rail transport	
Rail transport performance needs to be improved	
Weaknesses result from technical issues such as different traction on railways, rolling stock allocation and availability and capacity constraints at terminals	
Rail transport company is aware of weaknesses and busy implementing improvements	
The biggest obstacle is money. Transnet has an ambitious investment programme and they had to postpone it because of a lack of working capital. Public-private partnerships could be a solution to this. Transnet is working towards public-private partnerships.	Statement ZA-31-19
The interviewee states that the rail transport company set up a massive investment programme for the rail transport system.	Interpretation

However, a temporary lack of funds caused delays. In order to ensure the necessary improvements, the rail transport company is pursuing public-private partnerships.	
Rail transport company set up massive investment programme for rail transport system; however temporary lack of funds caused delays	Core Statement
To ensure necessary improvements rail transport company is pursuing public-private partnerships	
South Africa is ideally located for manufacturing. We ran through some difficulties with our power supply last years, but this has been solved. Water supply is a problem, because South Africa is a semi-arid country. Every industry that relies on much water is affected by the scarcity of water.	Statement ZA-31-20
The interviewee states that the geographical location of South Africa is well suited to manufacturing operations. There are, however, some weaknesses. During the last years, there were shortages in power supply. This has been sorted out. The semi-arid climate of the country makes water a scarce resource and puts a constraint on water-intensive industries.	Interpretation
Geographical location of South Africa is well suited to manufacturing operations; there are however some weaknesses	Core Statement
During last years there were shortages in power supply; this has been sorted out	
Semi-arid climate of country makes water scarce resource and puts constraint on water-intensive industries	
Manufacturing companies will be tempted to come to South Africa, if our logistics infrastructure supports it. Manufacturing is not so much dependent on logistics; it is much more dependent on electricity, water, labour and communications services. This is offered in industrial development zones, such as the Richards	Statement ZA-31-21

Bay, Port Elizabeth or Coega and will bring companies to establish themselves.	
The interviewee states that manufacturing companies will establish locations in South Africa if the supporting environment supports it. This includes the logistics environment and, even more important, the supply of electricity, water, labour and communications services. The package of services is provided in particular in industrial development zones in South Africa.	Interpretation
Manufacturing companies will establish locations in South Africa if supporting environment supports it; this includes logistics environment and even more important supply of electricity, water, labour and communications services	Core Statement
Package of services is provided in particular in industrial development zones in South Africa	

### Interviewee 37

Interviewee number 37, a head of an organisation at a logistics service provider in South Africa, made the following statements:

South Africa has the biggest manufacturing industry in southern Africa. Because of the large manufacturing industry and the SADC rules, a number of countries have no option but to buy from South Africa. If goods are manufactured in and imported from South Africa and you have an SADC certificate, then you are entitled to import it at a lower rate or even no duty. That makes a huge difference to the price of a product. If anything is manufactured in an SADC country and exported to another SADC country, there is a rebate of duties. South Africa remains the place to buy because it is cheaper.	Statement ZA-37-01
The interviewee states that because of the large manufacturing industry in South Africa and the favourable import duties for South African goods in SADC countries, imported goods from South Africa are cheaper than from any other country. For this	Interpretation

reason, South Africa will remain the major supplier for SADC countries.	
Because of large manufacturing industry in South Africa and favourable import duties for South African goods in SADC countries imported goods from South Africa are cheaper than from any other country	Core Statement
For this reason, South Africa will remain major supplier for SADC countries	
The more the Rand slips against the US-Dollar, the cheaper it gets for countries surrounding South Africa to buy in South Africa. Whether they like it or not, they all have US-Dollar-based economies. Zimbabwe only uses US-Dollars; Zambia uses Kwacha and US-Dollars. You can invoice in US-Dollars in most of the countries. That also plays a big role. Countries in Southern Africa tend to buy from South Africa.	Statement ZA-37-02
The interviewee states because monetary transactions in many economies in the SADC are made in US-Dollars, the weakness of the Rand against the US-Dollar makes imports from South Africa less cost-intensive. The favourable exchange rate for imports to other SADC countries contributes to South Africa's role as a supplier to the SADC.	Interpretation
Because monetary transactions in many economies in SADC are made in US-Dollars, weakness of Rand against US-Dollar makes imports from South Africa less cost-intensive	Core Statement
Favourable exchange rate for imports to other SADC countries contributes to South Africa's role as supplier to SADC	
There are talks about one currency. I cannot see that happening. This is not Europe. Europe is now faced with Brexit. If it does not work in Europe, it will never work here. The economies are too diverse.	Statement ZA-37-03

<p>The interviewee states that there are plans to introduce a single currency in the SADC. Because the countries are even more diverse than the European Union and the single currency in the euro area is struggling, a single currency is economically not feasible in the SADC.</p>	<p>Interpretation</p>
<p>There are plans to introduce single currency in SADC</p>	<p>Core Statement</p>
<p>Because countries are even more diverse than European Union and single currency in euro area is struggling, single currency is economically not feasible in SADC</p>	
<p>The development of the South African economy depends on what happens with our neighbours. To give an example: in the early 1990s, Zimbabwe exported significant amounts of agricultural products to South Africa. Then, because of the political things that happened, it changed around. Now, they are a net importing country for food and many other products. A lot of farmers went into Zambia and Mozambique. If the neighbouring countries want to do business, South Africa will have a problem. If they become self-sufficient and more competitive, South Africa has to look for alternative markets for its products. Zambia has started to produce maize; Zambia is diversifying its economy. Nissan and Mazda are producing in Zimbabwe. In Kenia, BWM is putting up a plant. Dongfeng is planning to put up a plant in Luanda.</p>	<p>Statement</p> <p>ZA-37-04</p>
<p>The interviewee states that the future situation of the economy of South Africa depends on the development of the other SADC countries. The weakness of other SADC countries in manufacturing contributes to the strength in manufacturing and exporting of South Africa. If the other SADC countries develop their own manufacturing industries, such as agriculture or vehicle production, the manufacturing industry in South Africa will face competition. Other SADC countries already started to diversify their economies and are attracting manufacturing companies.</p>	<p>Interpretation</p>

Future situation of economy of South Africa depends on development of other SADC countries	Core Statement
Weakness of other SADC countries in manufacturing contributes to strength in manufacturing and exporting of South Africa	
If other SADC countries develop their own manufacturing industries, e.g. agriculture or vehicle production, manufacturing industry in South Africa will face competition	
Other SADC countries already started to diversify their economies and are attracting manufacturing industries	
The European model is probably a best practice. I cannot say that one of these countries has a model that is working and would be a better option than we have, except from Ethiopia; they have a high-speed railway line for their freight as well. If there is money and willingness to channel the money to the right place, the transport sector in South Africa could probably double what it is currently doing. If you look at German ports, roads and railway, it works and is on time. Everything is on time. There is no congestion when you cross countries, because it is all part of the European Union. At this border post between South Africa and Botswana, there is an eight-kilometre backlog of vehicles. The countries cannot afford abolishing borders.	Statement ZA-37-05
The interviewee states that it is difficult to find good examples of models for the supply chain sector on the African continent that should be adopted in South Africa. The only good example is a high-speed railway line for freight in Ethiopia. Good examples can rather be found in Europe. For instance, port, road and rail operations are performing well in Germany. Road transport does not have to stop at borders between European countries. That is different in southern Africa. Improvements in port, road and rail performance require governmental willingness and funds. Because countries in the SADC necessitate income from cross-border trade, border posts cannot be abolished such as	Interpretation

in Europe. Improvements in ports, road and rail transport would allow South Africa to significantly increase its cargo volume.	
It is difficult to find good examples of models for supply chain sector on African continent that should be adopted in South Africa; good examples can rather be found in Europe	Core Statement
Only good example is high-speed railway line for freight in Ethiopia	
Port, road and rail operations are performing well in Germany	
Road transport does not have to stop at borders between European countries; that is different in southern Africa	
Improvements in port, road and rail performance require governmental willingness and funds	
Because countries in SADC necessitate income from cross-border trade, border posts cannot be abolished such as in Europe	
Improvements in ports, road and rail transport would allow South Africa to significantly increase its cargo volume	
South Africa was spoiled in the past, and fortunately, for South Africa, the Durban port was used to service southern Africa. It is probably one of the least efficient and most expensive ports in the world.	Statement ZA-37-06
The interviewee states that in the past, the economy of South Africa was in a comfortable situation. The port of Durban served as a gateway to southern African countries, despite its high costs and low efficiency.	Interpretation
In past economy of South Africa was in comfortable situation; port of Durban served as gateway to southern African countries, despite its high costs and low efficiency	Core Statement
At the port of Walvis Bay, the port capacity has been doubled and the efficiency of the port is much better than in Durban. For example, when the vessel docks in Walvis Bay, the cargo is in	Statement ZA-37-07



Lusaka within four days. If the vessel docks in Durban, it takes at least nine days to get it to Lusaka. South Africa is busy losing its market share. At the same time, the economies grow, there are more imports. The spread will always be there. South Africa does not lose cargo to the same extent as Walvis Bay is gaining cargo.	
The interviewee states that the capacity of the port of Walvis Bay has significantly been increased and the efficiency is much higher in Walvis Bay than in Durban. The transit time from the port of Walvis Bay to a hinterland country, such as Zambia, is much shorter than from Durban. The economic growth of many SADC countries, however, increases the business volume for ports in southern Africa. Even if the port of Walvis Bay gains volume, their market share their will not increase to the same extent. Even if the port of Durban loses volume, its market share will not decrease to the same extent.	Interpretation
Capacity of port of Walvis Bay has significantly been increased and efficiency is much higher in Walvis Bay than in Durban	Core Statement
Transit time from port of Walvis Bay to hinterland country e.g. Zambia is much shorter than from Durban	
Economic growth of SADC countries increases business volume for ports in southern Africa	
Even if port of Walvis Bay gains volume, their market their will not increase to same extent	
Even if port of Durban loses volume, its market share will not decrease to same extent	
Because most of the cargo came through Durban, and South African transporters have been used, South Africa has always been a powerhouse. Previously, if your truck was not registered in South Africa, you were not allowed to carry bonded cargo through South Africa. About two years ago, they were changing the rules so that foreign companies can also register at the	Statement ZA-37-08

South African revenue service as a bonded carrier and carry bonded cargo. They are levelling the playing field.	
In the past, because most cargo to southern Africa was imported through the port of Durban and transported by South African road transport companies to the hinterland countries, the economy of South Africa had the chance to grow big. For about two years, the government allows non-South African road transport companies to carry bonded cargo from South Africa to the hinterland countries, provided that foreign companies are registered. The regulatory change laid the foundation for equal market access for South African and foreign transport companies and brought about competition into the South African cross-border transport market.	Interpretation
In past, because most cargo to southern Africa was imported through port of Durban and transported by South African road transport companies to hinterland countries economy of South Africa had chance to grow big	Core Statement
For about two years government allows non-South African road transport companies to carry bonded cargo from South Africa to hinterland countries provided that foreign companies are registered	
Regulatory change laid foundation for equal market access for South African and foreign transport companies and brought about competition into South African cross-border transport market	
I do not really fear any deteriorations. It all depends on the costs and the efficiency of the ports. There are talks about a new port development project in Durban. They need to double the port capacity to handle it and eliminate delays. That needs to be sorted out and the pricing must be right. Price is a major driver in the southern African community.	Statement ZA-37-09

<p>The interviewee states that there are no major concerns about supply chain performance of South Africa. The future development of the country's supply chain performance hinges on the efficiency and costs of ports. There are capacity constraints and delays at the port of Durban. These capacity constraints and delays are supposed to be eliminated by a new port development project in Durban. Because price is a major determinant in transport in southern Africa, it is not only the availability of capacity, but port charges have to be competitive as well.</p>	Interpretation
<p>There are no major concerns about supply chain performance of South Africa; future development of country's supply chain performance hinges on efficiency and costs of ports</p>	Core Statement
<p>There are capacity constraints and delays at port of Durban</p>	
<p>Capacity constraints and delays at port of Durban are supposed to be eliminated by new port development project in Durban</p>	
<p>Because price is major determinant in transport in southern Africa it is not only availability of capacity but port charges have to be competitive as well</p>	
<p>Efficiency and costs of ports in South African need to improve, that is, the time to unload vessels, to load cargo on trucks and railways. Labour is far too expensive, but that is not going to change. Durban is one of the least inefficient and most expensive ports in the world.</p>	Statement ZA-37-10
<p>The interviewee states that the port of Durban is one of the least efficient and most expensive ports worldwide. Ports in South Africa are in need of efficiency increases and cost reductions. This includes reductions in the time to unload vessels and tranship freight to road and rail transport as well as reductions in the costs of labour. However, labour costs are not going to change.</p>	Interpretation
<p>Port of Durban is one of least efficient and most expensive ports worldwide</p>	Core Statement

Ports in South Africa are in need of efficiency increases and cost reductions; this includes reductions in time to unload vessels and tranship freight to road and rail transport as well as reductions in costs of labour	
Labour costs are not going to change	
If you look at ports like Bremerhaven and Amsterdam, their time and costs to offload a vessel are much lower. Ports like Luanda and Daressalam are even worse than South African ports. There are huge delays. The ports in South Africa are in need of new equipment and skilled people. We are urged to employ previously disadvantaged people but there is a lack of skilled, previously disadvantaged people. They jump from job to job and increase their salary as well as the labour costs.	Statement ZA-37-11
The interviewee states that port performance in some ports on the African continent, such as Daressalam and Luanda, is lower than in South Africa. There are significant delays at the port of Daressalam and Luanda. Port performance in European ports, such as Bremerhaven and Amsterdam, is however much higher than in South Africa. It takes much more time to unload a vessel in South Africa compared to some European countries. In order to improve port performance in South Africa, new port equipment needs to be put in place and labour costs need to be reduced. The scarcity of well-educated previously disadvantaged people along with the public demand for preferential employment of previously disadvantaged people creates incentives to change jobs frequently in order to increase salaries. This, however, leads to excessive labour cost increases and goes at the expense of companies and supply chain performance.	Interpretation
Port performance in some ports on African continent e.g. Daressalam and Luanda is lower than in South Africa; there are significant delays at port of Daressalam and Luanda	Core Statement

Port performance in European ports e.g. Bremerhaven and Amsterdam is however much higher than in South Africa; it takes much more time to unload a vessel in South Africa compared to some European countries	
To improve port performance in South Africa new port equipment needs to be put in place and labour costs need to be reduced	
Scarcity of well-educated previously disadvantaged people along with public demand for preferential employment of previously disadvantaged people creates incentives to change jobs frequently and raise salaries	
This however leads to excessive labour cost increases and goes at expense of companies and supply chain performance	
Lack of willingness and complacency are obstacles to improvements in ports in South Africa. The complacency is “We are Durban Port; we are feeding southern Africa, why do we have to improve?” What they are not realising is that the ports around us are doing everything possible to increase their efficiency and to drive down their costs. It is a volume game; the more goods you handle, the cheaper it becomes.	Statement ZA-37-12
The interviewee states that the insufficient willingness to improve the performance of the port of Durban as well as the satisfaction with the current level of performance and ignorance of port competition in southern Africa represent obstacles to further improvements. Since volumes decide on the costs of ports and transport, ports in southern Africa are keen on improving their performance and thereby improving their competitive position.	Interpretation
Insufficient willingness to improve performance of port of Durban as well as satisfaction with current level of performance and ignorance of port competition in southern Africa represent obstacles to further improvements	Core Statement

Since volumes decide on costs of ports and transport ports in southern Africa are keen on improving their performance and thereby improving their competitive position	
I think we have a good transport system. You can get anything from any main centre between 24 hours, even if it is a 30 tonnes load. There are some challenges, but the road transport system in South Africa is much better than in the rest of the continent. We have a precise courier industry, where you can get goods overnight to any small town in South Africa. They make use of hub and spoke systems.	Statement ZA-37-13
The interviewee states that road transport performance and system is good in South Africa. Although there are some weaknesses, the performance is much higher than of the other countries on the African continent. Shipments of any size and to any destination within South Africa can be delivered within 24 hours	Interpretation
Road transport performance and system is good in South Africa	Core Statement
Although there are some weaknesses performance is much higher than of other countries on African continent	
Shipments of any size and to any destination within South Africa can be delivered within 24 hours	
South Africa has always been a strong player in cross-border transport. There are bigger companies outside of South Africa, in Zimbabwe and Zambia, which have much more vehicles. The third country rule is a disadvantage for South African hauliers, because the country is at the bottom. The countries sitting in the middle cross their country. We are not allowed to buy second hand vehicles from the USA or Europe, unlike all the other countries around us. On the one hand, because we have a newer fleet, our transport companies are more reliable. On the other hand, we cannot buy cheap second hand trucks that have run on perfect roads by owner-drivers. There is a huge difference in	Statement ZA-37-14

price, and they do the same. Because of depreciation on the vehicle, our vehicle costs are much higher.	
The interviewee states that ever since, the road transport industry of South Africa has significantly been involved in cross-border road transport to neighbouring countries. There are, however, some challenges. The third country rule along with the geographic location of the country puts road transport companies in South Africa at a disadvantage. Foreign road transport companies are allowed to make use of a larger market volume and increase their economies of scale. Whilst road transport companies in South Africa are not allowed to purchase used vehicles, foreign companies are allowed to. Although vehicles of road transport companies in South Africa are in a better condition, their vehicle and thus their transport costs are much higher than of their foreign counterparts.	Interpretation
Ever since road transport industry of South Africa has significantly been involved in cross-border road transport to neighbouring countries; there are however some challenges	Core Statement
Third country rule along with geographic location puts road transport companies in South Africa at disadvantage; foreign companies are allowed to make use of larger market volume and increase their economies of scale	
Whilst road transport companies in South Africa are not allowed to purchase used vehicles, foreign companies are allowed to; although vehicles of road transport companies in South Africa are in better condition their vehicle and thus their transport costs are much higher than of their foreign counterparts	
The costs have gone up, rates on cross-border transport between Johannesburg and Lubumbashi are much lower today than ten years ago. That has a major effect on the margins. Transport is a margin and volume game. If your margins are not there, you are going out of the business. The market is shrinking	Statement ZA-37-15

and conglomerates with 600 vehicles are taking over the smaller companies. Because of their size, they can leverage better pricing for consumables such as tyres and diesel. That makes the smaller companies go out of the business.	
The interviewee states that during the last ten years, whilst the costs of road transport increased the rates of road transport on cross-border transport decreased. Large road transport companies are able to compensate cost increases by cost reductions from economies of scale; smaller road transport companies have to accept reductions of margins. At the same time, the market for road transport services is shrinking and in order to achieve higher economies of scale larger companies extend their fleet. Smaller companies cannot compete anymore and are forced to exit the market.	Interpretation
During last ten years whilst costs of road transport increased rates of road transport on cross-border transport decreased	Core Statement
Large road transport companies are able to compensate cost increases by cost reductions from economies of scale; smaller companies have to accept reductions of margins	
Market for road transport services is shrinking and to achieve higher economies of scale larger companies extend their fleet	
Smaller companies cannot compete anymore and are forced to exit market	
There is a lot of talks about one-stop borders. That has been on the cards for twenty years. The Ressano Garcia-Komatipoort will be the first one. It is now talked about Beitbridge. That is the busiest border post in southern Africa. That could increase traffic flows. There is a one-stop border posts at Chirundu – that works. So, it does work.	Statement ZA-37-16
The interviewee states that there are plans to set up one-stop border posts at South African borders. Good examples in neighbouring countries, such as in Chirundu between Zambia	Interpretation



and Zimbabwe, show that one-stop border posts can work in southern Africa. One-stop border posts would allow for higher cross-border traffic flows. There are plans to set up one-stop border posts at Komatipoort / Ressano Garcia to Mozambique and at Beitbridge to Zimbabwe. However, plans to set up one-stop border posts exist for twenty years. By making this statement, the interviewee indicates that this is not a new concept and it is only after twenty years that the governments take actions.	
There are plans to set up one-stop border post at South African borders	Core Statement
Good examples in neighbouring countries such as in Chirundu between Zambia and Zimbabwe show that one-stop border post can work in southern Africa	
One-stop border post would allow for higher cross-border traffic flows	
There are plans to set up one-stop border post at Komatipoort / Ressano Garcia to Mozambique and at Beitbridge to Zimbabwe	
Plans to set up one-stop border post exist for twenty years; this is not new concept and it is only after twenty years that governments take actions	
It is the willingness of governments and the people working in governments to get it done. It can cut out a lot of corruption, which is not something that many government officials necessarily want. It is a lack of funding and a lack of government willingness.	Statement ZA-37-17
The interviewee states that governments and governmental officials are responsible for ensuring that plans to set up one-stop border posts are put into practice. There are, however, two major obstacles: First, traditional border posts provide opportunities for corruption and one-stop border posts would reduce or	Interpretation

eliminate these opportunities. This may cause resistance. Second, there is a lack of funding and willingness of governments to set up one-stop border posts.	
Governments and governmental officials are responsible for ensuring that plans to set up one-stop border posts are put into practice	Core Statement
There are however two major obstacles:	
First traditional border posts provide opportunities for corruption and one-stop border posts would reduce or eliminate these opportunities; this may cause resistance	
Second there is lack of funding and willingness of governments to set up one-stop border posts	
One-stop borders is an area for improvement. Electronic submissions are already there. There has been a huge improvement in the last five years. However, you still have bottlenecks at the borders. Customs officials want to see what the cargo looks like. For example, if you send something to Zimbabwe, it is inspected on the South African side of the border. This may take up to four days. It is inspected on the Zimbabwean side again. That is another two to three days. A one-stop border post would immediately alleviate a lot of delays.	Statement ZA-37-18
The interviewee states that there have been significant improvements at border crossings during the last five years, such as electronic submissions of customs documents. There are, however, still significant weaknesses at border crossings, such as the necessity to pass through border posts and inspections on both sides of the border. The causes additional border crossing time of several days and leads to transport delays. One-stop border posts would eliminate the necessity for a second border post as well as reduce border crossing and transport time.	Interpretation

There have been significant improvements at border crossings during last five years such as electronic submissions of customs documents	Core Statement
There are however still significant weaknesses at border crossings such as necessity to pass through border posts and inspections on both sides of border	
This causes additional border crossing time of several days and leads to transport delays	
One-stop border posts would eliminate necessity for second border post as well as reduce border crossing and transport time	
There is a lot of talk but there is not a lot of action regarding the one-stop border posts. The politicians already agreed, but it is not getting off the ground. I worked on that border post from 1995 to 2002 and they are talking about a one-stop border post. We are in 2016 and they are still talking about.	Statement ZA-37-19
The interviewee states that governments already agreed on setting up one-stop border posts between South Africa and its neighbours. Governments do, however, not take actions to set up border posts. Plans to set up one-stop border posts exist for about twenty years.	Interpretation
Governments already agreed on setting up one-stop border posts between South Africa and its neighbours	Core Statement
Governments do, however, not take actions to set up border posts; plans to set up one-stop border posts exist for about twenty years	
With this 7-kilometer queue on each side of the border, it takes much time to cross the 400-meter bridge at Kassane. It costs 350 USD a day per vehicle to wait at border crossings, times three days, who pays for? That vehicle is not going to cross the border within the next two to three days. That is only the vehicle	Statement ZA-37-20

costs, not the extra costs for the driver. Zambia has 25 per cent more costs to import. The consumer pays for it. There is a new bridge being build, at Kassane. It is supposed to be finished by 2020. The new bridge should have been built years ago. It will save the transport sector 2.3 million per annum. If we were in Europe, that bridge would have been build ages ago.	
The interviewee states that congestion at border posts, such as at Kassane between Namibia and Botswana, causes significant additional waiting time and costs. In turn, this increases import costs and costs of goods in landlocked countries by 25 per cent. At the Kassane border crossing, a new bridge is being build. This bridge is expected to reduce congestion and thus the costs of border crossing. However, it took too much time to decide for the construction of a new bridge. In other countries, for instance on the European continent, such an improvement would have been put in place long time ago.	Interpretation
Congestion at border posts, e.g. at Kassane between Namibia and Botswana, causes significant additional waiting time and costs	Core Statement
This increases import costs and costs of goods in landlocked countries by 25 per cent	
At Kassane border crossing, new bridge is being build; this bridge is expected to reduce congestion and thus costs of border crossing	
However it took too much time to decide for construction of new bridge; in other countries e.g. on European continent such improvement would have been put in place long time ago	
There is a big drive from government to take trucks from road and put it on rail. We have to see whether that is going to happen within the next 15 years. Remember, 35 years ago, the South African railways were the first to shift cargo from railways to roads. Everything was done by rail; every little town had a	Statement ZA-37-21

<p>station. They realised that they could not service South Africa with the rail infrastructure they had. They could not handle it; there was too much freight on rail. They were the first who bought trucks. Obviously, everybody jumped in and rail was not an option anymore. Now, albeit cheaper nobody wants to use rail because it is unreliable, takes longer. There is a big drive to get it right, because that is going to take away the trucks from the roads.</p>	
<p>The interviewee states that 35 years ago, most freight was carried by rail transport and rail transport was the most important mode of transport in South Africa. Then, the South African railway company realised that there is too much freight on rail and the existing rail transport system could not cope with it anymore. They decided to shift cargo from rail to road and thereby laid the foundation for the current weakness of rail transport and strength of road transport in South Africa. As a consequence, freight moved from rail to road transport and road transport became the most important mode of transport. Today, rail transport is not reliable and time-efficient anymore. The performance of rail transport does not keep up with road transport. The government is, however, keen on improving rail transport performance in order to reduce the freight volume on roads. It is not clear yet when the plans of the government to shift large volumes of freight back to rail transport begin to take effects.</p>	Interpretation
<p>35 years ago most freight was carried by rail transport and rail transport was most important mode of transport in South Africa</p> <p>Then South African railway company realised that there is too much freight on rail and existing rail transport system could not cope with it anymore</p> <p>They decided to shift cargo from rail to road and laid foundation for current weakness of rail transport and strength of road transport in South Africa</p>	Core Statement

As a consequence freight moved from rail to road transport and road transport became most important mode of transport	
Today rail transport is not reliable and time-efficient anymore; performance of rail transport does not keep up with road transport	
Government is however keen on improving rail transport performance to reduce freight volume on roads	
It is not clear yet when plans of government to shift large volumes of freight back to rail transport begin to take effects	
Today, you cannot put all the traffic from road to rail. The rail capacity is not there. Under no circumstances, the rail network can handle it. Not to mention cross-border transport. There is not enough rolling stock, not enough locomotives; the infrastructure is not there.	Statement ZA-37-22
The interviewee states that the current rail transport system does not have the capacity to absorb a significant shift of freight from road to rail transport. There is a lack of equipment and infrastructure on both domestic as well as cross-border rail transport.	Interpretation
Current rail transport system does not have capacity to absorb significant shift of freight from road to rail transport; there is lack of equipment and infrastructure on both domestic as well as cross-border rail transport	Core Statement
In Kenya – Uganda, Tanzania – Zambia, Zimbabwe – Zambia, Zimbabwe – South Africa, there is a big drive the get the railway up and running. First, rail transport is much cheaper, you can send more cargo, and the government feels that they have control of the cargo, because they are in charge for the railways.	Statement ZA-37-23
The interviewee states that because of lower transport costs compared to road transport, the ability to transport large freight	Interpretation

volumes and the possibility to tightly control transport on rails, many governments in southern Africa are keen on improving rail transport performance.	
Because of lower costs compared to road transport, ability to transport large freight volumes and possibility to tightly control transport on rails, many governments in southern Africa are keen on improving rail transport performance	Core Statement
To catch up, because of the costs of infrastructure it will take them another ten to 15 years. I do not think they will catch up any time soon. You have different gauge railway lines as well, which is also a problem. The biggest problem in Africa is that governments are bankrupt. They cannot afford to spend money on rail. They can hardly afford to spend money on road infrastructure. Unless there is any foreign investment, it is not going to happen. One can see that. The railway line in Lobito was built by the Chinese. The Zambian railway is going to be built by Grindrod South Africa. The Tazara is an Indian, Zambian, Tanzanian governmental railway line. The Kenya Uganda is a Chinese Kenyan government railway line. This problem applies to South Africa as well.	Statement ZA-37-24
The interviewee states that because of the necessary investments in rail infrastructure and equipment and the lack of public funds it will take ten to 15 years to shift significant volumes back from road to rail transport. This applies to many countries in southern Africa including South Africa. The shift from road to rail will not going to happen unless public and private foreign investors are willing to financially support investments in rail transport systems in countries in southern Africa, as exemplified in Angola, Zambia, Uganda and Kenya.	Interpretation
Because of necessary investments in rail infrastructure and equipment and lack of public funds it will take ten to 15 years to shift significant volumes back from road to rail transport	Core Statement

This applies to many countries in southern Africa including South Africa	
Shift from road to rail will not going to happen unless public and private foreign investors are willing to financially support investments in rail transport systems in countries in southern Africa as exemplified in Angola, Zambia, Uganda and Kenya	
It is a problem that governments in Africa want to own the railway lines. If you give it to somebody else, you can run it more efficient. Because of corruption and because of African history they do not do it. I would privatise the railway system of South Africa. The population could make use of transport service and goods at a much lower price.	Statement ZA-37-25
The interviewee states that because of opportunities to benefit from illegal payments in the rail transport industry as well as history of African countries, governments on the African continent want to keep tight control of the rail transport system. This control, however, causes high costs of transport. A private company would run the rail transport system in South Africa much more efficiently and at lower costs. The population would benefit from lower transport costs and, consequently, lower costs for goods.	Interpretation
Because of opportunities to benefit from illegal payments in rail transport industry as well as history of African countries, governments on African continent want to keep tight control of rail transport system	Core Statement
This control however causes high costs of transport	
Private company would run rail transport system in South Africa much more efficiently and at lower costs	
Population would benefit from lower transport costs and consequently lower costs for goods	



<p>The Chinese involvement in southern Africa is certainly worrying. They build roads and railway lines to get what they want in the cheapest possible way. They do not invest. You do not see them building hospitals and schools. They build roads, railway and airports to get what they need out of the countries. The saying is, the Chinese are recolonising Africa and they do not even notice it. That is different in South Africa. South Africa does not follow that path, but you can see it in the rest of Africa.</p>	<p>Statement ZA-37-26</p>
<p>The interviewee states that the investment of Chinese companies is raising concerns about the sustainable development of economies on the African continent. Chinese companies only invest in infrastructure, such as road, rail and airport infrastructure, that allows them to obtain the resources they need for their economy, irrespective of the consequences for the supplying countries on the African continent. African countries do not nearly benefit as much as Chinese companies do and African countries do not even realise it. South Africa pursues a different approach to Chinese investment in infrastructure.</p>	<p>Interpretation</p>
<p>Investment of Chinese companies is raising concerns about sustainable development of economies on African continent</p>	<p>Core Statement</p>
<p>Chinese companies only invest in infrastructure, e.g. road, rail and airport infrastructure, that allows them to obtain resources they need for their economy, irrespective of consequences for supplying countries on African continent</p>	
<p>African countries do not nearly benefit as much as Chinese companies do and African countries do not even realise it</p>	
<p>South Africa pursues different approach to Chinese investment in infrastructure</p>	
<p>The government is not interested in privatising parts of Transnet. Long time ago, the opposition parties have raised the questions why the government is not selling part of it. It is like Air</p>	<p>Statement ZA-37-27</p>

Zimbabwe, which is being bankrupt for 100 years, but it is still Air Zimbabwe. That is not going to change.	
The interviewee states that the government of South Africa is not willing to sell parts of its railway and transport system. Opposition parties have questioned their approach long ago. Despite the unprofitability of the rail transport system, the government of South Africa will not change its approach.	Interpretation
Government of South Africa is not willing to sell parts of its railway and transport system	Core Statement
Opposition parties have questioned their approach long ago	
Despite unprofitability of rail transport system government of South Africa will not change their approach	
Unless you invest in the infrastructure and rolling stock, you not going to take away freight from the road. People want to know where their goods are. For a transport from Johannesburg to Durban, I can pick up the phone or look online and see where my cargo is. That does not work on rail transport. The railway needs to get the technology and efficiency up to standard. People have to use rail, because there are not enough trucks. Rail transport could be much better than it is.	Statement ZA-37-28
The interviewee states that rail transport does not nearly as much provide the same level of transparency as road transport. Because there is not enough capacity on road transport, such as lorry capacity, companies have to make use rail transport. There is much room for improvement in the rail transport system. Only if there are significant improvements in rail transport infrastructure and equipment as well as efficiency of operations, freight will shift from road to rail transport.	Interpretation
Rail transport does not nearly as much provide same level of transparency as road transport	Core Statement

Because there is not enough capacity on road transport such as lorry capacity companies have to make use rail transport	
Only if there are significant improvements in rail transport infrastructure and equipment as well as efficiency of operations freight will shift from road to rail transport	
If I were in charge for the railways, I would look for a buyer or give it away on a maintenance and profit share basis that it can be run efficiently. The costs are too high and the infrastructure is not up to standard. Private companies can make that work, governments cannot.	Statement ZA-37-29
The interviewee states that the state of the rail transport infrus- tructure and the costs are not adequate. A private company should be responsible for providing efficient rail transport ser- vices and maintain the infrastructure in exchange for a partici- pation in revenues from transport services or ownership of the rail transport system. In contrast to the public sector, the private sector would be able to operate the rail transport system at a sufficient level of performance.	Interpretation
State of rail transport infrustructure and costs are not adequate	Core Statement
Private company should be responsible for providing efficient rail transport services and maintain infrastructure in exchange for participation in revenues from transport services or owner- ship of rail transport system	
In contrast to public sector private sector would be able to oper- ate rail transport system at sufficient level of performance	
The willingness of the government is an obstacle. Other coun- tries are probably willing to invest in it.	Statement ZA-37-30
The interviewee states that the unwillingness of the government of South Africa represents an obstacle to a private sector par- ticipation in the rail transport system. If the government would	Interpretation

be willing to let other countries participate, some countries would probably be interested in.	
Unwillingness of government of South Africa represents obstacle to private sector participation in rail transport system	Core Statement
If government would be willing to let other countries participate some countries would probably be interested in	

### Interviewee 38

Interviewee number 38, a head of a team at a manufacturing company in South Africa, made the following statements:

The problem is that there is not enough economic growth; there are not enough employment opportunities. South Africa has a need for economic growth. Logistics is a key player in realising that growth.	Statement ZA-38-01
The interviewee states that the lack of economic growth and resulting employment opportunities are a weakness in South Africa. The country is in need for creating economic growth in order to create employment opportunities. Logistics is a major determinant of economic growth in South Africa.	Interpretation
Lack of economic growth and resulting employment opportunities are weakness in South Africa; country is in need for creating economic growth to create employment opportunities	Core Statement
Logistics is major determinant of economic growth in South Africa	
We have a fantastic banking system. We are trying to grow that into Africa.	Statement ZA-38-02
The interviewee states the the country has a very good banking system and tries to expand its banking system to other countries on the African continent.	Interpretation

Country has very good banking system and tries to expand its banking system to other countries on African continent	Core Statement
Poor health care; however, the private health care is excellent.	Statement ZA-38-03
The interviewee states that whilst the performance of the public health system is poor, the performance of the private health system is very good.	Interpretation
Whilst performance of public health system is poor, performance of private health system is very good	Core Statement
There is a lack of public transport. If you have public transport, you empower people. Neither the apartheid regime nor the ANC later on invested in public transport. The ANC facilitated the mini bus industry and neglected its regulation. As a consequence, their services are not safe and they abuse their customers. The lack of an adequate public transport system places a burden on the productivity of those employees who have to get to work by public transport.	Statement ZA-38-04
The interviewee states that the lack of an adequate public transport system reduces the productivity of employees who have to get to work by public transport. Public transport has never played a major role to governments, neither to the apartheid nor to the post-apartheid governments. The passenger transport system rests upon the largely unregulated mini bus industry.	Interpretation
Lack of adequate public transport system reduces productivity of employees who have to get to work by public transport	Core Statement
Public transport has never played major role to governments neither to apartheid nor to post-apartheid governments	
Passenger transport system rests upon largely unregulated mini bus industry	

The biggest challenge is political. There is a risk of a downgrade. Currently, the democracy is being tested by some autocrats. We are going through a tough time in terms of politics. Helen Zille has shown us that there is a need for a strong opposition.	Statement ZA-38-05
The interviewee states that the political instability is the biggest challenge for the country. Currently, the political leadership threatens the democratic system in South Africa. There is a need for a strong opposition in South Africa. There is a high risk that major financial rating agencies reduce their credit rating for South Africa.	Interpretation
Political instability is biggest challenge for country; currently, political leadership threatens democratic system; there is need for strong opposition in South Africa	Core Statement
There is high risk that major financial rating agencies reduce their credit rating for South Africa	
In South Africa, there is a strong link between the economy and politics. This is going to separate. Telkom is already privatised. Eskom should be privatised. The benefits to the country would be extraordinary. Transnet should be unbundled. Start with Transnet Freight Rail. Ports are a bit more difficult to privatise.	Statement ZA-38-06
The interviewee states that there has been a strong link between politics and the economy in South Africa. A number of major companies for critical infrastructure are publicly owned and managed. This is, however, going to change. The former public telecommunications service provider, Telkom, was already privatised. The public power supplier should be privatised as well. This would yield large benefits to the economy. The public transport conglomerate, Transnet, should be split up into its divisions. The rail freight division should be privatised. The privatisation of the ports division would pose a challenge.	Interpretation

There has been strong link between politics and economy in South Africa; number of major companies for critical infrastructure are publicly owned and managed; this is however going to change	Core Statement
Former public telecommunications service provider Telkom was already privatised	
Public power supplier should be privatised as well; this would yield large benefits to economy	
Public transport conglomerate Transnet should be split up into its divisions; rail freight division should be privatised; privatisation of ports division would pose challenge	
South Africa needs to grow small and medium enterprises, the ownership component of the BBBEE. You need to help to grow start-ups. It requires some level of support.	Statement ZA-38-07
The interviewee states that there is a need for an increase in small and medium enterprises. This would contribute to the participation of previously disadvantaged people in the ownership of companies in South Africa. This requires public support of small and medium enterprises to help them to grow.	Interpretation
There is need for increase in small and medium enterprises; this would contribute to participation of previously disadvantaged people in ownership of companies in South Africa	Core Statement
This requires public support of small and medium enterprises to help them to grow	
South Africa's strength is the ability to use its ports at competitive rates and to market that to the rest of Africa.	Statement ZA-38-08
The interviewee states that a major strength of the country are its ports that allow the country to import goods at competitive costs and distribute it to other countries further north on the African continent.	Interpretation

Major strength of country are its ports that allow country to import goods at competitive costs and distribute it to other countries further north on African continent	Core Statement
The road transport infrastructure is a strength of South Africa.	Statement ZA-38-09
The interviewee states that a major strength of the country is its road transport infrastructure.	Interpretation
Major strength of country is its road transport infrastructure	Core Statement
The company had to drive the project to open up a railway line to Maputo for automobile export. The railway to Durban is inefficient, cargo moves on road. There is congestion. Rail transport in South Africa is inefficient. Rail transport from Rosslyn to Durban is inefficient. In South Africa, rail transport is operated by a state-owned enterprise. There are cost increases year on year. We wanted competition; therefore, we pushed the Maputo corridor.	Statement ZA-38-10
The performance of rail transport from the Gauteng Province to the port of Durban is insufficient. Most cargo to Durban is carried by road transport; there is, however, congestion on roads. The performance of rail transport in South Africa is insufficient. The railway transport system is operated by a public railway company. There are cost increases year on year. In order to promote competition in rail transport, the company supported the setup of a railway line for vehicles to the port of Maputo.	Interpretation
Rail transport from Gauteng Province to port of Durban is insufficient	Core Statement
Most cargo to Durban is carried by road transport; there is however congestion on roads	
Performance of rail transport in South Africa is insufficient	
Railway transport system is operated by public railway company	



There are cost increases year on year	
To promote competition in rail transport company supported setup of railway line for vehicles to port of Maputo	
We as a manufacturing company cannot produce world-class products and at the same time not being able to bring it to the market.	Statement ZA-38-11
The interviewee states that the company is reliant on a transport system that supports their manufacturing operations.	Interpretation
Company is reliant on transport system that supports their manufacturing operations	Core Statement
South Africa has the power to produce luxury cars at a premium quality and compete globally with developed countries.	Statement ZA-38-12
The interviewee states the country is able to produce goods of a high quality and is able to be competitive at a world-class level. By making this statement, the interviewee indicates that South Africa provides the location factors that are necessary to produce at a high global performance level.	Interpretation
Country is able to produce goods of high quality and is able to be competitive at world-class level	Core Statement
South Africa provides location factors that are necessary to produce at high global performance level	
We have sufficient skills to manufacture at a high standard.	Statement ZA-38-13
The interviewee states that the company has access to a sufficient number of qualified staff. By making this statement, the interviewee indicates that shortage of skilled labour is not a constraint to the company.	Interpretation

Company has access to sufficient number of qualified staff; shortage of skilled labour is not constraint to company	Core Statement
From a manufacturing company point of view, there are the following needs: transport Infrastructure, manufacturing facilities, suppliers, connected via road, rail and air transport and skills.	Statement ZA-38-14
The interviewee states that a manufacturing company relies on location factors such as transport infrastructure, manufacturing facilities, suppliers that are connected to the company by road, rail and air transport as well as a sufficiently skilled workforce. The interviewee already indicated that all location factors that are necessary to produce at high global performance level are available in South Africa. By making these statements, the interviewee indicates that all these location factors are available to the company in South Africa.	Interpretation
Manufacturing company relies on location factors such as transport infrastructure, manufacturing facilities, suppliers that are connected to company by road, rail and air transport as well as sufficiently skilled workforce	Core Statement
All these location factors are available to company in South Africa	
Our biggest competitors are India and China, due to the labour costs. If India and China reach the level playing field in terms of labour costs, and electricity in South Africa is provided at competitive rates, South Africa's economy will grow.	Statement ZA-38-15
The interviewee states that the location of South Africa competes with locations such as China and India. Labour costs are higher in South Africa than in China and India. Provided that labour costs in China and India reach the same level as in South Africa and the costs of electricity are going to decrease, the economy of South Africa will grow.	Interpretation

Location of South Africa competes with locations such as China and India; labour costs are higher in South Africa than in China and India	Core Statement
Provided that labour costs in China and India reach same level as in South Africa and costs of electricity is going to decrease, economy of South Africa will grow	
South Africa has invested a lot in electricity. If we do not follow through at competitive rates, this will become a problem. One of our suppliers was located nearby, but the uncertainty of labour and the high electricity price made their business in South Africa inefficient.	Statement ZA-38-16
The interviewee states that significant funds have been spent to improve the electrical infrastructure of the country and this needs to be continued. Electricity has to be provided at reasonable costs. Because of uncertainty of labour and high costs of electricity, local production of a supplier of the company became unprofitable. By making this statement, the interviewee indicates that competitive costs of energy supply represent a major determinant on the performance of manufacturing locations.	Interpretation
Significant funds have been spent to improve electrical infrastructure of country and this needs to be continued; electricity has to be provided at reasonable costs	Core Statement
Because of uncertainty of labour and high costs of electricity local production of supplier of company became unprofitable	
Competitive costs of energy supply represent major determinant on performance of manufacturing locations	
In Germany, the business environment consisting of government policies, labour and companies, is a success factor. We are transcending towards it. In South Africa, there is a lot of mistrust between government, labour unions and companies. This	Statement ZA-38-17

is a result of the exploitation of human beings during the apartheid era. We still need to educate our unions in a sustainable way.	
The interviewee states that the business environment in Germany contributes to the good performance of companies and is a good example for South Africa to look at. This includes the interplay of public policies, labour and labour unions as well as companies. Although the country has not achieved that level yet, the country is moving towards it. The exploitation of labour during the apartheid period has caused suspiciousness among labour and labour unions, the government as well as companies. Companies in South Africa still have to work on dismantling mistrust among labour unions and companies.	Interpretation
Business environment in Germany contributes to good performance of companies and is good example for South Africa to look at	Core Statement
This includes interplay of public policies, labour and labour unions as well as companies	
Although country has not achieved that level yet, country is moving towards it	
Exploitation of labour during apartheid period has caused suspiciousness among labour and labour unions, government as well as companies	
Companies in South Africa still have to work on dismantling mistrust among labour unions and companies	

### Interviewee 39

Interviewee number 39, a staff member at a business organisation in South Africa, made the following statements:

<p>The reason why South Africa is a lot more advanced than the rest of southern Africa is that South Africa has historically always been the port of entry and has always played a superior role in southern Africa. That is where everything gets imported, redistributed, manufactured and exported. Namibia, Botswana, Zambia, Mozambique, Zimbabwe, DR Congo, all those countries still predominantly import from and through South Africa. Namibia and more successfully Mozambique, because they have been doing it much longer and they are situated at the east of southern Africa, have now supplied an alternative trade route for landlocked countries like Botswana, Zimbabwe, Zambia and DR Congo and they are taking business away from South Africa but also supply South Africa with business. A lot of countries are now exporting and importing through Mozambique, due to the east side of the location and the high volume of goods from the far east Asia.</p>	<p>Statement ZA-39-01</p>
<p>Because South Africa has historically always been the port of entry and has always played a superior role in southern Africa, it is much more advanced than the other economies. Namibia, Botswana, Zambia, Mozambique, Zimbabwe and DR Congo still predominantly import from South Africa. Namibia and Mozambique have now supplied alternative trade routes to landlocked countries in southern Africa and are taking away business from South Africa.</p>	<p>Interpretation</p>
<p>Because South Africa has historically always been port of entry and has always played superior role in southern Africa, it is much more advanced than other economies</p>	<p>Core Statement</p>
<p>Namibia, Botswana, Zambia, Mozambique, Zimbabwe and DR Congo still predominantly import from South Africa</p>	
<p>Namibia and Mozambique have now supplied alternative trade routes to landlocked countries in southern Africa and are taking away business from South Africa</p>	

**Interviewee 40**

Interviewee number 40, a head of an organisation at a business organisation in South Africa, made the following statements:

<p>In contrast to their competitors, the retailing company Checkers Shoprite set up an Africa strategy and expanded into Zambia, Zimbabwe, Tansania, Kenya. In a few years, they will open a store in Egypt. Investment from South Africa is pouring into other African countries. As typical in such a case, the investor coins its environment. These companies bring their entire infrastructure, such as for cold chains, to their new location. The South African telecommunication service provider MTN is another example. This company is doing business in many countries on the African continent, such as Nigeria, and brings along his infrastructure and suppliers. Although South Africa did not have strong ties to other African countries but Namibia, it is a leader and role model on the African continent.</p>	<p>Statement ZA-40-01</p>
<p>The interviewee states South African companies are doing business not only in South Africa but in many countries on the African continent. Their business and need for supplies in other countries on the African continent allows other related South African companies to follow suit. Even though, there are only few strong historical relationships with other countries on the African continent, their expansion approach puts companies in South Africa at an advantage and grants the economy of South Africa a superior role on the African continent.</p>	<p>Interpretation</p>
<p>South African companies are doing business not only in South Africa but in many countries on African continent</p>	<p>Core Statement</p>
<p>Their business and need for supplies in other countries on African continent allows other related South African companies to follow suit</p>	

Even though there are only few strong historical relationships with other countries on African continent their expansion approach puts companies in South Africa at advantage and grants economy of South Africa superior role on African continent	
The business environment is similar to Europe what makes is relatively easy to invest in South Africa. That is very different in Zimbabwe. There are many reasons against investing in South Africa, but the country is increasingly coping with the challenges.	Statement ZA-40-02
The interviewee states that the business environment in South Africa is similar to European countries; that environment increases the ease of doing business and facilitates investing in South Africa. The business environment is much more difficult in other countries, such as Zimbabwe. In the past, the business environment for investors deteriorated, but it seems to improve.	Interpretation
Business environment in South Africa is similar to European countries; that environment increases ease of doing business and facilitates investing in South Africa	Core Statement
Business environment is much more difficult in other countries such as Zimbabwe	
In past business environment for investors deteriorated but it seems to improve	
The legal system and the independence of law courts as well as a good contract law are important strengths of the economy.	Statement ZA-40-03
The interviewee states that the legislative and justice system are well developed and represent strengths of the economy of South Africa.	Interpretation
Legislative and justice system are well developed and represent strengths of economy of South Africa	Core Statement

A major weakness of the economy is the low confidence in the reliability of the economic policy of the government. This results from a number of factors.	Statement ZA-40-04
The interviewee states that the lack of confidence in the economic policy of the government of South Africa is a weakness. A number of factors contribute to this situation.	Interpretation
Lack of confidence in economic policy of government of South Africa is weakness; number of factors contribute to this situation	Core Statement
First, South Africa has quit the agreement on protection of investments with a number of countries. They quit the agreement unilaterally; they quit is without any immediate replacement and once a replacement existed; it did not provide the necessary protection. Investors decided to rely rather on the constitution of South Africa. If the country wants to remain attractive for foreign investors, the amendment of the protection of investments is a huge mistake. It think the government of South Africa only realised their mistake afterwards. The availability and the conditions of investor protection is one of most important factors that companies take into account before they invest.	Statement ZA-40-05
The interviewee states that the first reason for the lack of confidence in the economic policy of the government is the unilateral termination of the agreement on protection of investments with a number of countries. Since the protection of foreign investments is a major determinant in the location decision of companies, the removal led to a deterioration in investor confidence. It was only after the removal without substitution that the government realised its negative effects.	Interpretation
First reason for lack of confidence in economic policy of government is unilateral termination of agreement on protection of investments with number of countries; since protection of foreign investments is major determinant in the location decision of	Core Statement



companies, the removal led to deterioration in investor confidence; it was only after removal without substitution that government realised its negative effects	
Second, we do understand that the population wants to participate in the economic wealth of the country, but BEE is not the right measure to get there. The government of South Africa is currently reinforcing their BEE measures. For instance, our members do not understand why they should give away significant shares of their autonomy and equity for reasons that are not justified by the company's wealth. Companies have to take these regulations into account as the costs of doing business. BEE has very different effects on small and medium-sized companies on the one hand and multinational companies on the other hand. Large multinational companies are able to alleviate negative BEE effects by making use of the equity equivalent, local participation in local dealer equity as well as education and training measures.	Statement ZA-40-06
The interviewee states that, second, it is reasonable that the population wants to participate in the economic prosperity of the country; the measures the government takes to achieve that participation are, however, inappropriate. The members of that association are not willing to accept new shareholders that may negatively interfere the performance of their companies. The association points out that the costs of BEE measures need to be considered as additional costs of doing business in South Africa. Whilst large companies have alternatives on hand, small and medium companies cannot make use of it to avoid potential interference from new shareholders.	Interpretation
Second, it is reasonable that population wants to participate in economic prosperity of country; measures government takes to achieve that participation are however inappropriate	Core Statement

Members of association are not willing to accept new shareholders that may negatively interfere performance of their companies	
Association points out that costs of BEE measures need to be considered as additional costs of doing business in South Africa	
Whilst large companies have alternatives on hand, small and medium companies cannot make use of it to avoid potential interference from new shareholders	
Because companies can earn up to 40 points out of 108 overall BEE points by means of the enterprise and supplier component, we have set up a fund where our member companies pay in. This fund is used to develop companies.	Statement ZA-40-07
The interviewee states that the association and its member companies have set up a fund that is used to invest in measures that help local companies to develop. By making this statement, the interviewee indicates that the fund is used to provide small and medium-sized companies with similar BEE alternatives as large companies.	Interpretation
Association and its member companies have set up fund that is used to invest in measures that help local companies to develop; the fund is used to provide small and medium-sized companies with similar BEE alternatives as large companies	Core Statement
An important and difficult question is whether once empowered always empowered holds true? The mining companies were the first who transferred equity shares to black investors. Now, these investors are cashing out. As long as the new investor is black as well, the 25 per cent are still owned by a previously disadvantaged investor. If, however, the new investor is white, the question is, does the mining company lose the empowerment status and, possibly, in consequence the mining license? There is also a risk that the government is going to increase the	Statement ZA-40-08

required equity share to 50 per cent. The majority of our members rather closes their businesses than selling 50 per cent.	
The interviewee states that courts have not come to a decision whether companies can lose their BEE status if their previously disadvantaged shareholder sells the share to a non-previously disadvantaged shareholder. There is a risk that the government is going to increase the necessary share to slightly more than 50 per cent. Most member companies of the association rather close their location in South Africa than selling the majority of their businesses.	Interpretation
Courts have not come to decision whether companies can loose their BEE status if their previously disadvantaged shareholder sells share to non-previously disadvantaged shareholder	Core Statement
There is risk that government is going to increase necessary share to slightly more than 50 per cent	
Most member companies of association rather close their location in South Africa than selling majority of their businesses	
Preferential procurement is another issue. It is expected that public contracts with a volume above R 35,000,000 will be subject to a high local content component. Put yourself it the situation of a foreign medium sized company that has a branch in South Africa and suddently is not allowed any more to apply for public orders from Sasol or the city of Johannesburg. If the margin is still satisfying, even after accepting a black shareholder, your competitor faces higher costs as well and the contracting authority is willing to pay the additional costs, this may even turn out to be feasible.	Statement ZA-40-09
The interviewee states that there are plans to set up a local content requirement to public contracts above R 35,000,000, which represents another difficulty. Non-BEE compliant companies that have been taken into account in the past may not be taken into account, unless they achive BEE compliance. This may,	Interpretation

however, turn out to become economically feasible if all the competitors are subject to the same regulations and if the customer is willing to pay the cost surcharge.	
There are plans to set up local content requirement to public contracts above R 35,000,000 which represents another difficulty; non-BEE compliant companies that have been taken into account in past may not be taken into account unless they achieve BEE compliance	Core Statement
This may however turn out to become economically feasible if all competitors are subject to same regulations and if customer is willing to pay cost surcharge	
The third factor is the frequency of violent, long-lasting labour strikes. The labour law is a risk factor.	Statement ZA-40-10
The interviewee states that the third reason for the lack of confidence in the economic policy of the government is the frequency of violent and long-lasting labour strikes. The labour law allows room for such industrial actions.	Interpretation
Third reason for lack of confidence in economic policy of government is frequency of violent and long-lasting labour strikes; labour law allows room for such industrial actions	Core Statement
The fourth factor is, how long will AGOA be in place.	Statement ZA-40-11
The interviewee states that the fourth reason for the lack of confidence in the economic policy of the government is uncertainty about the continuance of the African Growth and Opportunity Act.	Interpretation
Fourth reason for lack of confidence in economic policy of government is uncertainty about continuance of African Growth and Opportunity Act	Core Statement

<p>Fifth, how long will it take the South Africans to implement a free trade area in the SADC. For instance in Messina, it takes five minutes to pass the South African border control, but the border control will ask you to pay several fees that do officially not exist. That is an issue in Mozambique as well. The problem is, a culture of almost invisible borders does not exist. At the Komatipoort border, it may take three hours for a truck to cross the border. This leads to additional transport costs. Different regulatory standards across countries is another issue. The harmonisation of standards and legislative requirements is carried out for 70 years in Europe and needs be accelerated in southern Africa.</p>	<p>Statement ZA-40-12</p>
<p>The interviewee states that the fifth reason for the lack of confidence is the uncertainty about the implementation of a free trade area. The request for informal payments, excessive waiting times as well as a lack of harmonisation of standards causes difficulties at neighbouring border posts and, in turn, increases the costs of transport. A mind-set of open borders still does not exist in southern Africa. In contrast to Europe where harmonisation is tackled for about 70 years, southern Africa is still at the beginning and harmonisation needs to be accelerated.</p>	<p>Interpretation</p>
<p>Fifth reason for lack of confidence is uncertainty about implementation of free trade area</p> <p>Request for informal payments, excessive waiting times as well as lack of harmonisation of standards causes difficulties at neighbouring border posts and increases costs of transport</p> <p>Mind-set of open borders still does not exist in southern Africa</p> <p>In contrast to Europe where harmonisation is tackled for about 70 years, southern Africa is still at beginning and harmonisation needs to be accelerated</p>	<p>Core Statement</p>

<p>The Komatipoort has already improved significantly; the political willingness to facilitate border-crossing processes definitely exist. There are however reasons, such as public income generation, that speak against open borders. In addition, at certain border posts you need to provide additional payments and those border officials have an interest in keeping the existing border processes in place.</p>	<p>Statement ZA-40-13</p>
<p>The interviewee states that there are examples of improvements at border posts, such as the border post at Komatipoort to Mozambique. This indicates that governments are serious about improvements at border posts. There are, however, a number of obstacles to open borders. Governments still rely on revenues from crossing borders. Border officials use border controls to their individual benefit; open borders would eliminate this additional source of income.</p>	<p>Interpretation</p>
<p>There are examples of improvements at border posts, such as border post at Komatipoort to Mozambique; this indicates that governments are serious about improvements at border posts</p>	<p>Core Statement</p>
<p>There are however number of obstacles to open borders</p>	
<p>Governments still rely on revenues from crossing borders</p>	
<p>Border officials use border controls to their individual benefit; open borders would eliminate this additional source of income</p>	
<p>Durban is permanently congested; it is the largest port on the African continent. The measures that have been taken during the last years to handle containers are undoubtedly good, but still not sufficient to handle the volumes. The port is in need for more piers. It is very cost-intensive if a vessel has to wait a day for berthing, and that happens frequently.</p>	<p>Statement ZA-40-14</p>
<p>The interviewee states that the port of Durban is the port with the highest cargo volume on the African continent. The port is congested. Measures to increase container handling capacity</p>	<p>Interpretation</p>

have been taken; there is, however, still a lack of capacity. Vessels often have to wait a long time for berthing. This increases the costs of transshipment and transport. The port of Durban is in need for more piers to cope with the number of vessels and cargo volume.	
Port of Durban is port with highest cargo volume on African continent; port is congested	Core Statement
Measures to increase container handling capacity have been taken; there is however still lack of capacity	
Vessels often have to wait for long time for berthing; this increases costs of transshipment and transport	
Port of Durban is in need for more piers to cope with number of vessels and cargo volume	
During rail transport, there is often no information on where trains as well as cargo of shippers is currently located. That raises distresses of cargo owners. It is called “not accounted for” and results from a variety of reasons such as lack of controls or human failure.	Statement ZA-40-15
The interviewee states that during rail transport, the rail company often does not have any information on the current location of trains and freight. Shippers and freight owners, however, expect to know where their cargo is located. The reasons for this lack of visibility during transport are diverse, for instance the lack of controls or want of care in the transport operations.	Interpretation
During rail transport rail company often does not have any information on current location of trains and freight	Core Statement
Shippers and freight owners however expect to know where their cargo is located	
Reasons for this lack of visibility during transport are diverse e.g. lack of controls or want of care in transport operations	

20 years ago, general freight volume in South Africa was much lower than it is today. Spoornet, the preceeding rail transport company of Transnet, was not efficient and has contributed to the fact that most freight was carried on roads. Since then, for general freight this has not improved, it rather became worse; in contrast, for break bulk freight, efficiency has been improved.	Statement ZA-40-16
The interviewee states that 20 years ago the volume of general cargo was much lower than today. At that time, the rail transport performance was insufficient. Consequently, transport volume shifted from rail to road transport. Today, rail transport performance for general freight is still insufficient; the transport performance of bulk freight has, however, improved.	Interpretation
20 years ago volume of general freight was much lower than today	Core Statement
At that time rail transport performance was insufficient; consequently transport volume shifted from rail to road transport	
Today rail transport performance for general freight is still insufficient; transport performance of bulk freight has however improved	
The insufficient performance of general rail freight transport can not only be traced back to the inefficiency of the rail transport company, it is also caused by the ports. Durban is permantly congested.	Statement ZA-40-17
The interviewee states that the insufficient performance of rail transport is not only a result of the inefficiency of rail transport; the congestion of the port of Durban has a negative effect on the rail transport performance as well.	Interpretation
Insufficient performance of rail transport is not only result of inefficiency of rail transport, congestion of port of Durban has negative effect on rail transport performance as well	Core Statement



<p>South Africa's challenges are manifold. There are two fundamental questions. First, where does South Africa position itself? Is South Africa a mineral resource extracting and exporting country or an industrial country according the western-style? In case of an industrial country, does South Africa align its technical manufacturing standards towards European or eastern Asian standards? That decides on whether European or Asian companies will coin and dominate the manufacturing industry in South Africa. Second, how does South Africa regard itself in relation to its neighbouring countries? Is South Africa the country where goods are produced and exported to neighbouring countries or an equally ranked business partner with a similar economic structure?</p>	<p>Statement ZA-40-18</p>
<p>The interviewee states that irrespective of the various challenges that the country faces, the country needs to decide on its economic strategy. First, is needs to be determined whether the economy is geared towards a mineral resource extracting and exporting or an industrial manufacturing country. In the same vein, the country needs to decide whether the manufacturing system is aligned towards the western or eastern standards. Second, it needs to be determined whether the economy is positioned as superior or equal to the other economies in southern Africa. This decides on how the structure of the economy needs to be designed.</p>	<p>Interpretation</p>
<p>Irrespective of various challenges that country faces, country needs to decide on its economic strategy</p>	<p>Core Statement</p>
<p>First, is needs to be determined whether economy is geared towards mineral resource extracting and exporting or industrial manufacturing country</p>	
<p>In same vein country needs to decide whether manufacturing system is aligned towards western or eastern standards</p>	

Second it needs to be determined whether economy is positioned as superior or equal to other economies in southern Africa; this decides on how structure of economy needs to be designed	
The productivity in the mining industry in South Africa is much higher than in the other countries in southern Africa. The other countries such as the Congo and Tanzania can learn a lot from the mining industry in South Africa. The productivity of South Africa is lower compared to non-African countries, such as Australia or Canada. Although the technology is similar, productivity levels are different. Efficiency of processes of the mining industry and related processes outside of the mining industry needs to be increased. The administration of mining companies is too inefficient.	Statement ZA-40-19
The interviewee states that on the hand, the productivity of the mining industry in South Africa is much higher than in other countries on the African continent; on the other hand, it is much lower than in non-African countries such as Canada or Australia. It is not the technology that accounts for differences in productivity between South Africa and non-African countries; it is the processes that make the difference. The insufficient efficiency of the public administration and regulation of the mining industry in South Africa places a burden on the efficiency of the mining companies.	Interpretation
On one hand productivity of mining industry in South Africa is much higher than in other countries on African continent; on other hand it is much lower than in non-African countries such as Canada or Australia	Core Statement
It is not technology that accounts for differences in productivity between South Africa and non-African countries; it is processes that make difference	

Insufficient efficiency of public administration and regulation of mining industry in South Africa places burden on efficiency of mining companies	
Whilst labour costs increase, productivity remains the same in South Africa. The question is whether the mining industry in South Africa should pay higher wages at the expense of a lower number of employed people or a higher number of people should be employed at the expense of a lower wage.	Statement ZA-40-20
The interviewee states that whilst productivity in the mining industry in South Africa stagnates, the labour costs have gone up. This places a burden on the competitiveness of the mining industry. In order to remain competitive, the country needs to decide whether a lower number of employees with a higher wage or a high number of employees with a lower wage in the mining industry is preferred.	Interpretation
Whilst productivity in mining industry in South Africa stagnates labour costs have gone up; this places burden on competitiveness of mining industry	Core Statement
To remain competitive country needs to decide whether lower number of employees with higher wage or high number of employees with lower wage in mining industry is preferred	
In the past, low unit labour costs were a reason to set up a manufacturing location in South Africa. The former advantage in unit labour costs of South Africa does not exist anymore. Unit labour costs in South Africa are similar to unit labour costs in southeast Europe. I do not believe that South Africa can compete with labour costs in Romania or Hungary.	Statement ZA-40-21
The interviewee states that previously low unit labour costs represented a competitive advantage to the industrial location of South Africa. Today, labour costs are at least at the same level	Interpretation

or even higher than in southeast European countries. The former labour cost advantage does not exist anymore.	
Previously low unit labour costs represented competitive advantage to industrial location of South Africa; today labour costs are at least at same level or even higher than in southeast European countries; former labour cost advantage does not exist anymore	Core Statement
First, due to the lack of customs import duties in southern Africa, South Africa has facilitated access to a large market. Second, the infrastructure of South Africa is much more developed than in the other countries on the African continent, whether it is transport, communications, financial or legal infrastructure. Moreover, the country has powerful ports and powerful transport corridors. Third, despite a scarcity of skilled labour, companies are still able to find adequately skilled people for industrial production. The supporting infrastructure exists. Fourth, two free trade agreements are of particular importance to South Africa, the African Growth and Opportunity Act as well as the European Partnership Agreement. AGOA and EPA are definitely location factors for industrial manufacturing in South Africa. Despite the current volatility in the political leadership of South Africa, it still exists a very stable political and administrative structure in South Africa.	Statement ZA-40-22
The interviewee states that a number of factors explains its manufacturing performance: First, the lack of import duties in other countries allows goods from South Africa preferential access. Second, the communications, transport, legal and financial system is well developed and much better than in the other countries in southern Africa. Third, although barely, the supply of skilled labour for industrial manufacturing is still ensured. Fourth, free trade agreements, such as AGOA and EPA allow	Interpretation

to import and export at reasonable costs and support manufacturing in South Africa. Sixth, despite current deficiencies, the political and public administrative system works properly.	
Number of factors explains its manufacturing performance	Core Statement
First lack of import duties in other countries allows goods from South Africa preferential access	
Second communications, transport, legal and financial system is well developed and much better than in other countries in southern Africa	
Third although barely supply of skilled labour for industrial manufacturing is still ensured	
Fourth, free trade agreements such as AGOA and EPA allow to import and export at reasonable costs and support manufacturing in South Africa	
Sixth despite current deficiencies political and public administrative system works properly	

### Interviewee 41

Interviewee number 41, a head of a team at a rail transport company in South Africa, made the following statements:

Rail transport is not as reliable as customers would like it to be. Rail transport is somehow efficient, but there are still a lot of gaps to be closed. In terms of on-time delivery, we do not meet our customer's expectations. There are delays.	Statement ZA-41-01
The interviewee states that although rail transport performance in South Africa is generally fair, there are still many weaknesses that need to be sorted out, such as delays, in order to meet customer expectations.	Interpretation
Although rail transport performance in South Africa is generally fair, there are still many weaknesses that need to be sorted out such as delays in order to meet customer expectations	Core Statement

<p>If we were able to run the freight without any delays, that would make huge differences. Delays are the biggest issue. Maybe, the price; however, in most cases rail is more affordable than road transport. When the service is not ideal, customers tend to think about the price. Even if the price is lower than for road transport, when the service does not match the price, customers start complaining. However, I think the driver of the price is reliability of the service.</p>	<p>Statement ZA-41-02</p>
<p>The interviewee states that delays in rail transport are the main weakness. Reductions in delays would significantly increase rail transport performance and competitiveness of rail transport. The price of rail transport is basically not a weakness, but becomes a weakness if the actual service does not meet the customer expectations.</p>	<p>Interpretation</p>
<p>Delays in rail transport are main weakness; reductions in delays would significantly increase transport performance and competitiveness of rail transport</p>	<p>Core Statement</p>
<p>Price of rail transport is basically not weakness but becomes weakness if actual service does not meet customer expectations</p>	
<p>The rail transport system is strongly positioned in the coal and iron ore sector; mostly because they are exports, are very predictable and are transported in large quantities. It is easier for us to plan and execute those transports efficiently. The goods are transported quite efficiently.</p>	<p>Statement ZA-41-03</p>
<p>The interviewee states that because of the stability in demand and resulting predictability in transport demand as well as the large transport volumes, the transport company is able to plan and operate bulk freight transports, such as coal and iron ore, well. The rail transport company is able to provide a high transport performance in bulk freight. Bulk rail freight transport is a strength of rail transport in South Africa.</p>	<p>Interpretation</p>

Because of stability in demand and resulting predictability in transport demand as well as large transport volumes, transport company is able to plan and operate bulk freight transports such as coal and iron ore well	Core Statement
Rail transport company is able to provide high transport performance in bulk freight	
Bulk rail freight transport is strength of rail transport in South Africa	
Rail is a rigid system. Predictable demand makes it easier to run it efficiently. We do run a predictable service on those bulk commodities and they tend to perform better than agricultural goods. Agricultural goods are lower in volumes, you get smaller quantities from each customer, so you have to consolidate and that poses a challenge to us. In coal transport, 200 waggons may come from a single customer, whilst in agriculture you may have 50 waggons and four customers. The reliability and efficiency of our customers effects our efficiency. It is the consolidation that makes it harder.	Statement ZA-41-04
The interviewee states that sound planning of transports is necessary to run rail transport at a high level of performance. The high predictability and volumes with a low number of shippers in bulk freight facilitate a sound planning of transports. The low volumes and high number of shippers as well as the resulting need for transshipment and consolidation in agricultural freight impede sound planning. The reliability in providing the freight on time for consolidation immediately effects the rail transport performance.	Interpretation
Sound planning of transports is necessary to run rail transport at high level of performance	Core Statement
High predictability and volumes with low number of shippers in bulk freight facilitate sound planning of transports	

Low volumes and high number of shippers as well as resulting need for transshipment and consolidation in agricultural cargo impede sound planning	
Reliability in providing freight on time for consolidation immediately effects rail transport performance	
Rail in general does not have much flexibility; one needs to run a predictable, scheduled service, but in South Africa we do not do that yet. I know there are countries where customers know long time in advance when a train will arrive and leave and whether their cargo will be on that train. Therefore, customers make sure that they meet that date. In the event that they do not meet that date, they pay a penalty. We still accommodate customers a lot. We need to look at how we contract with the customers. Within the company, we need to make sure that the resources are available on time. We have instances where the freight is there, but the locomotives or waggon are not.	Statement ZA-41-05
The interviewee states that the characteristics of the rail transport system require a sound planning of transports and compliance with schedules. There is a high degree of unpredictability in rail transport in South Africa, in contrast to the situation in other countries. This results from two reasons. First, the rail transport company provides its customers with a high degree of flexibility. This allowance of flexibility undermines the ability to plan transport operations. Second, the rail transport operations suffer from a lack of compliance with the rail company's own schedules. There are delays in the provision of necessary transport equipment.	Interpretation
Characteristics of rail transport system require sound planning and compliance with schedules; there is high degree of unpredictability in rail transport, in contrast to situation in other countries; this results from two reasons	Core Statement



First rail transport company provides its customers with high degree of flexibility; this allowance of flexibility undermines ability to plan transport operations	
Second rail transport operations suffer from lack of compliance with rail company's own schedules; there are delays in provision of necessary transport equipment	
We need to have a more intergrated planning and running approach of our railway. The planning needs to include the customers and we need to interact with the customers and the ports as well. We need to plan and execute using a value chain approach. The customers do their own planning, we do our own planning and the ports do their own planning, but we do not put up with an intergrated plan from the customer to the vessel. If we improve that, we could strengthen the rail transporation.	Statement ZA-41-06
The interviewee states that there is not enough coordination among the relevant stakeholders of the supply chain; each stakeholder makes up own, isolated transport plannings. There is a need to achieve a higher degree of coordination among shippers, the rail transport company as well as the ports in order to improve rail transport performance.	Interpretation
There is not enough coordination among relevant stakeholders of supply chain; each stakeholder makes up own, isolated transport plannings	Core Statement
There is need to achieve higher degree of coordination among shippers, rail transport company as well as ports to improve rail transport performance	
We have always been accommodating to our customers; it is how it has always been, therefore we keep the culture. I do not see what is stopping us from changing that culture. We need to force our customers as well as ourselves to be on time. We need to get both right.	Statement ZA-41-07

The interviewee states that the high allowance of flexibility stems from the past behaviour. The rail company has always warranted a high degree of flexibility to its customers. The rail company needs to ensure that both the customers as well as the company itself complies with the transport plans in order to improve rail transport performance.	Interpretation
High allowance of flexibility stems from past behaviour; rail company has always warranted high degree of flexibility to its customers	Core Statement
Rail company needs to ensure that both customers as well as company itself complies with transport plans to improve rail transport performance	
Our KPI indicates that we have improved our operational efficiency over the last few years; we are not where we would like to be but it has definitely improved.	Statement ZA-41-08
The interviewee states that, during the last few years, the rail transport performance has improved, albeit not as much as the rail transport company expected it.	Interpretation
During last few years rail transport performance has improved, albeit not as much as rail company expected it	Core Statement
We are currently setting up operating centres, which bring all the role players together to coordinate the transport. This has never been the case before. It is still at an early stage and the customers are not in yet. Things like those will help us to integrate the chain.	Statement ZA-41-09
The interviewee states that the company is currently establishing centres that will coordinate the planning and execution of rail transport operations among the various stakeholder. The implementation is still at the beginning and customers are not involved yet.	Interpretation

Company is currently establishing centres that will coordinate planning and execution of rail transport operation among various stakeholder; implementation is still at beginning and customers are not involved yet	Core Statement
I do not think that rail performance has decreased over the ten years. If you go five years back, rail transport volume never went above 184 million tonnes moved per year. In the year ending 2012, for the first time, the volume moved beyond the 200 mark. It has been growing since then, except for the last year. The exception was due to a number of factors including the decline of the commodity prices. Prior to the increase, it was stagnating.	Statement ZA-41-10
The interviewee states that rail transport volume did not decline during the last ten years, it rather stagnated. Since 2012, rail transport volume is increasing. Only in 2015, rail transport volume did not increase, due to lower demand in commodities and decreased prices.	Interpretation
Rail transport volume did not decline during last ten years, it rather stagnated	Core Statement
Since 2012, rail transport volume is increasing; only in 2015, rail transport volume did not increase due to lower demand in commodities and decreased prices	
Our fleet is very old. The programme to start replenishing some of the old assets started in 2012. Only now, we are starting to see some of those things happening and getting new locomotives. Before we saw the big jump in performance, there was very little capital injection. We received the first new locomotives in 2015 and there is a big locomotive replenishment programme where we committed to buy 1046 locomotives. More is still to come within the next four to five years.	Statement ZA-41-11
The interviewee states that the locomotive fleet of the company is very old. Before 2012, the company invested little in its fleet.	Interpretation

In 2012, an investment programme was set up to replace the old fleet. In 2015, the company received the first new locomotives and in the next five years, many more are still to come.	
Locomotive fleet of company is very old	Core Statement
Before 2012, company invested little in its fleet	
In 2012 investment programme was set up to replace old fleet; in 2015 company received first new locomotives and in next five years many more are still to come	
In the past, there was an underinvestment in rail and that is why the railway was deteriorating and the assets we have are so old. This applies to both rolling stock and the infrastructure.	Statement ZA-41-12
The interviewee states that in the past the investment in rail infrastructure and rolling stock was below the necessary investment. The insufficient investment in rail infrastructure and rolling stock led to a deterioration of the rail transport performance.	Interpretation
In past investment in rail infrastructure and rolling stock was below necessary investment	Core Statement
Unsufficient investment in rail infrastructure and rolling stock led to deterioration of rail transport performance	
Road transport used to be limited in axle load. In the 1980s, they lifted that and allowed trucks to load 30 tonnes. Before they increased the load limitation, the only option people had to move heavy cargo was rail. By default, rail was the transport mode of choice. Rail did not need to solicit business. Rail was oblivious to the fact that there might be competition. Customers needed us more than the rail company them. The change in legislation gave rail some competition. Transnet is almost a monopoly in terms of rail freight transport. Rail has lost freight to road. Transnet has a strategy called “Back to rail”. The strategy is looking at rail-friendly cargo and measures to get it back on rail.	Statement ZA-41-13

<p>The interviewee states that up to the 1980s, shippers did not have any modal choice for heavy freight transport; rail transport was the only transport mode for heavy freight. Since then, there is no competition in rail transport in South Africa. Thus, the rail transport company did not see any need to gear its business towards the needs of its customers. In the 1980s, the load limitation of lorries was increased and this created some competition among road and rail transport. Since then, rail transport lost business to road transport. The rail company set up a strategy, plans and actions to retrieve rail-friendly business volume from road to rail.</p>	Interpretation
<p>Up to 1980s shippers did not have any modal choice for heavy freight transport; rail transport was only transport mode for heavy freight; since then there is no competition in rail transport; thus, rail transport company did not see any need to gear its business towards needs of its customers</p>	Core Statement
<p>In 1980s load limitation of lorries was increased and this created some competition among road and rail transport; since then rail transport lost business to road transport</p>	
<p>Rail company set up strategy, plans and actions to retrieve rail-friendly business volume from road to rail</p>	
<p>The strategy that has been introduced in 2012, the market demand strategy, is looking at how we can become more customer-centric, how can we bring back the freight that we lost back to rail as well as at the investment to improve the rail infrastructure and rolling stock.</p>	Statement ZA-41-14
<p>The interviewee states that the strategy that has been put in place in 2012 aims at achieving a higher fit between the company's services and the customers' needs, at retrieving business volume from road to rail as well as at investing in and thereby improving the infrastructure and rolling stock.</p>	Interpretation

Strategy that has been put in place in 2012 aims at achieving higher fit between company's services and customers' needs, at retrieving business volume from road to rail as well as at investing in and thereby improving infrastructure and rolling stock	Core Statement
We are not where we should be in terms of rail transportation in South Africa. We should transport a whole lot more on rail. Based on the market predictions when the market demand strategy has been defined, the objective was to move from 201 million tonnes to 350 million tonnes per annum within seven years. Besides the capital injection, another big contributor that is going to make the strategy a reality is to improve operational efficiency. So, to grow the capacity to 350 million tonnes, we invest in new assets as well as improve the existing.	Statement ZA-41-15
The interviewee states that by far too little volume is carried on rail; there is potential for rail transport. In 2012, the plan was to increase freight volume on rail from 201 to 350 million tonnes per annum until 2019. In order to get there, on the one hand, the rail transport company invests in rolling stock and infrastructure; on the other hand, the rail company strives to increase efficiency of the existing rail transport system.	Interpretation
By far too little volume is carried on rail; there is potential for rail transport	Core Statement
In 2012, plan was to increase freight volume on rail from 201 to 350 million tonnes per annum until 2019	
To get there, on one hand rail transport company invests in rolling stock and infrastructure; on other hand rail company strives to increase efficiency of existing rail transport system	
For long time, we were inward looking; we made our own decisions in terms of how we measure ourselves. Over the last four years, we have changed that approach into what customers want like to see. We integrated the customer into our KPIs. The	Statement ZA-41-16

customer satisfaction surveys show that over the last seven years, there has been improvement in how customers experience us and our service.	
The interviewee states that in the past, the company did not place much value on the customers' needs. In 2012, the company started to put the customer at the centre of its perspective and aligned their key performance indicators accordingly. Since then, the company has improved in terms of customer satisfaction with services.	Interpretation
In past company did not place much value on customers' needs	Core Statement
In 2012 company started to put customer at centre of its perspective and aligned their key performance indicators accordingly; since then company has improved in terms of customer satisfaction with services	
If we keep the momentum, in the next five to ten years, the rail freight industry will be totally different. You can already see differences between five years ago and today; add another five to ten years and there will be massive differences.	Statement ZA-41-17
The interviewee states that provided that the rail company continues to improve the rail transport system, in about ten years the rail transport performance will much higher.	Interpretation
Provided that rail company continues to improve rail transport system, in about ten years rail transport performance will much higher	Core Statement
We have infrastructural challenges. The network is divided into four types. There is an unelectrified network as well as an electrified network. Then, within the electrified network, we have an AC and a DC network and we have different types of voltages. The four types make it difficult to run a train from origin to destination without interruptions. On long distances, we have to change the traction mode and the crew. Train drivers are only	Statement ZA-41-18

trained on a specific type of locomotive. When there is one delay, then there is a ripple effect. Labour legislation makes this even more complicated. There is a lot of complexity.	
The interviewee states that there are a number of technical and organisational challenges in rail transport. First, on long distances different traction modes require changes of locomotives. Second, changes in traction mode and locomotives require crew changes. Third, limited allowable working hours require crew changes as well. These three issues lead to interruptions during rail transport.	Interpretation
There is number of technical and organisational challenges in rail transport	Core Statement
First on long distances different traction modes require changes of locomotives	
Second changes in traction mode and locomotives requires crew changes	
Third limited allowable working hours require crew changes as well	
These three issues lead to interruptions during rail transport	
The high performance of the Sishen-Saldanha line with trains of a length of 4.2 kilometers and 342 waggons results from the predictability and volume of bulk commodities and the ability of the infrastructure to handle that load. Because it was well known in advance that there is the necessary transport volume to justify significant investments, the rail network could be strengthened to handle such volumes.	Statement ZA-41-19
The interviewee states that the predictability of the transport volume, the high transport volume as well as the availability of the necessary rail transport infrastructure explain the high performance of bulk lines, such as the Sishen-Saldanha railway line	Interpretation



for iron ore. The expected high transport volume justified significant investments in infrastructure and this, in turn, contributes to the high performance of that railway line.	
Predictability of transport volume, high transport volume as well as availability of necessary rail transport infrastructure explain high performance of bulk lines	Core Statement
Expected high transport volume justified significant investments in infrastructure and contributes to high performance of railway line	
Even if we want to run long trains everywhere else, we cannot because the rail network is not meant for that. We would first have to upgrade the rail network.	Statement ZA-41-20
The interviewee states that other railways, apart from the heavy bulk lines, are not equipped with the necessary infrastructure to run very long trains.	Interpretation
Other railways, apart from heavy bulk lines, are not equipped with necessary infrastructure to run very long trains	Core Statement
We need to invest in rolling stock and infrastructure. That needs to continue. We need a reliable fleet and a reliable network. We need to improve our planning. We also need to invest in planning tools. We need to have more robust, more dynamic plans that enable us to recover from deviations quickly, but also in terms of routing and scheduling.	Statement ZA-41-21
The interviewee states that there is a need for continued investments in rolling stock and infrastructure as well as improved planning procedures. Planning procedures need to improve in such a way that scheduling and routing can be restored quickly after unexpected events.	Interpretation
There is need for continued investments in rolling stock and infrastructure as well as improved planning procedures	Core Statement

Planning procedures need to improve in such way that scheduling and routing can be restored quickly after unexpected events	
It is mainly Transnet and its customers who are responsible to improve the rail transport performance, but there is room for improvement for the private sector to get involved. Rail transport is not a door-to-door service, so who does the first and the last mile? In my opinion, that is where the private sector comes in. We just do the long haul. The loading and transshipment hubs are a great place for public private partnerships. Transnet and the government are promoting PPPs.	Statement ZA-41-22
The interviewee states that the rail company and its customer are responsible for improving the rail transport system. The private sector should get involved and could contribute to an increase in rail transport performance as well. The first and last mile as well as transshipment centres lend themselves towards private sector involvement. The rail company and the government are promoting private sector involvement by means of public-private partnerships.	Interpretation
Rail company and its customer are responsible for improving rail transport system; private sector should get involved and could contribute to increase in rail transport performance as well	Core Statement
First and last mile as well as transshipment centres lend themselves towards private sector involvement	
Rail company and government are promoting private sector involvement by means of public-private partnerships	
Private investment is a good idea, but we have to take care into what the investment goes. PPPs would play a big role in recommissioning branch lines, but I think the main corridors should remain at Transnet. The national development plan takes into account everything that has to be done in the country and how we tackle it, such as the unemployment rate. A lot relies on	Statement ZA-41-23

Transnet. The private companies have been retrenching for a number of years, especially when the economic situation turns down. As a public company, we try as much as possible to keep people employed. We need to ensure that we keep the bulk of the railway in the control of the public company to avoid things like those. We have some branch lines that are not efficient, because they need some upgrade and we need the private sector to take part in this.	
The interviewee states that there is a need for private sector involvement. Branch lines could be upgraded and operated by the private sector. Main lines should remain under the responsibility of the public sector. Since it is a public responsibility to keep employment levels high and the provision and operations of the main lines is a significant contributor to the employment situation, the rail company has a significant influence on the employment situation in South Africa.	Interpretation
There is need for private sector involvement; branch lines could be upgraded and operated by private sector; main lines should remain under responsibility of public sector	Core Statement
Since it is public responsibility to keep employment levels high and provision and operation of main lines is significant contributor to employment situation, rail company has significant influence on employment situation	
I do not see any obstacle to further improvements of rail transport performance, as long as the demand in commodities does not decline.	Statement ZA-41-24
The interviewee states that the only obstacle, which may occur, is a decline in the demand for commodities; unless this does become a reality, there are no obstacles.	Interpretation
Only obstacle which may occur is decline in demand for commodities; unless this does become reality there are no obstacles	Core Statement

I did not have a look at other countries's rail transport systems. People say that South Africa has the best rail system on the continent. I am not sure why, but I guess it is the quality of the network and rolling stock as well as the quality of skills. There is a request from several countries on the continent to help with engineers on their challenges.	Statement ZA-41-25
The interviewee states that the rail transport system of the countries on the African continent seems to be best in South Africa. This may result from the state of the rolling stock and infrastructure as well as skilled labour in South Africa.	Interpretation
Rail transport system of countries on African continent seems to be best in South Africa; this may be result from state of rolling stock and infrastructure as well as skilled labour in South Africa	Core Statement
The MDS is currently revised to include the digitisation of the rail transport system; that is our next big thing. We formed partnership with companies.	Statement ZA-41-26
The interviewee states that the strategy of the rail company is currently complemented by plans for an increasing digitisation of the rail transport system. The digitisation of the rail transport system is going to be a major area for improvement in the future.	Interpretation
Strategy of rail company is currently complemented by plans for increasing digitisation of rail transport system; digitisation of rail transport system is going to be major area for improvement in future	Core Statement