

THE POLITICAL ECONOMY OF THE NAMIBE CORRIDOR.

A THESIS SUBMITTED IN PARTIAL FUFILMENT OF

THE REQUIREMENTS FOR THE DEGREE OF

MASTER OF ARTS (POLITICAL STUDIES)

OF

THE UNIVERSITY OF NAMIBIA

BY

ALBERTS MUNYANYA KULOBONE

August 2004

SUPERVISORS: PROFESSOR W. LINDEKE

PROFESSOR A. du PISANI

ABSTRACT

The Southern African Development Community (SADC) came into being after the Declaration and the Treaty to establish it was signed at the summit of Heads of States or Government on July 17, 1992, in Windhoek, Namibia. SADC replaced the Southern African Development Coordination Conference (SADCC), that had been in existence since 1980.

At SADC's inception transport was seen as the most important area to be developed, on the grounds that, as the founding Lusaka Declaration of April 1, 1980 noted, without the establishment of an adequate regional transport and communication system, other areas of co-operation become impractical. Priority was to be given to the improvement of road and railway services into Mozambique, so that the landlocked countries of the region could transport their goods through Mozambican ports instead of South African ones. The principal objectives of SADCC were to reduce Member states' dependence, particularly on apartheid South Africa, to mobilize Member states' resources, in the quest for collective self-reliance, and to secure international understanding and support. This thesis deals with the political economy and potential development of the Namibe Corridor.

The Namibe Corridor will link Lubango, Matala, Cassinga, Chamutete, Ondjiva and Santa Clara in Angola, and Oshikango, Ondangwa, Tsumeb and Otjiwarongo to Walvis Bay in Namibia. The corridor encompasses the port facilities in the ports of Namibe, Tombua and Walvis Bay. This is expected to usher in a new era of east-north economic integration, while also consolidating SADC's vision of a free trade area. The Republic of Namibia and that of Angola formally agreed to the creation of this important corridor on 17 May 1997(www.wbcg.com.na:2003).

The completion of this corridor will be a milestone in south-south and regional co-operation, thereby attracting foreign investments and promotion of trade. It will provide for the West Coast that SADCC had attempted on the East Coast.

TABLE OF CONTENTS

The Title Page

The Abstract.....	ii
Acknowledgements.....	vi
Disclaimer.....	viii
List of Acronyms and Abbreviations.....	ix

I INTRODUCTION AND BACKGROUND

1.1 Introduction	1
1.1.1 Origins and Background of development Corridors.....	4
1.1.2 Incentives of Development Corridor.....	12
1.1.3 Why Development Corridors?.....	13
1.2 Namibia: The SADC Gateway.....	15
1.2.1 Namibia in the World.....	15
1.2.2 Namibia within SADC.....	15

II. RESEARCH METHODOLOGY

2.1 Introduction to the Study.....	18
2.2 Purpose of the Study.....	21
2.3 Statement of the Problem.....	22
2.4 Assumptions	22
2.5 Importance of the Study.....	23
2.6 Limitations.	23
2.7 Methodology	23
2.8 Data Collection Instruments and Analysis.....	24
2.9 Definition of Terms.....	24

III. LITERATURE REVIEW

3.1	Introduction.....	28
3.2	Theories on Regional Cooperation and Integration.....	28
3.3	Concluding Remarks.....	40

IV. POLITICAL ECONOMY OF THE DEVELOPMENT CORRIDORS IN NAMIBIA AND SADC: GENESIS AND PERFORMANCE.

4.1	Introduction.....	42
4.2	Background of the Development Corridors in Namibia.....	42
	4.2.1 General Context	51
	4.2.2 Benefits/Contributions of the Namibe-Corridor to Angolan/ Namibian economies and to the SADC.....	54
	4.2.3 Incentives to be offered by the Namibe-Corridor.....	56
	4.2.4 Implementation of the Programme.....	57
4.3	The Experience and Impact of the Namibian Development Corridors...	58
	4.3.1 The One-Stop Border Post Concept.....	59
	4.3.2 Progress to Date	61
	4.3.3 Pilot Project.....	61
4.4	Evaluation of the Performance of the Namibian Development Corridors...	62
	4.4.1 Promoting Equitable Intra-Regional Trade.....	62
	4.4.2 Attraction of Foreign Investment and Expansion of Export Earnings	63
	4.4.3 Promotion of Regional Integration.....	64
	4.4.4 Improvement of Transport Infrastructure.....	65
4.5	Findings of the Study	65
4.6	Namibia's Development Corridors a Success or Failure?.....	69

V.	CONCLUSION AND RECOMMENDATIONS	
5.1	Introduction.....	72
5.2	Conclusion	73
5.3	Recommendations.....	76
IV.	REFERENCES.....	80
VII.	ANNEXURES.....	83

ACKNOWLEDGEMENTS

In the months that this study took to complete I have become indebted to many people. First of all, I owe gratitude to my lectures and thesis supervisors, Prof. William Lindeke and Prof. Andrè du Pisani, who provided sound guidance and rich perspectives during our conversations. I would like to thank the two of them for their careful reading of the manuscript and their comments and discussions. I thank the rest of the Department of Political and Administrative Studies at the University of Namibia and my lecturers Bill, Andrè, Tapera, Jerry and Piet in particular.

I would also like to thank Mr. Phillip Seibeb, Project Manager at the Spatial Development Initiative as well as Mr. Frank Gschwender of the Walvis Bay Corridor Group for their valuable contributions during the research, which led to this thesis. Discussions with them were critical in helping to make the empirical work in this study more precise. My thanks also go to my colleagues who have been a source of insight and inspiration as this thesis began to take shape and on to its completion. They kept me focused, shared in my accomplishment and otherwise strengthened me throughout this challenging path.

I am further grateful for the contributions made by all the people that I informally interviewed, and those that made time to respond to my questionnaires, I wish to express my deep appreciation for the frank and open manner in which they contributed to this research.

I gratefully acknowledge financial support from the Khomas Regional Council, and I am indebted to the Khomas Regional Council for allowing me to utilize the office for typing and printing.

Throughout this academic journey, my family had remained a constant source of moral support. I must express my deep gratitude and appreciation to my brilliant and lovely wife Brenda, for her constant encouragement, unreserved support, and unwavering belief in my abilities. She has showed me fascinating sides of the world I

thought I knew. My son O'Neal, for uplifting me when the going was rough and not complaining during the times I was away from home.

Finally I would like to state that none of the above should be held responsible for the shortcomings and errors of this study as they rest solely on me.

DISCLAIMER

The findings, interpretations and conclusions expressed in this thesis are entirely those of the author. They do not necessarily represent the views of the University of Namibia, the Department of Political and Administrative Studies, the Faculty of Economics and Management Science and the Khomas Regional Council. All the information in this thesis is verified to the best of the author's ability.

Windhoek, August 2004.

List of Acronyms and Abbreviations

AGOA	Africa Growth and Opportunity Act.
CBS	Central Bureau of Statistics
C-2-C	Coast -to- Coast
COMESA	Common Market for Eastern and Southern Africa
DRC	Democratic Republic of Congo
EAC	East African Community
ECCAS	Economic Community of Central African States
ECCGL	Economic Community of the Countries of the Great Lakes
ECOWAS	Economic Community of West African States
EPZs	Export Processing Zone
EU	European Union
FIA	Foreign Investment Act.
FISCU	Finance and Investment Co-operation Unit
FTA	Free Trade Area
GDP	Gross Domestic Product
GRN	Government of the Republic of Namibia
IOC	Indian Ocean Commission
ISD	International Subscriber Dialing
IT	Information Technology
KMs	Kilometres
KRC	Khomas Regional Council
LDCs	Least Developed Countries
Ms	Metres
MET	Ministry of Environment and Tourism
MFA	Ministry of Foreign Affairs
MLPs	Model Legislative Provisions
MME	Ministry of Mines and Energy
MOU	Memorandum of Understanding
MTI	Ministry of Trade and Industry
MTSE	Maritime and Transit Services Enterprises

MWTC	Ministry of Works, Transport and Communication
NAFTA	North American Free Trade Agreement
NamPort	Namibia Ports Authority
NIC	Namibia Investment Centre
N\$	Namibia Dollars
ODC	Offshore Development Company
RIAs	Regional Integration Arrangements
RSA	Republic of South Africa
SADC	Southern African Development Community
SADCC	Southern African Development Co-ordination Conference
SACU	Southern African Customs Union
SATCC	Southern African Transport Communication Commission
SATCC- TU	Southern African Transport Communication Commission Technical Unit
SATRA	Southern African Telecommunication Regional Authority
SDIs	Spatial Development Initiatives
SITCD	SADC Industry and Trade Coordination Division
SMEs	Small and Medium Enterprises
SPA	SADC Programme of Action
STP	SADC Trade Protocol
SWAPO	South West Africa People's Organization
TAZARA	Tanzania - Zambia Railway
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNIN	United Nations Institute for Namibia
USA	United States of America
US\$	United States Dollar(s)
WBCG	Walvis Bay Corridor Group
WTO	World Trade Organization

1. INTRODUCTION AND BACKGROUND

1.1. INTRODUCTION.

This thesis deals with the political economy and potential development of the Namibe Corridor. The research examined the benefits that may derive from the development of this Corridor. The research also took into consideration the Walvis Bay - Maputo Corridor, the Trans-Caprivi and the Trans-Kalahari Highways as well as the Southern African Development Community (SADC) policies. In SADC region, according to the Namibia Ports Authority (2003/04:11) there are 17 Spatial Development Initiatives (SDIs), one of which focuses on the 3,000 km expanse between Walvis Bay in Namibia and Maputo in Mozambique, known as the Trans-Africa Coast to Coast Corridor. The Walvis Bay Spatial Development Initiative (SDI) forms part of this corridor. The aims of these SDIs among others is, to harness the existing infrastructure alongside the corridors to unleash the latent economic potential in such an area.

Namibia's network of over 5,000 km of tarred and 27,000 km of gravel roads is, according to The Economist Intelligence Unit Limited (2003 :21), generally well maintained, and its rail, harbour and air services are efficiently operated. The economy is therefore largely free from transport bottlenecks. Road links to Namibia's eastern neighbours have been improved by the construction, mainly funded by donors, of the Trans-Kalahari and the Trans-Caprivi highways. The Trans-Kalahari highway, completed in 1998, has greatly reduced the road distance between South Africa's Gauteng region and Walvis Bay, but use of the route has been below expectations

owing to logistical problems. The Trans-Caprivi road from Rundu to the Botswana border at Ngoma is complete, and the construction of a permanent bridge across the Zambezi River to Zambia at Kazungula, due for completion in 2004, will improve the route for trucks, which are presently ferried across. Two shipping lines provide weekly and biweekly direct connections between Walvis Bay and Europe. A regional service sails between Maputo in Mozambique and Luanda in Angola.

Recent developments at Walvis Bay include a new container terminal with 380 ground slots capable of handling 20- and 40-foot containers, and the deepening of the harbour (www.wbcg.com.na :2003). The Walvis Bay Corridor Group, a public-private partnership of the major stakeholders, is promoting the use of Walvis Bay for regional imports and exports via the Trans-Kalahari and Trans-Caprivi Highways as well as the new northern extension under construction, better known as the Namibe Corridor. The Trans-Kalahari supersedes the other corridors in Namibia currently, but the Namibe corridor fits in well as a northern extension to southern Angola.

The Namibe Corridor is a spatial development initiative (SDI) that will link Namibia and Angola including Lubango, Matala, Cassinga, Chamutete, Ondjiva and Santa Clara in Angola, and Oshikango, Ondangwa, Tsumeb and Otjiwarongo to Walvis Bay in Namibia in order to improve economic integration and development. This corridor includes the ports of Namibe and Tombua in Angola and Walvis Bay in Namibia. The planned corridor will also link with the existing Trans-Caprivi Highway system from Ngoma via Katima Mulilo, Rundu, Mpunga, Okongo, Eenhana and Omeno to Oshikango in northern Namibia. The two countries agreed to the creation of this

potentially important corridor in May 1997 (www.wbcg.com.na: 2003). This corridor will assist in giving landlocked countries of the region access to ports and greater trade opportunities.

The lack of territorial access to the sea, aggravated by remoteness and isolation from world markets, and prohibitive transit costs impose serious constraints on the overall socio-economic development efforts of the landlocked developing countries. Sixteen of the landlocked developing countries are also classified by the United Nations as least developed countries (LDCs) and their geographical situation is an added constraint on the overall ability to cope with the challenges of development.

The international community recognizes the plight faced by landlocked countries and in response, has taken specific actions to address the particular needs and problems of landlocked developing countries. This is provided for in international law. At the global level, efforts have been made by donor countries, the United Nations (UN) system and multilateral, financial and development institutions to provide landlocked and transit developing countries with assistance in the form of grants or concession loans for construction, maintenance and improvement of their transport, storage and other transit related facilities, including alternative routes and improved communications.

At a regional level, efforts are being made by the UN regional commissions and relevant sub-regional organizations to support improvement of transit systems. The United Nations Conference on Trade and Development (UNCTAD) provides the

framework for the development and improvement of transport network in Africa. The Common Market for Eastern and Southern Africa (COMESA), SADC and UNCTAD have played a major role in promoting instruments designed to simplify, harmonize and standardize transit procedures and documentation. In spite of what has already been achieved; there is a general understanding that greater efforts are still required at both the national and international level to improve transit systems for such countries (Transit Transport Seminar Report, 2000:4).

This research coalesces around five chapters. These are: Introduction and Background that contains a brief introduction to the origin and evolution of development corridors and their importance for SADC, Angola and Namibia. Chapter 2 introduces the research methodology, while Chapter 3 embodies a brief literature review. Chapter 4 presents the data and attempts to analyse the progress to date. The last chapter, which is Chapter 5 attempts to provide core recommendations and draws the study to a close. References and Annexures appear at the end.

1.1.1 Origins and Background of the Development Corridors.

This section covers the development corridors in SADC and Namibia, and tries to define the advantages that the Walvis Bay port can have if fully utilized. It is more especially, how the Walvis Bay port can reduce the traveling time distance to the Americas and Europe, and consequently effect significant savings to some of the landlocked SADC countries such as Zambia and Zimbabwe.

Following independence in 1990 after years of dependence on white-ruled South Africa, coupled with isolation from the rest of the subcontinent, Namibia sought political, social and economic integration with Southern Africa as a whole. Linking the country to the rest of the region thus became a national development priority. With good roads and railways already in place it was decided to develop a transport corridor linking the port of Walvis Bay, previously a South African enclave and under utilized as a harbor, with neighbouring countries over and above South Africa.

The Namibia Year Book 2001/2002:31 suggests that leaders in landlocked countries like Botswana, Zimbabwe and Zambia, as well as in the industrial hub of Gauteng in South Africa, realized that they would be able to benefit from access to a port on the Atlantic coast, while at the same time bolstering Namibia's small burgeoning economy. For a century and half seafarers, explorers, settlers and transporters had come to accept Cecil John Rhodes's belief that Cape Town provided the "Gateway to Africa". Later the ports of Port Elizabeth and Durban were added to handle increasing traffic to and from countries bordering South Africa, the "economic powerhouse" of Southern Africa. In fact there is today an evenly divided foreign trade from Southern African Development Community (SADC) in an easterly direction (Far East, Arabia, and Mediterranean) and a westerly direction (Europe and the Americas). Nonetheless, eastern seaports handle 80% of all trade, while western seaports handle only 20% - clearly a suboptimal pattern.

International trade, 90% of which travels by sea, has continuously tried to find faster, cheaper and less risky routes for cargo. For a region labeled as "underdeveloped" and

trying to join the global economy as a competitive player, southern Africa needs to be able to offer competitive advantages such as time and cost savings (Namibia YearBook 2001/2002:31).

With the ports of Cape Town, Port Elizabeth, Durban and the Namibe fully utilized and stretched beyond their handling capacity, Walvis Bay as a West Coast port can offer an effective alternative. It has shorter traveling times for cargo to and from the Americas and Europe, faster turnaround times, and safe and speedy delivery to destinations within the region.

In the past 10 years close to US\$ 1,5 billion was spent on upgrading Namibia's transport infrastructure (Trans-Caprivi and Trans-Kalahari Highways) and on the development of the port of Walvis Bay to meet international standards. The investment is aimed at positioning Namibia into a transport and manufacturing turntable for the SADC. Located on the South-Western Coast of Africa with direct access to principal shipping routes, Walvis Bay is a natural gateway for international trade, offering a sheltered commercial deep-water harbor. (Namibia Year Book 2001/2002:31).

The Namport website (www.namport.com.na:2003) indicates that following major investments totaling N\$ 250 million in upgrade facilities and a deeper harbor, Walvis Bay now offers a service of international standard and capacity far beyond its current two million tonnes capacity a year. It has eight berths (three of them deepened to 12, 8 m below chart datum to accommodate regional liner-service vessels), a tanker jetty,

and a state-of-the art container terminal with reefer facilities, a mobile tower crane and reach stackers, as well as modern cold-storage facilities.

Port operations are further enhanced by a full range of modern logistics support offered by the active business community of the industrial town of Walvis Bay. Rail links throughout the port and a spacious layout ensure there will be no congestion. The Africa Competitiveness Report (2000) established by an independent consulting group of Harvard University and the World Economic Forum, rated Walvis Bay the No.1 African port in terms of port costs and efficiency, proof enough that Walvis Bay can indeed be proud of its management and operational efficiency.

Walvis Bay is the ideal entry and exit point as it takes two to five days less sailing time from Europe and the Americas, compared to Cape Town and Durban, and translate into time and cost savings for mainline carriers, who now have the option of a "small but smart" hub port complementing regional cargo traffic and alleviating the strain on existing major harbours, thus allowing for greater overall efficiency and speed (Namibia YearBook 2001/2002:32).

The Trans-Kalahari Highway links the port of Walvis Bay with Johannesburg in South Africa via the Namibian Capital of Windhoek and the Botswana capital of Gaborone, and it is the shortest and fastest road to Gauteng, the region's main manufacturing and business hub. This corridor links up with the Maputo Corridor on the east coast, thus provides a transport link from the Atlantic Ocean to the Indian Ocean, over the entire breadth of the continent. A saving of 450 kms of travel on well-

maintained tarred roads, compared to the traditional route through Southern Namibia, translates into transit times of only two days for goods shipped through Walvis Bay into Gauteng (Namibia YearBook 2001/2002:32)

Some N\$ 215 million was invested in road infrastructure to link the existing main road from Walvis Bay to Gobabis with the Botswana border, while 6 000 000 Pula was spent by Botswana on the construction of its section of the highway, from the Namibian border through Gaborone to the South African border. Smooth operations by way of extended border hours, integrated customs by way of extended border hours, integrated customs procedures and harmonized transport regulations are provided for in a Trans-Kalahari Memorandum of Understanding, drafted by the trilateral Corridor Management Committee for signature by the governments of South Africa, Botswana and Namibia, the three member countries (Namibia YearBook 2001/2002:32).

Landlocked countries to the North and East can reach the European markets and the Americas using the Trans-Caprivi Highway through the Walvis Bay port. As long ago as 1890 Imperial Germany, with Count Georg Leo von Caprivi de Caprera de Montecuccoli as Chancellor saw the need for a coast-to-coast link through Southern Africa. In order to gain access from its colony in South West Africa to its territories in East Africa, it ceded rights in Zanzibar to Britain in exchange for what is today the Caprivi Strip in north-eastern Namibia, a 400 Km panhandle that reaches into the heart of southern Africa. In the end it served no such purpose, but ironically Namibia

- as an independent state is set to turn a colonial folly to its advantage (Namibia YearBook 2001/2002:32).

The Trans-Caprivi Highway, a road infrastructure of N\$ 785 million consists of 1,400 kms of paved road from Walvis Bay to Katima Mulilo, the regional capital of Caprivi. It offers land locked Zambia, Zimbabwe and northern Botswana direct import and export routes via the West Coast. It also offers possibilities of extension into the Democratic Republic of Congo (DRC), via Zambia, to draw the northern most SADC country into regional trade and investment (Namibia Year Book 2001/2002:32).

As with the Trans - Kalahari Highway, the Trans - Caprivi Highway allows for shorter transit times for cargo into and out of the region than do routes from the east coast: five to six days to Harare and Lusaka, six to seven days to the Zambian Copperbelt. A bridge is already built over the Zambezi, linking Katima Mulilo and Sesheke, to optimize operations. The Trans-Kalahari and the Trans-Caprivi highways were the newest additions to a transport network already linking Namibia southwards to South Africa via Ariamsvlei and Noordoewer (Namibia Year Book 2001/2002:32-33).

Linked to the southern corridor by road and rail, the small port of Luderitz, recently upgraded, allows for use of an alternative cargo terminal in southern Namibia.

A Northern Extension (Namibe Corridor) will stretch from Tsumeb via Oshikango into southern Angola. Currently the rail line from Windhoek and Walvis Bay to Tsumeb is being extended northwards up to the border. This is strategic move to

position the corridor as a supply route to Angola once the political situation there has fully stabilized. The railway line is presently under construction, which will be 1551 km to Lubango from Walvis Bay. While safe and speedy road transport to and from Walvis Bay plays a major part in cargo destined for the SADC region, rail transport specifically for bulk cargo such as mining products remains a necessary option and an advantage (Namibia YearBook 2001/2002:33).

Rail lines support the Walvis Bay Corridor's transport routes with trans-shipment facilities in Windhoek, in Grootfontein and Tsumeb on the Trans-Caprivi Highway, thus allowing for intermodal operations. Plans are underway to build a dry port on a dedicated site in Windhoek. The southern rail link also connects Walvis Bay to South Africa via Keetmanshoop and Upington. The key competitive advantage of the port of Walvis Bay and the Walvis Bay corridor is its geographic location on the west coast of southern Africa, substantial time and cost savings, high reliability as well as cargo security and safety. It is closest to markets in Europe and the Americas (Namibia Year Book 2001/2002:33).

The corridor not only offers direct access to an Atlantic seaport from landlocked countries within the SADC, but to South Africa and Angola - countries that are looking to attract investment and widen their economic base. With more than 30% of landed costs for cargo being distribution costs, possible investors will want to be assured of fast and efficient delivery of goods. Since infrastructural developments have largely been completed over the past 10 years, the facilities offered are new and

to the latest international standards- computerized handling in new and well maintained harbour and rail facilities, wide tarred highways that put less strain on trucks, tyres and personnel, and thus with a lower chance of accidents.

Walvis Bay is the youngest regional port and was upgraded from a national port with a focus on fishing to a commercial port of international standards only seven years ago. Therefore, it has ample spare capacity. Congestion is non-existent and turn around times are an average of 18 hours compared to up to four days in other major regional ports. With the Walvis Bay harbour and the corridor being utilized at only a third of their capacity, there is a lot of room for expansion of business and diversification of goods to be handled (Namibia Year Book 2001/2002:33).

Translated into business terms, this assures the customer of high reliability in cargo delivery. Apart from obvious time and cost advantages, the Walvis Bay corridor offers customers the added bonus of safety along its routes. Walvis Bay harbour boasts a track record of five years without pilferage - unequalled on the continent and bound to allay fears about an "African harbour" with international customers. Equally, local road carrier enterprises not only have well maintained trucks, but also ensure security by way of satellite tracking devices along. All corridor highways, allowing for added control and speedy breakdown support. Recent developments are conceptualized by the Port plus Concept - in essence, the extension of the port into the region (Namibia Year Book 2001/2002: 31- 33).

1.1.2. Incentives of Development Corridors

The benefits derived from the effective utilisation of development corridors as well as the effects of low transport costs are important components of regional growth strategies.

The most direct benefit of increasing traffic operations and volumes through the corridor are business opportunities for transport and transport- related industries. But efficient corridor operations also generate a spill over into the local economy. Manufacturers, for example, may choose the corridor for their factories not only because of better investment incentives, but also because the supply and delivery chains to the rest of the world run smoothly and punctually.

Ramatex, a global player in the textile industry, recently chose Namibia as a location for the production of designer clothing destined for the United States, not least because of punctual delivery of raw materials through Walvis Bay and shorter delivery times of finished goods. The company also chose Namibia because of corridor logistics operations geared for speed and reliability. The development of manufacturing and processing capacities, as well as service industries, broaden and diversify the national economy and reduce dependency on the production of raw materials, which are subject to price fluctuations on world markets.

Nevertheless, the existence of excellent transport infrastructure and logistics management positively impacts on the production of raw materials, the backbone of

Namibia economy. A recent example is the reopening of the Ongopolo mine and copper smelter in Tsumeb and the first shipments of copper directly to the United States through Walvis Bay in mid- 2001. This might respark the export of copper : from Zambia and DRC to Europe and the Americas. It is a fact that increased port usage benefits other users.

A reduction in overall transport costs also has spill over effects into other sectors, making for reduced commodity prices and greater possibilities of diversification, not only to and from the SADC region, but also within it. An efficient alternative trade route on the west coast of southern Africa promotes export production, makes imports more affordable and reduces costs for doing business in and within the region. It thus increases the competitiveness of the region in the challenging process of globalisation (Namibia Year Book 2001/2002: 33-34).

1.1.3. Why Development Corridors.

Development corridors are trade routes that are very much preferred internationally.

The Walvis Bay Corridor provides a good example, with the utilization of the Trans Caprivi and Trans-Kalahari Highways being so efficient and effective.

The use of the Walvis Bay Corridor would have a regional trickle-down effect if - as planned - Zambia were to export its copper through Walvis Bay, with sulphuric acid for copper going in the opposite direction from the Rossing uranium mine in Namibia. The Trans-Caprivi option also offers investors an incentive to exploit the mineral rich

southern region of the Democratic Republic of the Congo (DRC), which was previously serviced by east African ports as well as easy access by the DRC and Zambia to the European markets. On the other leg, the car manufacturing industry in Gauteng is exploring the potential of the Trans-Kalahari Highway to optimize import and export operations. A development that could be instrumental in boosting regional trade and transport volumes is the United States' Africa Growth and Opportunity Act (AGOA), which aims at increasing economic activity between the US and Africa including the SADC region. Best suited to cater for this trade is the port of Walvis Bay, due to its location, and the Walvis Bay corridor, with its reach into the heart of the SADC region and the traditional transport network has an advantage over other ports in the SADC region (Namibia Year Book 2001/2002:34).

An effective transport chain also benefits economic development along road and rail routes, a concept regionally promoted through the Spatial Development Initiative (SDI). The concept is stimulated by the development of the Maputo corridor, a success story of regional development on the east coast of southern Africa. This corridor, which started off in mid-90s as a set of transport infrastructure projects, such as the rehabilitation of the port and the rail line and the building of a toll road, attracted an investment of ZAR 7 billion in regional development. It thus exemplifies how a transport corridor can evolve into an investment and development corridor.

Semi-urban and rural villages, dotted along major transport routes, will also have scope for development through service industries, tourism, market integration and, most of all, decentralized employment opportunities. This in turn will aid efforts to reduce urban migration and the financial strain on urban centres which are unable to

keep abreast of the infrastructural and social development that such as influx of people demands. Namibia's capital Windhoek, for instance, sees an influx of up to 250 people a week mainly from northern rural areas. The city's resources are stretched to the limit as it tries to cater for the newcomers, most of whom are unable to land a job to support themselves and their families (Namibia YearBook, 2001/2002: 34).

1.2. NAMIBIA: THE SADC GATEWAY

1.2.1. Namibia in the World.

By virtue of various trade arrangements, Namibia enjoys easy access to a regional market of over 350 million consumers as well as access to lucrative markets in the rest of the world. Namibia being a member to the inter-regional bodies such as the Southern African Customs Union (SACU), Common Market for Eastern and Southern Africa (COMESA), SADC, benefits a lot in terms of inter- and intra-regional trade, trans-boundary tourism, etc and this helps in the economic growth of the country (Namibia Ports Authority HandBook 2003-04:11).

1.2.1. Namibia within SADC.

With a population of about 190 million people and a combined GDP of US\$ 176 billion, the Southern African Development Community (SADC) region remains one of the largest under-exploited markets in the world. With sound macroeconomic fundamentals and relatively good infrastructure in place, the region has created some

of the prerequisites for economic growth. The primary role of SADC is to help define regional priorities, facilitate integration, assist in mobilizing resources and to maximize the regional impact of projects. A crucial player in the process of cross border harmonization is the Namibian Ports Authority. This is a Parastatal that deals with and handles all ports and port facilities in Namibia. Its offices are situated in Walvis Bay, where the Walvis Bay harbour and port are located. With Namibia situated in the south western part of Africa, the country is actively pursuing the development of new trading links, forging relationships and partnerships with its landlocked neighbours throughout the SADC region. The fact that Namibia had been a protectorate of the Republic of South Africa for many years meant that all major routes were planned and constructed to lead southwards to South Africa. When in 1994, Walvis Bay ceased to be a South Africa enclave and became integrated into Namibia; the time had come to put maximum effort into the creation of new east-west transport routes as well as the northern extension linking Namibia to the rest of the region, as already initiated in 1990 (Namibia Ports Authority HandBook 2003-04:11).

According to the White Paper on Namibia's Foreign Policy and Diplomacy Management (2004:64), Namibia attaches great importance to its relations with SADC member states. Hence, harmonisation of multilateral and bilateral co-operation is a priority. The SADC countries, i.e. Angola, Botswana, the Democratic Republic of Congo (DRC), Lesotho, Malawi, Mauritius, Mozambique, Namibia, South Africa, Swaziland, Tanzania, Zambia and Zimbabwe, share common political, security and economic goals. As an active member, Namibia is committed to co-operation through sustained regional development and economic integration.

The White Paper (2004:67) further asserts that, Angola has been and continues to be a strategic ally and offers great potential for co-operation. Angola is rich in natural resources and a potentially wealthy country. As a result, the Namibian government is encouraging the private sector to be involved in that country's reconstruction and industrialisation process, particularly in the fields of mining, marine fisheries, water, agriculture and infrastructure development.

Namibia intends to further deepen and strengthen economic relations with that country for the mutual benefit of our peoples. Namibia is happy to support the peace process enduring in Angola and the Democratic Republic of Congo. It has demonstrated its commitment to good relations with the governments and peoples of these two countries.

II. RESEARCH METHODOLOGY

2.1. INTRODUCTION TO THE STUDY.

The topic of the study is the political economy (and potential development) of the Namibe Corridor. This project is an initiative that the Southern African Development Community (SADC) sponsored for Namibia and it is aimed at creating infrastructure; sustaining economic development, as well as promoting regional integration.

The corridor will link Namibia via Lubango, Matala, Cassinga, Chamutete, Ondjiva and Santa Clara in Angola, and Oshikango, Ondangwa, Tsumeb and Otjiwarongo to Walvis Bay in Namibia. The corridor will further link the Trans-Caprivi Highway system from Ngoma via Katima Mulilo, Rundu, Mpunga, Okongo, Eenhana and Omeno to Oshikango in Namibia. The Government Republic of Namibia and that of Angola agreed formally to the creation of this important development corridor on 17 May 1997. In the same year Namibia announced plans, supported by SADC, to establish a rail link with Angola in order to form a trade route similar to that created in Mozambique, on the western side of Southern Africa.

The then president of Zambia, Dr Kenneth Kaunda at the inaugural summit of the SADCC in April 1980, said the following inspiring words 'Let us now face the economic challenge. Let us form a powerful front against poverty and all its offshoots of hunger, ignorance, disease, crime, and exploitation. Let us form an African movement to wage a militant struggle against poverty'(www.sadcreview.com:2003).

The formation of Southern African Development Co-ordination Conference (SADCC) was the culmination of a long process of consultations by the leaders of Southern Africa. Towards the end of the 1970s, it became clear to the leaders of the region that just having a national flag and a national anthem would not meet the needs of the people for improved living standards. Southern African Development Community (SADC) came into being after the Declaration and the Treaty to establish it was signed at the summit of Heads of States or Governments on 17 July 1992, in Windhoek, Namibia. SADC replaced the Southern African Development Co-ordination Conference (SADCC), which was founded in 1980.

The Southern African Transport and Communication Commission (SATCC) was established in Maputo, Mozambique, in order to undertake SADC's activities in this sector, which accounts for most of SADC's programme of action. The successful distribution of emergency supplies in 1992/93, following a severe drought in the region was reliant on improvements SADCC made to the infrastructure. The facilities of 12 ports in southern Africa, including South African ones, were used to import some 11.5 million metric tons of drought-related commodities, and SADC coordinated six transport corridors to ensure unobstructed movement of food and other supplies. During 1995 the SATCC undertook a study of regional transport and communication to provide a comprehensive framework and strategy for future course of action. A task force was also established to identify measures to simplify procedures at border crossings throughout southern Africa. In 1996 the SATCC Road Network Management and Financing Task Force was established to continue the task (www.sadcreview.com: 2003).

According to the SADC review website, in 1996/97, 174 of the SADC's 407 development projects were in the transport and communication sector, amounting to US\$ 6.474.4 million, or 80% of total project financing. These projects aim to address the missing links and over-stretched sections of regional network, as well as to improve efficiency, operational co-ordination and human resource development, such as management training projects. Other sectoral objectives were to ensure the compatibility of technical systems within the region and to promote harmonization of regulations relating to intra-regional traffic and trade.

Investment that has been made in this project is in line with the SADC Protocol on Transport, Communication and Meteorology, Articles 3.3, 7.1 and 7.2, that require SADC member states to provide infrastructure and transport services that facilitate access to major centres of population and economic activity in the region. The Trans Caprivi and the Trans-Kalahari Highways are earlier examples of this type of spatial development that are in Namibia. Furthermore, the investment in the Northern Railway Extension promotes SADC's regional objectives of bringing about integrated transport systems, which support intra- and inter- modal synergies, to unlock the inherent economic potential of the region by attracting new investments and creating new wealth. The Northern Railway Extension compliments the railway network to Oshikango in northern Namibia into southern Angola. The northern part of Namibia and the southern part of Angola are areas that were marginalized because of apartheid in Namibia and the protracted conflict in Angola. This is one of the reasons why the corridor needs to be developed to enhance overall regional development. In Regional Integration and Co-operation, Spatial Development Initiatives (SDIs) are also one

avenue (perhaps less glamorous than trade and market integration) for SADC, particularly given the socio-economic and infrastructural imbalances of the region. SDIs aim to unlock the inherent economic potential of the region by attracting new investments and also generating new wealth creation. This gives impetus to regional cooperation e.g. C-2-C corridor, the Trans-Capriivi Highway, the Namibe-corridor under construction. These initiatives also aim to harness the existing infrastructure alongside the corridor e.g. resource management which later culminates to trans-boundary resource management, to unleash the latent economic potential in the area and they also connect the most economically, politically and financially important cities and towns. The WBCG and NamPort believe that through harmonization of rules, policies and regulations of transit transport, Africa's Biggest Shopping Mall will be created - "The SADC Mall" (www.namport.com.na: 2003).

2.2. PURPOSE OF THE STUDY.

The research topic is the political economy of the Namibe Corridor. The purpose of the study is to examine the development benefits that the Corridor may bring for Angola, Namibia and other SADC countries. The specific objectives of the research are to establish whether the Namibe Corridor will create employment, attract foreign investment and expand export earnings, promote regional integration, and improve transport infrastructure.

2.3. STATEMENT OF THE PROBLEM.

The research question that informs the study is: what will be the impact of the Namibe Corridor on the Namibian economy, and how will it achieve its intended objectives of, creating employment, attracting foreign investments as well as improving transport infrastructure. The economic development between the southern part of Angola and north-central Namibia was hitherto non-existent. The southern part of Angola was a neglected area because of the war and therefore its development potential makes it significant. The study explored the needs and prospects of this corridor and established whether the Namibe Corridor will have the potential to meet these needs and prospects.

2.4. ASSUMPTIONS.

The study assumes that there will be a continuation of existing policies toward SADC and corridors and development. The study also assumes that this Corridor will increase or promote regional integration, as Mozambique is already using the Walvis Bay - Maputo Corridor. Other countries such as the Democratic Republic of Congo (DRC), which are mineral rich countries, may follow suit using the Trans-Caprivi Highway, after the completion of the bridge to Zambia. Angola will as well be part of this integration soon after the completion of the Northern Railway Extension.

2.5. IMPORTANCE OF THE STUDY.

The importance of researching the political economy of the Namibe-Corridor is that, there has as yet not been a systematic exploration of this theme, and also because of the inter-connectedness between northern Namibia and southern Angola. The study also establishes the costs and benefits (possible contributions to GDP) that may derive from the development of this project between Namibia, Angola and SADC at large i.e. the expansion of the population and market size with more integrated SADC.

2.6. LIMITATIONS.

The limitations associated with this study include difficulty-securing information on Angola, the short time frame as well as the broad scope of the research.

The research only explored dimensions such as transport linkages, petroleum pipelines, communications linkages and economic development resulting from the corridor i.e. the rehabilitation of agriculture; rehabilitation of energy; tourism; trade and infrastructure development. Development is still in progress and measurable results are not yet evident.

2.7. METHODOLOGY.

The study uses both exploratory and descriptive research. This method involves a thorough and systematic description or exploration of the salient aspects or features of a phenomenon, object or situation. In this study both statistical and descriptive

information is used.

2.8. DATA COLLECTION INSTRUMENTS AND ANALYSIS.

The data was collected through the use of questionnaires, in depth interviews with key stakeholders, review of several pieces of literature and policy documents. Questionnaires were designed and sent to officials in the Ministry of Foreign Affairs, Ministry of Environment and Tourism, Ministry of Mines and Energy, the Angolan Embassy, the Walvis Bay Corridor Group and, lastly, TransNamib.

In this study the data collected from various sources was compared and contrasted with the data already existing on the other development corridors in Namibia; i.e. the Walvis Bay - Maputo development Corridor and the Trans-Caprivi and Trans-Kalahari Highways. This helped to determine whether there is an impact (negative or positive) by the Corridors on the Namibian economy as well as on SADC. It also helped to determine whether the objectives set are really met or there is a need for adjustments to meet the objectives of these development corridors.

2.9. DEFINITION OF TERMS.

Corridor - this concept as referred to in this study, means a major regional transportation route along which a significant proportion of member state's or non - member state's regional and international imports and exports are carried by various

transport modes, the development of which is deemed to be a regional priority (www.wbcg.com.na:2002).

Spatial Development - in this study refers to economic development taking place in the region through the establishment of regional transportation routes along which imports and exports are carried (www.sahc-india.com:2003).

Political Economy - in this study refers to what is originally known as economics. It draws attention to the political motivation of economic policies, i.e. policy makers and lobbyists are often more concerned with income distribution than with the efficiency effects of the policies (Pettman R. 1996:21).

Infrastructure - in this study means roads, electricity, water provision, housing, health and welfare services, schools and civic buildings, which in turn generate work for local contracts and workers. (www.wildcoastsdi.org.za: 2003).

Regional integration - is defined in this study as the process by which a geographic region achieves an identity as a community (Chipeta, Imani and CSIR, 1997).

According to Guy Martin (1987:72), it implies the creation of new, supra-national institutions within which common policies are planned and implemented.

Red Tape - in this study will refer to the rules and regulations governing the territorial boundaries of the SADC Member States (with development corridors), and these need to be removed to allow for efficient trading of goods using these development corridors (www.wbcg.com.na: 2003).

Southern African Region - in this study will refer to SADC and its member states(www.sadcreview.com:2003).

Regional Cooperation - According to Guy Martin (1987:72), refers to joint action, by two or more states, in the form of common programmes or projects in functionally-specific areas.

Market Integration Approach - According to Martin (1987:84), refers to trade liberalisation measures, i.e. reduction of tariff and non-tariff barriers and customs facilitation.

Product Integration Approach - According to Martin (1987:84), refers to common projects in the agricultural, industrial and transport and communications sector.

III. LITERATURE REVIEW

3.1. INTRODUCTION.

This section examines the literature consulted on the development corridors in SADC. It begins by discussing theories or statements on Regional Cooperation and Integration by academics, it also looks at the kind of literature found and what approach is taken by the literature or what approach do institutions such as SADC advocates. The section also gives perspectives of Namibian based materials and institutions e.g. the Walvis Bay Corridor Group and other participants, also covered is whether development corridors will integrate the economies of southern Africa, and whether these economies will be developed in the process.

3.2. Theories on Regional Cooperation and Integration.

As trade barriers between SADC member states are relaxed, a wide range of initiatives have been launched to give impetus to regional cooperation. One of these is the regional Spatial Development Initiatives (SDIs), which aim to unlock the inherent economic potential of the region by attracting new investments and generating new wealth creation.

According to the Namibia Ports Authority, in SADC region there are 17 SDIs, one of which focuses on the 3,000 kilometre expanse between Walvis Bay and

Maputo in Mozambique, called the Trans-Africa Coast to Coast Corridor. The Walvis Bay SDI forms part of this corridor. The aim of this SDI is to harness the existing infrastructure alongside the corridor to unleash the latent economic potential in the area. It connects some of southern Africa's most economically, politically and financially important cities and towns, including Maputo, Nelspruit, Middelburg, Witbank, Pretoria, Rustenburg, Lobatse, Windhoek and Walvis Bay. Gaborone, Mbabane and Manzini are also integral parts of this corridor economy. Luanda will also be part of this economy soon with the extension of the rail line (Namibe Corridor) from Tsumeb in northern Namibia to southern Angola (Namibia Ports Authority HandBook, 2003-04: 11).

Academic Views.

According to Martin (1987:69) ever since they became independent in the early sixties, African states have consistently pursued policies of regional cooperation and integration as a means of promoting socio-economic development and of reducing their dependence on the West. While African scholars and policy-makers generally agree on the need and desirability of African unity, they seriously disagree on the level, strategy and ultimate goal of unification, as well as on the scope of cooperation.

According to Martin (1987:71), a first group (the *Panafricanists*) favored political integration as a prerequisite to economic integration. Its members (Cheikh Anta Diop, Modibo Keita, Kwame Nkrumah, Sekou Toure) advocated the immediate and total integration of the African continent, and the

setting up of a single continental government with common institutions. Another group (the *Gradualists or Functionalists*), anxious to preserve the African states' recently-acquired sovereignty, favored a more gradual approach to African integration. This group (Felix Houphouet-Boigny, Jomo Kenyatta, Leopold Senghor) held that economic integration should precede political integration. Its members favored a loose cooperation in non-controversial (technical and economic) areas and viewed regional institutions as a stepping stone for the progressive political and economic unification of the continent. With the passing away of the Panafricanists from the African political scene, neo-functionalism has become the dominant approach and serves as the model to most, if not all, current regional integration schemes in Africa.

Many institutions for regional cooperation and integration were created soon after independence in Africa. There are more than 200 such organisations on the continent, according to Martin (1987:73); more than 160 are inter-governmental and the rest non-governmental. This institutional proliferation has resulted in multiple membership, duplication, waste of human and financial resources, and lack of institutional coordination. According to Martin (1987:86), SADC grew out of a political grouping, the Frontline States, whose primary objective was to bring about independence under majority rule in Zimbabwe, Namibia and South Africa. It explicitly sought to reduce the member states' economic dependence on South Africa through cooperation on specific projects in priority areas such as transport and communications, food security, and energy.

Taking into account the failings of East African Community (EAC), and Economic Community of West African States (ECOWAS), SADC has avoided the market integration approach and has, instead, adopted an incremental, project-oriented, regional cooperation approach. SADC's relative success as a regional cooperation organisation is partly due to its focus on actions rather than on institution-building, according to Guy Martin. He further states that SADC differs from other African integration schemes in the manner in which responsibility for particular sectoral programs has been allocated to particular member states. Thus, transport and communications was the responsibility of Mozambique, food security that of Zimbabwe, industrial development that of Tanzania, and mining development that of Zambia. Martin (1987:87) elaborates that SADC has given the area of transport and communications the highest priority, and that areas of cooperation which are part of the regional programme of action for SADC include: food security; industrial development; energy conservation; manpower training; forestry, fisheries and wildlife; mining development; and soil conservation and land utilization.

Critics discussed by Guy Martin recommend abandoning market integration and adoption of a new approach that emphasises broadening the regional production base. They say this would give priority to regional investment in heavy industries and transport and communication infrastructure. The neo-functional approach in Martin (1987:94-95), suggests that an incremental, step-by-step approach based on common economic interests offers the best

prospects for integration. They caution that this approach should not involve further proliferation of organisations, but bilateral or multilateral agreements between governments that perceive benefits from a mutual liberalization of product and factor markets. They go as far as suggesting that phased programs are addressing critical barriers to regional integration are essential, that each phase would include advances in harmonizing policy and maintaining and improving infrastructure. They lastly state that institutions such as SADC, ECOW AS, etc should spearhead the creation of a physical, technical, and legal infrastructure that would support regional exchange in goods, services, labor and capital. There is an agreement that one function that African governments must perform if economic integration is to progress is to create what might be called an enabling environment. This is the reducing of man-made barriers to intra-regional trade i.e. imports, customs and other administrative regulations and eventually eliminated, as well as removal of tariff barriers.

This study observes that beyond actions on policy, infrastructure, and institutions lies a more fundamental need: to mobilize public opinion and popular support to promote the concept that cooperation within Africa is likely to enhance the progress of all African societies. Critics in Martin (1987:95) argue that ultimately, regional integration should benefit the broad masses of the African people.

According to Marc Piazolo (2002: 1198), in late 2000, Member countries of the two leading Regional Integration Arrangements (RIA) in southern Africa - the Common Market for Eastern and Southern Africa (COMESA) and SADC - started to abolish the remaining trade restrictions within each RIA. He further states that by the end of this decade they will have created Free Trade Areas, which will be accompanied by other substantial modes of economic integration and harmonization. Like their prominent counterparts in other regions of the world - European Union (EU) and North American Free Trade Agreement (NAFTA) - southern Africans want to provide their economies with a substantial growth impetus by deepening their integration. According to Piazolo (2002:1198), the region itself consists of a messy cluster of different overlapping multilateral and bilateral trade arrangements. He also mentions that since the early nineties, there has been a boost in the number of RIAs, which traditionally have worked best among high-income countries. He explains that in southern Africa the RIAs are predominantly among low-income countries or between (relatively) high-income countries and developing countries.

Piazolo (2002:1206) argues that there will be economic growth through international trade. He indicates that RIAs increase the trade activities between the partner countries at large, and it is therefore useful, he argues, to state the various channels through which the increased exchange of goods and services affect the standard of living of these countries: export revenues provide the necessary foreign exchange to overcome the foreign exchange bottleneck,

enabling the country to import necessary capital and intermediate goods as well as increasing its capability to finance its debt service.

Piazolo (2002: 1212) makes it clear in his article that resources are allocated according to the comparative advantage of a country. He says this enhances the country's productivity and induces more efficient investments. He further elaborates that stronger exposure to international competition through larger volumes of exports and imports increases the pressure on the exporting industries as well as competing import sectors keeping costs low. To him this provides an incentive for the development of new technologies, i.e. product innovations and processing innovations. For countries with small domestic markets export production becomes an essential part of achieving economies of scale. Spillover effects due to externalities generated by exports as well as imports enhance a country's labour and capital productivity, according to Piazolo(2002: 1214). Exports by most countries exert a positive influence on economic growth of the trading countries and the RIAs.

Piazolo (2002:1218) states that there is a large number of overlapping RIAs in the region e.g COMESA, Economic Community of the Countries of the Great Lakes (ECCGL), SACU, East African Cooperation (EAC), Indian Ocean Commission (IOC), SADC, EU, Regional Integration Facilitation Forum/Cross-Border Initiative. Piazolo (1219) says in addition to these RIAs, several bilateral trading arrangements exist as of 1999 within SADC: three between South Africa and Zimbabwe (confined to clothing and textiles), Malawi as well as Mozambique. Also, three FTAs exist between Zimbabwe

and Botswana, Malawi as well as Namibia. The other major trade arrangements are the Lomé/Cotonou preferential trade agreement between the EU and Southern African LDCs, the US African Growth and Opportunity Act, SACU and EU and the SACU AGOA negotiations. Five of the eight RIAs mentioned are typical South-South RIAs: COMESA (founded in 1994), ECCGL (1976), Indian Ocean Commission (1982), East African Cooperation (revival of the East African Community in 1993) and the Regional Integration Facilitation Forum or former Cross Border Initiative (1992). The EU-South Africa FTA is a typical North-South RIA. Piazolo (2002:1220), asks how one would classify SADC (1980) or SACU (1910)? According to him, these are RIAs between an emerging market economy with a strong manufacturing base as well as a first-world financial sector and government institutions, and small and low-income countries. He classifies them as *quasi* North-South RIAs. Piazolo (2002:1238), states further that, a country with memberships in several RIAs might be an interesting production location for foreign investors. It attracts foreign direct investments, if other members of the RIA impose more protectionist measures (tariffs or non-tariff barriers) than the country in question.

The SADC Views.

The SADC Protocol on Transport, Communications and Meteorology's article 2.3, states that the general objective of the protocol is to establish efficient, cost-effective transport, communications and meteorological systems in order

to promote economic and social development in the region. Kato Lambrechts (2001:248) strongly supports this objective.

The Protocols like the one on transport, communications and meteorology will continue to encourage the establishment of infrastructure, transport and communication networks hence the development of corridors in southern Africa. Development corridors will lead to better communication links between states, while improving the cooperation between governments of the region, especially if there is a political will by all the governments to integrate their economies. The true effects of the Development Corridors on the economic integration of southern Africa, will be seen especially once all states adopt the Protocol on Free Trade of 1996. Development corridors have the same effect as "transport corridors" in improving intra-regional trade, but Development Corridors are attempting to improve the international competitiveness of the region by upgrading the existing communication links to first world standards between SADC's capitals and commercial centres, they are a concept that encompasses most aspects of the SDI concept i.e. has EPZs along the stretch of the corridor. Development corridors are better maintained, are safer, and definitely more efficiently run than "transport corridors". The development of the Namibe Corridor will encourage movement of goods through the Walvis Bay port and not through the South African ones, this is according to Frank Gschwender of the Walvis Bay Corridor Group. More importantly, because development corridors attempt to develop a country's industrial capacity while taking advantage of comparatively cheaper labour

and energy supplies to attract investment, they (development corridors) are creating the right conditions for the depolarisation of investment from South Africa, while developing the economies of the rest of southern Africa.

At the level of public rhetoric, SADC supports regional co-operation and integration as evidenced by its funding of development corridors, as well as encouraging the member states to liberalise their economies with the aim to industrialize. The initiation of the Namibe corridor to open up the economies of Angola and other SADC countries is a tremendous effort undertaken by SADC.

The WBCG and other Participants' Views.

The development of infrastructure, transport and communications between Namibia and other SADC countries has been a major objective of the Namibian government since independence. In this regard, substantial investments have been made in the development of roads, rail, harbour and airport infrastructure, as well as reforms in financing, operation management and regulation of transport. For various modes of transport, new legislative changes are either being implemented or considered for review to increase competition, efficiency, accountability, quality and safety. Lindeke (1992) indicated that it is in Namibia's interest that this region becomes a growth nexus, that not only should resist developments from outside the region, but also the government should see unto the changes about to be realized in

Angola another opportunity to develop even stronger ties to other countries in the region. He further suggests that it is in this direction that Namibia should continue to endeavour. Development Corridors are budgeted for in the National Development Plans (NDP1 and 2) of Namibia. Vision 2030, with an aim of making Namibia an industrialised country by 2030 has development corridors (with the Namibe development corridor currently under construction) as a priority for regional integration and cooperation. It aims to improve the entire transport and communications infrastructure as a developed country.

According to the Managing Editor of the Namibian Commerce and Industry Review, Vision 2030, a guideline policy formulated and pursued by the Government of the Republic of Namibia under the leadership of President Sam Nujoma, is an effective tool or development plan Namibia will be able to utilize to implement developmental programmes and projects identified (SADC Commerce and Industry Review 2003:4). He further indicated that of the most far reaching aspects of the vision, is the near-realisation of the means of transport and communications, both of which form the cornerstone of any meaningful development within the country and with foreign countries, whose involvement is critical. There is also an institution called the Walvis Bay Corridor Group (WBCG), established to oversee the effective functioning of the development corridors in Namibia, market the utilization of the port of Walvis Bay by SADC countries when exporting to Europe and the Americas, as well as to give advice and guidance to various stakeholders.

The Walvis Bay Corridor Group argues that as the Walvis Bay - Maputo Development Corridor proves to be a success story, the positive experience of the project has encouraged the establishment of the Namibe Development Corridor from northern Namibia linking up with the Namibe port in southern Angola. Development Corridors alone cannot lead to the development of the economies of southern Africa, says the Corridor Group. There are other factors, they argue, such as governments of southern Africa reforming their economies, placing investment-friendly and market-related environments to do business, trimming and reforming bloated and inefficient bureaucracies and encouraging a more transparent environment between business and government, as well as ending the high-levels of corruption. These factors, in conjunction with development corridors, will attract investment and lead to the development of the economies of southern Africa (www.wbcg.com.na:2003).

The Corridor Group cites examples of the Walvis Bay - Maputo Development Corridor, the Trans-Caprivi Highway and the complete Namibe Development Corridor as successful examples of the SDI strategy to develop southern Africa. They further say that, this strategy encompasses intergovernmental, intra-regional coordination and co-operation, and public-private enterprise partnerships. They argue that the Walvis Bay-Maputo Development Corridor represents one of the most ambitious and comprehensive regional investment projects in southern Africa to date, and leaves a hard act for the other corridors of the region to follow. Frank Gschwender from the WBCG also

argues strongly that the Namibe Development Corridor has all the ingredients to become the hub of growth in southern Africa just like the C-2-C development corridor. He however stated that, unless all the concepts and elements that the Walvis Bay – Maputo Development Corridor incorporates are taken into account in the Namibe Development Corridor, the governments of Angola and Namibia are likely to fail in achieving the amount of success that the WalvisBay-Maputo Development Corridor has achieved (www.wbcg.com.na:2003).

From my observation, the Namibian government and other stakeholders are committed to make Namibia a transport hub with the completion of the Namibe corridor in the near future, as well as the already existing Trans-Caprivi and Trans-Kalahari Highways. This will be possible if there will continue to be political stability in the country as well as economic stability.

3.3 Concluding Remarks.

Despite the challenges to promote human development, southern Africa has enormous opportunities through deep integration of its economies. This can be realized through trade, infrastructure development, investment and monetary co-operation.

Kato Lambrechts (2001:249), argues that Regionalism is not only a strategy for developing roads, railways and ports; diversifying industries; and creating

a market for regional products, but that it is also a mechanism for strengthening governments' efforts to address poverty and HIV/AIDS. She states that given the similarity of their national economic and social structures, governments can benefit from adopting joint positions towards donors at a regional and international level. She argues further that regionalism should not remain a government - driven strategy, because she believes that without the participation of civil society groups in regional programmes it makes no sense to talk of a southern African development.

In the SADC declaration and treaty, southern African governments have declared that they share a common vision of a stable and prosperous region. But this vision according to Lambrechts, will not be realised if technocrats and political leaders alone are in the driving seat. Development organisations, faith groups, small and large enterprises, business associations, parliaments, human rights groups, and media associations have to participate in shaping this vision, formulate the strategies for achieving it, help to implement regional programmes, and monitor their performance. Their input, combined with good political leadership and a genuine commitment by the international community - especially the international financial institutions and their main backers to become more responsible, accountable, and respectful development partners, are essential if the region is to surmount the many development challenges facing it today, Lambrechts (2001:249).

IV. THE POLITICAL ECONOMY OF THE DEVELOPMENT CORRIDORS IN NAMIBIA AND SADC: GENESIS AND PERFORMANCE.

4.1. INTRODUCTION.

This chapter presents the data and also attempts to analyse the progress to date on the development corridors in Namibia and SADC. It covers their genesis, performance, and how they could develop parts of their country, while integrating national economies with the rest of the region.

4.2. BACKGROUND OF THE NAMIBIAN AND SADC CORRIDORS.

The Walvis Bay Corridor Group has made it clear that efforts towards making Namibia a regional transport turntable are bearing fruit as the international cargo link through the port of Walvis Bay, into southern Africa's industrial heartland of Gauteng has been promoted in Johannesburg and heavy duty vehicle traffic along the Trans-Kalahari highway is showing a marked increase (www.wbcg.com.na:2003). According to NEPRU's Trade Assessment on Namibia and Angola (2003:v), Namibia's foreign trade has a strong focus on a few countries of the EU (UK, Spain, Netherlands, France, Belgium, Italy and Germany) and South Africa, with the former constituting over 50% and 7% of total Namibian exports and imports respectively, whereas the latter constitutes about 26% and 86% of total Namibian exports and imports respectively. There is therefore little trade between Namibia and countries

and regions outside those mentioned above. The Completion of the railway project from northern Namibia to Southern Angola will also contribute to the mentioned objectives as trade will be cost effective with Angola and other SADC countries that will export and import through Walvis Bay.

(a) Walvis Bay Corridor.

The Walvis Bay corridor is a system of routes rather than a single route which links the port of Walvis Bay to the markets of the land-locked countries within the SADC, providing them with access to the Atlantic Coast and markets to the West of the continent via the port of Walvis Bay (Namibia Ports Authority Hand Book 2003-04: 55).

"It is the Western SADC Transport Corridor, which compliments the regional network of road and rail corridor and harbours. The Walvis Bay Corridor has several benefits but the key advantage is the geographical/strategic location on the west coast of Southern Africa creating shorter, quicker transport".

Walvis Bay's strategic location on southern Africa's west coast allows direct access to principal shipping routes, making it a natural gateway for international trade.

Moreover, it is a time and cost effective alternative to other regional ports of southern Africa. Cargo owners can benefit from gaining two to five days in sailing time in comparison to the utilization of South African ports (Namibia Ports Authority Handbook 2003-04:55).

(b) Trans-Kalahari Highway.

The Trans-Kalahari Highway, which was opened in 1998, constitutes a tarred road, linking the Port of Walvis Bay to Botswana's capital, Gaborone and South Africa's industrial heartland, Gauteng via the Namibian capital Windhoek. The highway also links Walvis Bay to the Maputo Corridor on the east coast of Africa, thus providing a transport link over the entire breadth of the continent.

The highway is supported by a railway line from Walvis Bay via Windhoek to Gobabis in eastern Namibia close to the border of Botswana. Trans-shipment facilities are present at both locations. Since the establishment of the Walvis Bay Corridor Group new procedures and frameworks have been put in place for speedy transit along the Trans-Kalahari Highway. Instrumental in these efforts has been the Trans-Kalahari Corridor Management Committee, for which the WBCG act as Secretariat. On this forum, representatives of public and private Corridor stakeholders from Namibia, Botswana and South Africa cooperate to simplify and harmonize Corridor cross border operations.

The Southern African Development Community (SADC) and its transport commission SATCC have realized the achievements of the Trans-Kalahari public-private partnership, and confirmed to use the Trans- Kalahari Route as a model for transport and customs operation in southern Africa.

The Namibian, Botswana and South African Customs officials in conjunction with the partner of the Walvis Bay Corridor Group and the Trans-Kalahari Route Committee launched the new SADC Customs procedures for transportation of goods in transit as pilot run on the Trans-Kalahari in 2002. Full implementation was expected in 2003.

The Customs Project encompassed:

- A single customs document for transportation from the Port of Walvis
- Bay passing Namibia and Botswana into Gauteng and vice versa;
- A single security bond will be valid in all three countries;
- Preferred treatment and processing of Cargo in transit, and
- Reduced inspection and intervention
- And will be based on the accreditation of road carriers utilizing the route.

According to Namibia Ports Authority Hand Book (2003:59), the industry acknowledges the improved corridor framework in the recent three years, the commercial utilization of the Trans-Kalahari Corridor by regional and international trade increased from 15 per cent to 60 per cent of its capacity (Namibia Ports Authority Handbook 2003-04:57).

(c) Trans-Caprivi Highway.

The Trans-Caprivi Highway, which officially was opened in 1999, is a tarred road that runs from Walvis Bay up to Namibia's north eastern borders with Zambia,

Zimbabwe and Botswana, allowing access to landlocked southern and central African countries. A railway line from Walvis Bay to Grootfontein in the north of Namibia forms part of this Corridor. Transshipment facilities are available at Grootfontein. A bridge has been constructed that links Namibia to Zambia in the Caprivi region to complement the existing infrastructure (Namibia Ports Authority Handbook 2003-04:61).

(d) Walvis Bay - Ndola - Lubumbashi Corridor.

Based on the Trans - Kalahari development, the Corridor Group is now in a position to build on the experiences and to apply the Trans - Kalahari model to the development and promotion of the Walvis Bay - Ndola - Lubumbashi Corridor.

In March 2002, stakeholders of the private and public sector from Namibia and Zambia meet in Walvis Bay to formally establish the Walvis Bay - Ndola Lubumbashi Corridor Committee. This idea already started during the opening of the Ndola Trade Fair in 1997, where His Excellency, President Sam Nujoma recommended the development of this north-eastern Corridor. Core members are the Government authorities responsible for Transport, Immigration, Customs, and Trade and Industries as well as the private transport industry of Namibia, Zambia and DRC.

The core aim and an objective of the initiative is to provide the land locked countries of Zambia and the DRC with access to Trans Atlantic trade routes, via the Port of

Walvis Bay. The joint Committee aims at optimizing cross border regulations, for example through harmonizing transport, Customs, immigration, law enforcement regulations and procedures.

Corridor development includes necessarily infrastructure development. The completion of the Sesheke Bridge crossing the Zambezi River and the upgrading of the Sesheke - Livingstone road will constitute another cornerstone for cementing the Port of Walvis Bay's role as an import and export hub in the region (www.wbcg.com.na:2003).

(e) Mtwara Development Corridor.

The Mtwara Development Corridor is a Spatial Development Initiative (SDI), whose purpose is to create an economic growth zone of cross border trade and investment, linking Malawi, Mozambique, Tanzania and Zambia through a cross border transport zone. The Mtwara SDI will be inter-linked with the region through a hub transport corridor consisting of roads, seaport and lake ports.

The preparation of the projects and programmes for the Corridor is in progress. These are comprised of the economic services projects (infrastructure), economic development generators and special services projects. The Mtwara Development Corridor presents opportunities for investment in multi-sectoral projects through private finance initiatives.

Landlocked countries to be served by this Corridor should contribute towards its development (Transit Transport Seminar – Plenary report 2000:5).

(f) Beira Development Corridor.

The backbone of the Beira Corridor Transport System is the Port of Beira, which is located in the central region of Mozambique. Its strategic location makes it the ideal shipping port for many business centres of land-locked countries such as Zimbabwe, Malawi, Zambia, Botswana and the DRC, in addition to serving the central region of Mozambique (Transit Transport Seminar – Plenary report 2000:6).

The Port of Beira is connected by rail to Zimbabwe, which also gives access to Botswana, Zambia and the DRC. A highway between Beira and Zimbabwe provides a good alternative for moving goods. There is an underground pipeline that is used for transporting petroleum products. A railway line to Malawi exists but has been out of operation since 1984. Meanwhile, all the traffic between Beira and Malawi is carried by road.

(g) Nacala Corridor.

The Nacala Corridor in Mozambique is served by the port of Nacala and is connected by a railway line from Nacala to Lilongwe, to Nsanje and Lichinga in Malawi.

Nacala is a natural deep-water harbour sheltered from the ocean. Access to the port is entirely free of navigation restriction (Transit Transport Seminar – Plenary report 2000:6).

(h) The Northern Corridor.

The Northern corridor represents the transport infrastructure and facilities in Burundi, D.R. Congo, Rwanda, Uganda and Kenya linked to the Port of Mombasa, Kenya. These Countries are served by road transport through four (4) routes and by both the Kenya Railways and the Uganda Railways.

These are a number of non-physical barriers along the Northern Corridor route:

- Documentation and customs transit procedures.
- Bond requirement (Transit Transport Seminar Report, 2000:5-6).

(i) Benguela Corridor.

The Benguela Corridor connects the interior regions of western Zambia and southern DRC to Angola and its Atlantic Ocean port of Lobito. All of Angola's ports have the Potential to handle foreign trade for its landlocked neighbours. The port of Lobito especially, because it has a railway line that crosses the entire width of Angola, before passing into the CopperBelt of southern DRC and western Zambia.

However, political instability as well as inefficiencies, made success impossible in the past.

Despite the protracted conflict, some rehabilitation is being done by the MPLA government. Port facilities are currently undergoing comprehensive restructuring,

although the extent of the progress is unclear. Other parts of the corridor, that were held by UNITA forces are dilapidated, and many parts of the Benguela railway line including bridges are destroyed (www.wbcg.com.na: 2003).

(j) Namibe Corridor.

The Namibe Corridor is an important addition to the Corridors in Namibia. This is a northern network's extension by way of road and railway from Tsumeb into southern Angola via Ondangwa/Oshikango. In southern Angola to Menongue it will cover 300 to 400 kms to the iron mines at Cassinga, which will provide the anchor project, and includes the agricultural and mineral potential of the Lubango Plateau.

The Corridor (see attached Map of inland routes) will link Namibia via Lubango, Matala, Cassinga, Chamutete, Ondjiva and Santa Clara in Angola, and Oshikango, Ondangwa, Tsumeb and Otjiwarongo to Walvis-Bay in Namibia. The Corridor encompasses the port facilities in the Ports of Namibia and Tombua in Angola. The corridor will further link the Trans-Caprivi Highway, which is from Ngoma via Katima Mulilo, Rundu, Mpunga, Okongo, Eenhana and Omeno to Oshikango in Namibia (Namibia Yearbook 2001/2002:33).

The Republic of Namibia and that of Angola formally agreed to the creation of this important development corridor on 17 May 1997. In 1997 Namibia announced plans, supported by SADC, to establish a rail link with Angola in order to form a trade route similar to the Walvis Bay - Maputo Development Corridor. This is a Spatial

Development Initiative (SDI) that is aimed at creating infrastructure, sustain economic development as well as promote regional integration.

The specific objectives are: to create employment, attract foreign investment and expand export earnings, promote regional integration, as well as to improve the transport infrastructure of both countries. This is an important addition to the Corridor's northern network. With prevailing peace in Angola, Walvis Bay has big potential to become the gateway for Angola, especially the southern part of Angola to Europe and the Americas (Namibia Ports Authority HandBook 2003/04:55-61).

4.2.1. General Context.

The SADC Member States, through the SADC Treaty and various declarations of the heads of states and Government have committed themselves to attain a high or faster social and economic growth with a view to alleviating poverty and uplifting the standard of living of their citizens. Average regional GDP growth rates of between 6-8 % have been suggested as minimum for having a significant impact or dent on poverty. The principal driver for achieving such growth rates is the capacity to produce and increase the volume of trade between member States and with the outside world.

However, it is an accepted fact that aspiration to be realized in the transport sector, among other infrastructure services, must be developed such that it provides access, to all people and places, where other resources are located, as well markets, at minimum

global cost. This means that drastic improvement must be made on the concerned standard, where transport costs are reported to be as high as 30 - 40 percent of the value of goods for some land locked countries such as Malawi, and between five and eight times more than those in developed countries. Consequently the member states have, through the SADC Protocol on Transport, Communications and Meteorology (the Protocol) agreed on the objectives, principles and policies that they are going to pursue to create such transport infrastructure and services. Thus, the Protocol aims to provide efficient, cost-effective, fully integrated and environmentally sustainable infrastructure and operation to support intended regional economic and social growth. The major thrust of the Protocol is on policy, legislative, regulatory and institutional reform as well as technical standardization and harmonization. The implementation process of the Protocol has been ratified and came into force in July 1998 with the development of the regional models to inform and assist the reform process at country level (Transit Transport Seminar Report, 2000: 16).

According to the Walvis Bay Corridor Group, Walvis Bay's geographic location provides the shortest, possible trade route for Europe and the Americans from Southern Africa, which means direct cost and time saving benefits for customers. The Corridor offers a deep sea port - rated first in port costs and port efficiency by the Africa Competitiveness Report 2000 - with a first-class infrastructure which allows for expansion on demand. This is supported by a modern inland transport infrastructure. Walvis Bay also offers peace of mind when it comes to security concerns. From the port through to the Corridor routes there is a maximum cargo security, which means low insurance. From a logistics point of view, the institutional

grouping of the Walvis Bay Corridor Group provides a one - stop support and resource centre to smooth out every transaction, ensuring convenient and reliable cargo delivery (www.wbcg.com.na: 2003).

A number of regional spatial development initiatives which have been identified in SADC, are designed to spread benefits to many countries and thus to strengthen the feeling of regionality. Some of them are designed to benefit individual member states while others are operating bilaterally. The other category consists of initiatives which are designed to spread the benefits among states.

Most development initiatives are bilateral and probably designed to fulfill the objectives of both parties. The Tazara Corridor which was designed to provide Zambia with an alternative route to the sea consists of the Tanzania, Zambia oil pipeline (Tanzania), the Tanzania-Zambia railway (Tazara) and the Great North Road. It has already helped transport goods destined for the Democratic Republic of Congo and Malawi. The Nacala development initiative was essentially designed to provide an export and import route to Malawi and there is potential for linking it with the Tazara Corridor. The Maputo Corridor, which is the most advanced of all regional development corridors, provides a link with Gauteng province of South Africa and the port of Maputo. The Coast -to- Coast corridor initiative includes the Trans-Kalahari Highway and provides a vital link between Maputo and Walvis Bay.

Some development initiatives have the potential to help foster regional integration.

Some are already playing their part, it is likely SADC will create more (SADC Regional Human Development Report 2000:48).

4.2.2. Benefits/Contributions of the Namibe Corridor to Angolan, Namibian economies and to the SADC.

The Namibe Corridor (Northern Extension) will reduce the transport costs of goods and other services between Namibia and Angola. In this way people would be attracted to make use of the corridor when transporting their products to the earmarked places. This was obtained from an interview with Frank Gschwender, from the Walvis Bay Corridor Group. According to Gschwender, if trade and investment has to be commenced between Angola and Namibia, whereby trading of goods between the two countries and other SADC member states linked by the corridor will take place, then economic growth will be envisaged. The corridor will also serve trade with other SADC countries like South Africa, Botswana, etc.

The Namibe Corridor will foster economic development and improve the standard of living of people/communities living along the corridor, through improved transport and access to markets much like the Trans-Caprivi and the Trans-Kalahari Highways. The Corridor, if kept at good service levels, will foster trade between Namibia and Angola especially of goods within the burgeoning EPZ at Oshikango and, therefore, contribute to the Gross Domestic Product (GDP). The movement of people between Namibia and Angola will generate economic activity, which will also contribute to GDP. The impact of this corridor should be visible through national economic growth, improvement of the living standards of people along the corridor in particular, the nation at large and the entire SADC region.

The Namibe Corridor will contribute towards regional co-operation. This can, as envisaged by SADC, only occur with sound economies of the states and the future of this corridor will be to foster this idea. The improvement of road infrastructure will also increase tourism in Angola and Namibia, as tourists will need to extend their visits with easy access either to Angola from Namibia and vice versa, using the Namibe Corridor.

The Corridor will also contribute to the rehabilitation of Agriculture in northern Namibia and southern Angola by improving market access of agricultural products and therefore spur more production in northern Namibia and southern Angola.

The Corridor will also facilitate the transportation of goods and services from one SADC country to the other, as well as to the Americas and Europe through the port of Walvis Bay. The infrastructure may also lead to the greater attraction of foreign investment in the region. The impact of the Corridor on the environment and natural resources will be minimal given that the road sections on the corridor are on existing roads to northern Namibia. There will be some impact (environmental) as far as sourcing of materials for construction is concerned (www.wbcg.com.na:2003).

For sure the Namibe Corridor will be one of those to open links with the other SADC countries. The Government(s) must maintain acute political stability, extremely good macro-economic and sound fiscal policies. Any attempt to move away from a business friendly, liberal environment will be disastrous on the development of this corridor the already existing ones.

4.2.3. Incentives to be offered by the Namibe Corridor.

The study outlines the benefits indicated by the Walvis Bay Corridor Group, as the incentives that will also still be offered by the Namibe Corridor. The Corridor Group gave the benefits of their customers' interests as:

- (i) Time and Cost Savings
 - Minimal sea borne transit times
 - No port delays due to congestion or weather conditions
 - Fast and efficient inland transit operations
 - Resulting in considerable time savings of at least a week due to shorter transit times
 - Time saving plus incentives Corridor pricing structure result in cost savings.

- (ii) Reliability and Predictability
 - Modern and first class transport infrastructure in place
 - Spare capacities on port, road and rail side
 - Ensure reliability and predictability of cargo deliveries.

(iii) Security

- High cargo security with low insurance risk

There are also national and regional benefits outlined by the Corridor Group. Among the National benefits are issues like, business opportunities for transport industry and service industry; optimizing public investment in transport infrastructure; as well as the spillovers for sectors such as trade, finance, manufacturing etc. The regional benefits among other things are: increased global competitiveness of the region, complements existing transport network, increases efficiency of transport system thereby decreasing transport costs, and makes imports more affordable and promotes export production (www.wbcg.com.na: 2003). David Simon (1998) outlines the importance of development corridors as a linkage to the economies of other countries as well as the main bridges to economic development.

4.2.4. Implementation of the Namibe Corridor Programme.

The road network to southern Angola is already in existence and it is being utilized efficiently and effectively. The addition of a rail network into southern Angola via Ondangwa is of great importance in the sense that it will add to the existing infrastructure and at the same time reduce the transport costs as it tends to be cheaper than the other modes of transport. Though the agreement for the creation of this important corridor was reached in 1997 on the 17th of May, the implementation of the programme was only realized in August 2002 and the rail extension is envisaged to be

completed by August 2005, according to the Business Development Executive of the Walvis Bay Corridor Group; Frank Gschwender. He explains that this northern rail extension from Tsumeb to Oshikango will be 329 kms, and 1551 kms to the Namibe Port in Angola.

4.3. EXPERIENCE AND IMPACT OF NAMIBIAN DEVELOPMENT CORRIDORS.

The Port of Walvis Bay, hitherto not easily accessible due to poor land transport links between Namibia and some of its neighbours is now available to shippers from Botswana, South Africa (Gauteng Province), Zambia, Zimbabwe and southern Angola. This follows the completion of the Trans-Kalahari Highway in March 1998 and the Trans-Capriivi Highway in early 1999. It is estimated that the two highways which form part of the Walvis Bay Corridor, could save shippers to and from Europe and North America between five and seven days of sailing. The corridor suffers from underutilization of substantial capacity that has been developed. Major constraints are facilitation and poor marketing. Consequently, a major effort is underway to address these problems. This is being carried out under the auspices of Walvis Bay Development Corridor and Coast -to- Coast (Walvis Bay - Maputo) initiatives. These initiatives also include the extension of the railway system to the east (to connect with Botswana, Zambia and Zimbabwe networks) and north (to link with Angola network).

In 1999 cargo throughputs at the Atlantic coast ports remained at the 1998 level of about 42 million tons. However, there was a decline in the traffic handled at the ports of Saldanha Bay and at the Angolan port of Lobito. In terms of cargo types, the recorded decrease in volume of traffic handled was attributed to dry bulk cargo and liquid bulk cargo.

The Transit Transport Seminar report indicates that in 1999 coastal/ cabotage traffic, the traffic between ports within the same country, accounted for some 1.2 Million tons of the total traffic handled by all the ports. The corresponding tonnage for the previous year was 1.3 million tons. The report further states that, as regards transit traffic, although most of the traffic handled by the port of Walvis Bay is for Namibia, the port in 1999 also handled some transit traffic for Angola, the DRC and South Africa (Transit Transport Seminar Report, 2000: 20).

4.3.1. The One-Stop Border Post Concept.

The One-Stop Border Post is a SADC initiative to address the inefficiencies of the present system whereby each country has its border post on its own side of the frontier.

The two stop design minimizes possible jurisdictional conflicts between government agencies but the design is inherently inefficient as it is time consuming. According to the SADC Transport and Communications sectoral unit, border crossing delays are estimated to cost as much as N\$ 300 million, in moving the region's international

freight. Many of these delays can be avoidable. Delay-time at borders is hence a problem and the border posts need to be transformed, in order to become efficient says the SATCC sectoral unit.

The Unit states that to solve the problem of delay-time at the border post, the technical experts of the Development Corridors have decided that a single integrated facility be built at border posts. The plan is to merge the two border posts into one. However, the border posts are one of the most complicated parts of the Development Corridors as they involve a variety of parties with different interests, who have to work on the details of the border post. The SATCC sectoral unit indicates that the project involves officials from the Immigration office in the Department of Home Affairs, Customs officials from the Inland Revenue Services, the Foreign Affairs departments, Trade and Industry departments and the Departments of Public Works, all with interests to fulfill. According to the Sectoral Unit, a committee was established to work on the problems of the border posts, and look at the few experiences that do exist in the world and try to reach an amicable solution. This concept has taken on board the experience in the various regions in the world.

Central to the one-stop border post operation system is the agreement on the integrated border controls by the adjacent member countries and the need for national legislation of each of the countries to be amended to accommodate the international arrangement.

4.3.2. Progress to Date.

The SADC Member countries have endorsed the introduction of the one-stop shop border post scheme in an attempt to minimize the delays and inefficiencies observed at border posts along various transport corridors that serve the region.

According to the 2000 Transit Transport Seminar Report, in order to implement package of border post legal reform involving three legal instruments: The Memorandum of Understanding on border post procedures, facilities and management; Model Legislative Provisions (MLP) to enable members to implement the (MOU) and Model bilateral agreement. The latter instruments provide guidance to member states for implementation of the MOU.

The SADC member countries have endorsed the introduction of one-stop shop border post in an attempt to minimize the delays and inefficiencies observed at border posts at present; with the view to raising the efficiency of the regions' transit transport corridors and reduce transport costs.

4.3.3. Pilot Project.

According to the Transit Transport Seminar Report, the Chirundu border post between Zambia and Zimbabwe has been selected as a pilot project for the introduction of this concept. This will tie in with the construction of a new bridge there for which financing has already been secured.

The Beit bridge border post between South Africa and Zimbabwe and Zobue/Mwanza border post between Mozambique and Malawi were also selected for the pilot project. Discussions are reported to be going on with member states regarding implementation (Transit Transport Seminar Report, 2000: 22-23). The study concludes that the success of the scheme will depend on such on-going work, as the computerization of customs documentation accompanied by appropriate training, standardization of documents and procedures also compatibility of customs systems, being undertaken by COMESA and the SADC Industry and Trade Coordination Division (SITCD).

4.4. EVALUATION OF THE PERFORMANCE OF THE NAMIBIAN DEVELOPMENT CORRIDORS.

4.4.1 Promoting Equitable Intra-Regional Trade.

The Southern African Development Community (SADC) prepared a protocol on free movement of people a few years ago. Labour importing countries objected to this protocol as they feared the consequences of an uncontrolled influx of people into their countries and so it was turned down. The organization has yet to formulate a protocol on free movement of people that is acceptable to all members.

The SADC Trade Protocol (STP) of 1996, provides for an asymmetrical process of removing tariffs on 'substantially all' intra-regional trade and establishing a Free Trade Area (FTA) within eight years. Implementing the STP could be complicated by weak provisions on anti-dumping and strict rules of origin on some product lines.

The implementation of trade liberalization will also be frustrated if monopolies and cartels from one part of the sub-region can collude to keep out imports from other parts or dump goods at predatory prices. The impact of implementing the trade protocol on the regional economy will be relatively small. The trade protocol is essentially a shallow instrument for promoting regional integration.

The SADC Regional Human Development Report (2000:43), indicates that as a percentage of GDP, total merchandise exports increased by 0.8 percentage points between 1991 and 1997. In the same period total merchandise imports increased by 3.8 percentage points while total merchandise trade increased by 4.9 between 1992 and 1997. This therefore means that most countries in SADC import more than they export to other countries. At the beginning of the 1990s, the level of extra-regional trade of southern African countries was far higher than its intra-regional trade. About 90 per cent of their exports were mineral and agricultural commodities with little or no value added and sold mainly to industrialized countries. About two thirds of their imports were intermediate and capital goods purchased mainly from industrialized countries (SADC Regional Human Development Report, 2000: 43, 46). This therefore led to a slow economic growth in these countries.

4.4.2 Attraction of Foreign Investment and Expansion of Export Earnings.

The Walvis Bay Corridor Group serves as a service and facilitation center that can coordinate international trade with SADC countries through the Port of Walvis Bay. It is

their idea to foster trade through the removing of or "cutting through the Red Tape" as they call it, by making the corridors efficient as this is essential to the economic growth of the region. The Corridor Group believes that through harmonization of rules, policies and regulations of transit transport, Africa's Biggest Shopping Mall will be created "*The SADC Mall*" as depicted in some WBCG and NamPort documents (www.namport.com.na:2003).

According to the SADC (2000) report, not all SADC member countries receive an absolute increase in foreign direct investment. The report says those to Botswana and Zambia have actually declined. It further says South Africa is the main recipient in the sub-region while the receipts of other countries look very insignificant. However, there is planned harmonization of investment laws and regulations by the Finance and Investment Co-ordinating Unit (FISCU).

4.4.3. Promotion of Regional Integration.

According to the SADC (2000) report, Regional integration focuses on expanding income and all other human choices and is concerned with all development issues. Hence, in the SADC context, regional integration and human development share similar concerns. The performance of the SADC region human development and regional integration requires improvement. In certain areas, past gains in human development have been lost. In other areas, the gains in are holding but fragile. It is recommended that SADC pursue deep integration to promote human development. To do this SADC will need to transform its programmes of action and its structure to

make them effective instruments for deep integration. By reducing capacity constraints and promoting effective policy co-ordination, deep integration should impact positively on human development.

4.4.4. Improvement of Transport Infrastructure.

At the regional level, efforts are being made by the UN regional commissions and relevant sub-regional organization to support improvement of transit systems. The UNCTAD provides the framework for the development and improvement of transport network in Africa. COMESA, SADC and UNCTAD have played a major role in promoting instruments designed to simplify, harmonize and standardize transit procedures and documentation. In spite of what has already been achieved; there is general understanding that greater effort is still required at both the national and international level to improve transit systems (www.namport.com.na: 2003).

4.5. FINDINGS OF THE STUDY.

The study has discovered that there are various institutional issues affecting the facilitation of international and regional trade that transits its member ports or directly influence the commercial and economic developments of landlocked countries.

The lack of territorial access to the sea, aggravated by remoteness and isolation from world markets, and prohibitive transit costs impose serious constraints on the overall socio-economic development efforts of the landlocked developing countries.

Sixteen of the landlocked developing countries are also classified by the United Nations as least developed countries and their geographical situation is an added constraint on the overall ability to cope with the challenges of development.

The study has shown that Namibia's trade is determined by its natural resources endowment in mining, agriculture and fisheries. Most of its mineral exports are destined to the UK, where the major portion of fisheries and agricultural products are destined to Spain and South Africa respectively. The study has also concluded that Namibia is heavily dependent on imports from SACU/South Africa, with over 86% of all Namibian imports being sources from the Republic of South Africa (RSA) or imported through it. There are hardly any significant imports from other neighbouring countries, except Zimbabwe (5.4% of total imports), with which Namibia has a preferential trade agreement.

The study has also discovered that on the export side, Namibia's exports are mainly destined to the EU (56% of total exports), followed by exports to RSA (26% of total exports). Namibia's current trade patterns, according to NEPRU (2003:65), are determined in some measure by existing trade and trade related agreements, such as Cotonou Agreement, SACU, SADC and COMESA. Because of the existing industrial structure with small manufacturing capacity, Namibia has not been able to make significant inroad into many of the markets despite having duty-free and/or preferential access to some of the markets.

For the last decade, Namibia has been hard at work to become an attractive investment destination, according to NEPRU (2003:65), through the introduction of various measures, such as manufacturing incentives, Investment Act 1990, EPZ Act 1995, the establishment of development corridors for regional co-operation and integration, etc.

Despite these measures, investments have not been coming to Namibia in quality and quantity as would be expected. This of course has now largely changed with the massive investment of over N\$1.0 billion by the Malaysian Textile giant, Ramatex. Its textile exports qualify under AGOA duty-free regime. Given the scale of the production and exports by Ramatex, composition of Namibia's total exports as well as the composition of total manufacturing production and exports would also change significantly.

The study further discovered that on trade with Angola, export sector is doing fairly well, and is expected to increase as peace becomes consolidated. However, according to NEPRU (2003:65), negative changes could be expected as that country's industries revive, especially if Namibia is unable to introduce appropriate changes in manufacturing production structure, which would enable it to take advantage of opportunities offered by reviving Angolan economy. For Namibia to take advantage of opportunities to be created by reviving Angolan economy, both GRN and its development partners and private sector would have to focus on product and market development efforts, through deliberate financial and technical assistance to Small and Medium Enterprise (SME) sector, to integrate into the Namibian foreign trade structure.

The study established that on the Angolan side, according to NEPRU (2003 :66), that country is potentially very rich. It is endowed with diverse resources, covering a wide range of agricultural products, fisheries, forestry, water supply, and mineral resources. An impressive level of pre-war economic activity existed, especially in the manufacturing sector. As an additional bonus, the resources are fairly spread across the country. The economy is largely dominated by the mineral sector, consisting mainly of oil and diamonds. Vital economic infrastructure such as roads, telecommunications, railways, airports are often in a state of dilapidation, mainly as a result of war, but also as result of poor and bad management and maintenance. Given the products, which Angolan economy can produce when it has significantly been revived, Namibia's exports to that country would most definitely decrease, according to NEPRU (2003:66).

Therefore, Namibia's export-drive with current composition of goods would not be sustainable in the long run. (Yes, but this would probably affect Namibia's trade sector more than Namibia's manufacturing sector since a large share of the goods exported to Angola are from RSA). This means that a transition from export of goods to export of services to Angola has to be made. According to NEPRU (2003:66), trade in services has to be combined with investments by Namibians in Angola.

The study also established that apart from the bad state of repair of its economic infrastructure, the Government of Angola has numerous challenges, such as facilitating the development of private sector and entrepreneurial development, increasing and widening skills development, equitable redistribution of national

wealth, re-building of social infrastructure (schools, vocational training institutions, technikons, university, hospitals and clinics, etc).

Given the nature of the market structure in Luanda, where oligopolies have developed, Namibian businesses, according to NEPRU (2003:66) are advised to focus on central and southern provinces of Angola, where they are likely to have cost advantages, given the proximity of southern Angola towns to Namibia.

The study also discovered that the Walvis Bay Corridor though privately driven, works very closely with various governmental institutions. The study also found that there are several factors that influence countries choice of a corridor. Countries would like to keep as many corridors as possible in order to avoid any interruption should anything negative happen.

4.6. NAMIBIA'S DEVELOPMENT CORRIDORS A SUCCESS OR FAILURE?

Namibia is playing an important role as a transit country for many landlocked countries in central-southern Africa. This is especially evident in the field of transport. The numerous economic problems facing Namibia were in many aspects caused by its unique traffic situation. This traffic situation was always characterized by its biased transport infrastructure towards South Africa. Nakop (border post between Namibia and South Africa) as "Namibia's gateway to the outside world" was a first order handicap for the country, according to Simon (1918:9). He further says South Africa used transport to keep Namibia in a "*Noose or Lifeline*" situation.

Namibia is blessed with a transport infrastructure of high quality - although unbalanced and skewed between the different areas in the country. In addition Namibia's transport infrastructure is well maintained. The shortcomings are primarily due to political circumstances and to the fact that the country was ruled by South Africa until just over 14 years ago. As a consequence the connections of Namibia with its neighbours except South Africa - were poorly developed. The realization of the Trans-Caprivi and the Trans-Kalahari Highways these connections with neighbouring countries improved.

The Trans-Caprivi Highway connection links Namibia with Botswana, Zambia and Zimbabwe. This project involved the upgrading of the former existing remainder of the gravel sections of the already mostly bitumised Trans-Caprivi Highway between Grootfontein and Katima Mulilo via Rundu through the Caprivi and the connections to Botswana, Zambia and Zimbabwe.

The Trans-Kalahari Highway connection links Namibia with Botswana, but also provides better access between Namibia and Zimbabwe. This project links Windhoek with Ghanzi in Botswana via Gobabis and would provide direct access to Gaborone via Kang, Sekoma and Lobatse. The road network consists of roughly 45 000 km of which approximately 5000 km are paved and 40 000 km are unpaved, although appropriately constructed and maintained. The railway network consists of 2382 km with 16 stations, with 613 km branch lines which are no longer serviced by scheduled trains (www.namport.com.na, 2003).

In addition to these Highways, there is a northern railway extension to southern Angola, which aims to foster trade between Angola and Namibia and also the upgrading of the existing infrastructure. This extension is known as the Namibe-Development Corridor. The two already existing development corridors, namely the Trans-Caprivi and the Trans-Kalahari Highways are bringing success to the Namibian economy through improved trade and the utilization of the Walvis Bay Port for imports and exports by other SADC countries to Europe and the Americas and back, which in a way is making Namibia realize its objective of becoming a transport hub in the southern region. The short traveling distances through these highways to the port of Walvis Bay makes these highways a success as most SADC member states would import and export their products through these highways via Walvis Bay to Europe and the Americas, in five days compared to the traditional routes in Southern Africa (www.tradedirectory.com.na:2003).

V. CONCLUSION AND RECOMMENDATIONS.

5.1. Introduction.

The Namibian Ports Authority (NamPort) operates the ports of Walvis Bay and Luderitz as commercial entities, insuring fast, economical and customer-oriented port services.

The ports of Namibia provide a safe and economical alternative for cargoes to Namibia and central southern African neighbour through the Walvis Bay Corridor. NamPort is committed to providing efficient and effective port operations, including land and sea cargo transfers, promoting and improving hub-port and other related services to the benefit of its clients, and facilitating the economic growth of Namibia and its neighbours through foreign trade. The deepening of the port of Walvis Bay, completed in August 2000, brought it in line with other ports in Southern Africa. The ultimate goal of this combined effort is to develop business and promote trade in the SADC region. With the increased depth of 12.8 meters, the port can now accommodate container vessels with a capacity of some 2 200 to 2 400 containers, making regular visits to the port much more attractive for shipping lines.

The completion of the new cargo and container quay wall at Luderitz, which is 500 meters in length, provides the capacity and opportunity for additional traffic growth experienced in southern Namibia. This new quay has a draft of -8.15 meters and can accommodate vessels up to 150 meters in length (www.tradedirectoryv.com.na: 2003).

5.2. CONCLUSION.

Namibia has a wide range of investment opportunities, the most attractive of which promise good returns on capital. Besides their attraction as profit generators, investors in these projects stand to gain from operating in one of Africa's most stable and competitive environments. Namibia's short, but impressive record includes, among others, a Country Risk rating in the B category of 40 points awarded by the London-based Economic Intelligence Unit. This is the top score achieved in the sub-Saharan Africa. Furthermore, the Africa Competitiveness Report of the World Economic Forum, produced by the Harvard University Institute for International Development, has recently awarded Namibia a fourth place ranking in the Competitiveness Index for the whole of Africa. Political stability, a low crime rate and workable labour relations round off the attractiveness of Namibia's enabling environment (www.mti.gov.na: 2003).

The projects and opportunities such as Agriculture, Aquaculture, Capital Projects, Energy, Fisheries, Fruit and Dairy, Manufacturing, Mining, Port Facilities, Railways and Airports as well as Tourism, reinforce Namibia's status as a growing economy. Major capital projects like the northern railway extension programme and the intended upgrading of the country's main ports are set to substantially contribute to economic growth. Of particular significance is the number of infrastructure development programmes. Namibia's Foreign Investment Act of 1990 provides investors with guarantees in respect of investment security, non-discriminatory access to all sectors, repatriation of capital, access to foreign currency.

A range of highly competitive Incentives are in place for investors. Foremost is the Export Processing Zones (EPZ) regime which offers a totally tax and duty-free environment to export-oriented enterprises. To complement and diversify the EPZ regime, Namibia is currently drafting legislation for the establishment of an International Financial Services Industry. Besides fiscal incentives, Namibia also offers manufacturers and exporters excellent market access, the Walvis Bay development corridor. It is a World Trade Organisation (WTO) member and benefits from the Africa Growth and Opportunity Act (AGOA) and the Cotonou Agreement, respectively, Namibia is strategically located as an ideal springboard into the regional markets of the Southern African Customs Union (SACU) and the Southern Africa Development Community (SADC).

The quick and efficient deep water harbor of Walvis Bay, a growth point and link to the major road transport corridors into neighbouring countries, including the Trans-Caprivi and Trans-Kalahari Highways, complete Namibia's appeal as an investment and gateway location (www.mti.gov.na: 2003). To that end, trade and investment promotion are central objectives for Namibia's valorization of the country's rich resources; and for job creation, socio-economic growth, and distributive justice for all Namibian people and regions. The investment required for the Namibe Corridor, especially on the Angolan side is considerable. The sourcing of that funding has to be coordinated by both countries as justification from a regional point of view will be required.

The Corridor is important for especially the community in southern Angola who in the past has been cut off from the rest of the SADC region. This will be in terms of regional co-operation as they will be afforded access to the markets of the Americas and Europe, an opportunity they never had before, as well as using a shorter route to such places through Walvis Bay.

Namibe Corridor will improve the transport infrastructure in the region which will attract investment and promote trade. Trade will grow if the EPZs are well established in the country. The success of an EPZ depends crucially on phasing infrastructural development such that costs are kept within reasonable limits and investment in infrastructure takes place as the EPZ develops (Sherbourne, report no.8:1993). The Corridor will also facilitate tourism industries of the two countries (Namibia and Angola) and SADC as a whole. It will also encourage trans-boundary resource management, which attracts tourism. Investment will be effected by the foreign capital, which will be brought in by the tourists to overcome insufficient domestic savings. The management of resources requires labour (Human resource) and therefore, a lot of people living along the corridor and elsewhere will be employed.

The study therefore concludes that Namibia, with the completion of the Northern Railway Extension to southern Angola, as well as the Bridge from Katima Mulilo to Sesheke in Zambia, will become a transport hub in SADC. The study further concludes that though it is too early for jobs or private investments to show yet, the public investment is there as a commitment.

5.3. RECOMMENDATIONS.

As much as transport corridors are vital, for economic development and growth, and also the fact that they provide the focus of this study, the study therefore recommends that the issue of the clearance of goods along the corridor should be addressed seriously in order to improve on the efficiency of the corridors. There is a need for viable Export Processing Zones (EPZs) in both Namibia and Angola to encourage and enhance trade between the two countries and the entire SADC region. The Namibian Government has made the development of the manufacturing industry a corner stone of its economic policy. One of the major tools for encouraging manufacturing has been the setting up of EPZ points through the EPZ Act of 1995. The aim of the government is to attract companies to EPZ regime for them to produce manufactured exports, as well as to encourage skills and technology transfers.

The Namibian EPZ regime has attracted significant local and international interest, but the practical picture on the ground has been disappointing in terms of a number of companies, which have set up operations of economic significance. According to an EPZ Progress Review of March 2002, compiled by the Offshore Development Company (ODC), only 20 companies are active in the EPZ regime to date, compared to 101 companies, which have been granted the EPZ status. These include; Ostrich Production Namibia, Ongopolo Smelters, Pacific Motors, Cogef Group, Sigma Trading, Yes Vijuval Company, Impax Company, Win Fast Company, First Trading Company and NamGem.

Each of these companies according to the EPZ Supervisor Oshikango, Max Awene are only having 4-30 employees in their establishments. These companies especially Ongopolo Smelters and NamGem make use of Namibian raw materials (copper, zinc and diamonds) in the production of manufactured exports (NEPRU 2003:10). In overall terms, at least until the arrival of Ramatex on the Namibian economic scene, EPZ has largely been seen as not having produced expected results. In essence, advanced factors of skills and technology resources in sustainable and viable trade development is a serious issue to be considered by the Government of the Republic of Namibia, the Ministry of Higher Education in particular (NEPRU 2003:10).

The Export Processing Zones in Walvis Bay, Oshikango and Katima Mulilo should be utilized more efficiently and effectively, with proper policies in place to facilitate transboundary trade. This will largely contribute to the Gross Domestic Product (GDP) of the Namibian, Angolan and SADC countries' economies and make the development corridor(s) successful. For an already open trading economy like Namibia's, the need for an EPZ as a first step towards greater liberalization appears to be less important than in many other highly-protected economies. Namibia's situation does not compare with countries, which have used EPZs as a first step in liberalizing highly-protected economies. SACU tariffs are not especially high by international standards and Namibian industry has had to compete with larger and more established South African enterprises.

Namibia's general policy on environment and infrastructure could be a considerable attraction for investors provided administration of the zone was efficient (Sherbourne,

report no.8: 1993). The study therefore recommends that there need to be a bilateral trade and investment agreement between Angola and Namibia which would not only express the commitment of the two governments, but would also set up administrative and legal mechanisms, which would facilitate trade and address matters hindering trade between the two countries.

The study also recommends that the focus should be on the southern provinces of Angola, that Namibian businesses should focus their resources on developing export market opportunities in the central and southern provinces of Angola, where road transport costs advantages are likely to be derived. In fact future donor support in the area of trade and SMEs should be focused on trade development between the two countries. Moreover, the study recommends that there be an exchange of Commercial Counsellors between the two countries. In the case of Namibia, such an official must focus on central and southern regions of Angola.

The study further recommends that studies on the costs of freights on corridors should be undertaken. In general, the study encourages countries in the region to work together in an effort to reduce the cumbersome formalities, procedures and costs involved in the flow of the transit traffic across their territories. The study recommends this, as it will enhance the inter-linking concept of the corridor.

Development Corridors are considered to be economically viable and will cater for the future growth of the region, therefore the study recommends that the development of Corridors should be supported. However, there should be more intensified usage of

the existing facilities (corridors and EPZs) in order to maximize on the utilization of the resources.

The study recommends also that the bottlenecks and barriers that constrain the free flow of traffic should be addressed, as the efficiency of the corridors would improve the trade which is essential to the economic growth of the region.

The study finally recommends that, there should be a legal framework for development of transit transport and also to look at possibilities of privatizing some transit transport activities and operations. The EPZs should also be well developed in the countries where there are development corridors to enhance trade. Of great importance is the fact that the role to be played by sub-regional institutions such as COMESA, SADC AND East African Community (EAC) in alleviating transit transport problems should be made clear.

VI. REFERENCES.

Africa Competitiveness Report. (2000). Cambridge, Mass: Havard University. America.

Africa South of the Sahara. (2000). 29th edition, Longman Publisher, Essex. Europe.

Amin S. Chitala D.and Mandaza 1. (1987). *SADCC: Prospect for Disengagement and Development in Southern Africa.* London: Zed Books.

Chipeta C. Imani and CSIR. (1997). *"Review and Rationalisation of the SADC Programme of Action, Volume 2: Main Report"*.

COMESA - ECA - PMAESA - SATCC - TTCA. (2000). *Transit Transport Seminar for Eastern and Southern Africa.* Mombasa, Kenya.

Economist Intelligence Unit. (2003). *Namibia Country Report.* London Sw1 Y4LR, United Kingdom.

<http://www.namibweb.com>. (02/11/2003).

<http://www.namport.com.na>. (07/10/2003).

<http://www.sadcreview.com>. (09/09/2003).

<http://www.sahc-india.com/html>. (02/11/2003).

<http://www.tradedirectory.com.na>. (26/08/2003).

<http://www.wbcg.com.na/index.html>. (03/09/2003).

<http://www.wildcoastsdi.org.za>. (17/11/2003).

Lambrechts, K. (2001). *The SADC: a developmental profile in The IGD guide to the Southern African Development Commwiity.* Johannesburg, South Africa.

Lindeke, W.A. (1992). *"Report on Namibia's Role in Angolan Development with Special Reference to its placement between Angola and South Africa"*. (Photocopy).

Martin, G. (1987). *African Regional Integration since Independence: Lessons from the West and Central African Experiences.* Lusaka: PTA [PTAIPUB/II/8], March.

Namibian Ports Authority. (1996). *Annual Report.* Walvis Bay, Namibia.

- Namibian Ports Authority. (2003-04). *HandBook*. Walvis Bay, Namibia.
- Namibia YearBook. (2001/2002). SADC: CO-OPERATION AND CONFLICT. "Walvis Bay Trade Corridor, No.8". Windhoek, Namibia: Guidebook Press.
- Pettman, R. (1996). *Understanding International Political Economy: with readings for the fatigued*. Boulder: Lynne Rienner.
- NEPRU. (2003). *Trade Assessment: Namibia and Angola*. Windhoek, Namibia.
- Piazo1o, M. (2002). "Regional Integration in southern Africa", in *The South African Journal of Economics*, Vo1.70, No.8, December. 1198-1246.
- Regionalism and a Post-Lome Convention Trade Regime (2000): *Implication for Southern Africa*. Johannesburg: Institute for Global Dialogue paper no 24.
- Republic of Namibia. (1999). *Statistical Abstract*. No.6. Office of the President, National Planning Commission. CENTRAL BUREAU OF STATISTICS. Windhoek, Namibia.
- Republic of Namibia. (1995-2000). *First National Development Plan (NDP1)*. Office of the President, National Planning Commission. Windhoek, Namibia.
- Republic of Namibia. (2000-2005). *Second National Development Plan (NDP2)*. Office of the President, National Planning Commission. Windhoek, Namibia.
- Republic of Namibia. (2002). *Tourist Arrival Statistics*. Ministry of Environment and Tourism. Windhoek, Namibia.
- Republic of Namibia. (2004). *White Paper on Namibia's Foreign Policy and Diplomacy Management*. Ministry of Foreign Affairs. Windhoek, Namibia.
- SADC. (2003). *Commerce and Industry Review*. Windhoek, Namibia.
- SADC. (1998). *Protocol on the Development of Tourism in the Southern African Development Community*. Grand Baie, Mauritius.
- SADC. (1996). *Protocol on Transport, Communication & Meteorology in the Southern African Development Community (SADC) Region*. Maputo.
- SADC. (2000). Regional Human Development Report. *Challenges and Opportunities for Regional Integration*. Mbabane, Swaziland.
- SATCC report to SADCC conference. (1989). *Conference report, SATCC Africa transport and SADCC; roads, railways, ports, harbours, water and transport*. Maputo.

Sherbourne, R. (1993). *Export Processing Zones and their relevance to Namibia* n. NEPRU RESEARCH REPORT NO.8. Windhoek, Namibia.

Simon, D. (1989) Transport and Development in Independent Namibia: Noose or Lifeline?, *Third World Planning Review* 11(1): 5-21. Cape Town, South Africa.

Simon, D. (1998). South Africa in Southern Africa, *"Reconfiguring the Region"*. Cape Town, South Africa.

Southern African Development Co-ordination Conference (SADCC). (1993). *Study of Railway rolling stock in the SADCC states; commodity and traffic forecasts*. Maputo.

United Nations Development Programme (UNDP). (1994). *Human Development Report*. New York and Oxford :University Press.

VII. ANNEXURES

Annex A Map with Development Corridors

Annex B Map of Trans-Kalahari Highway

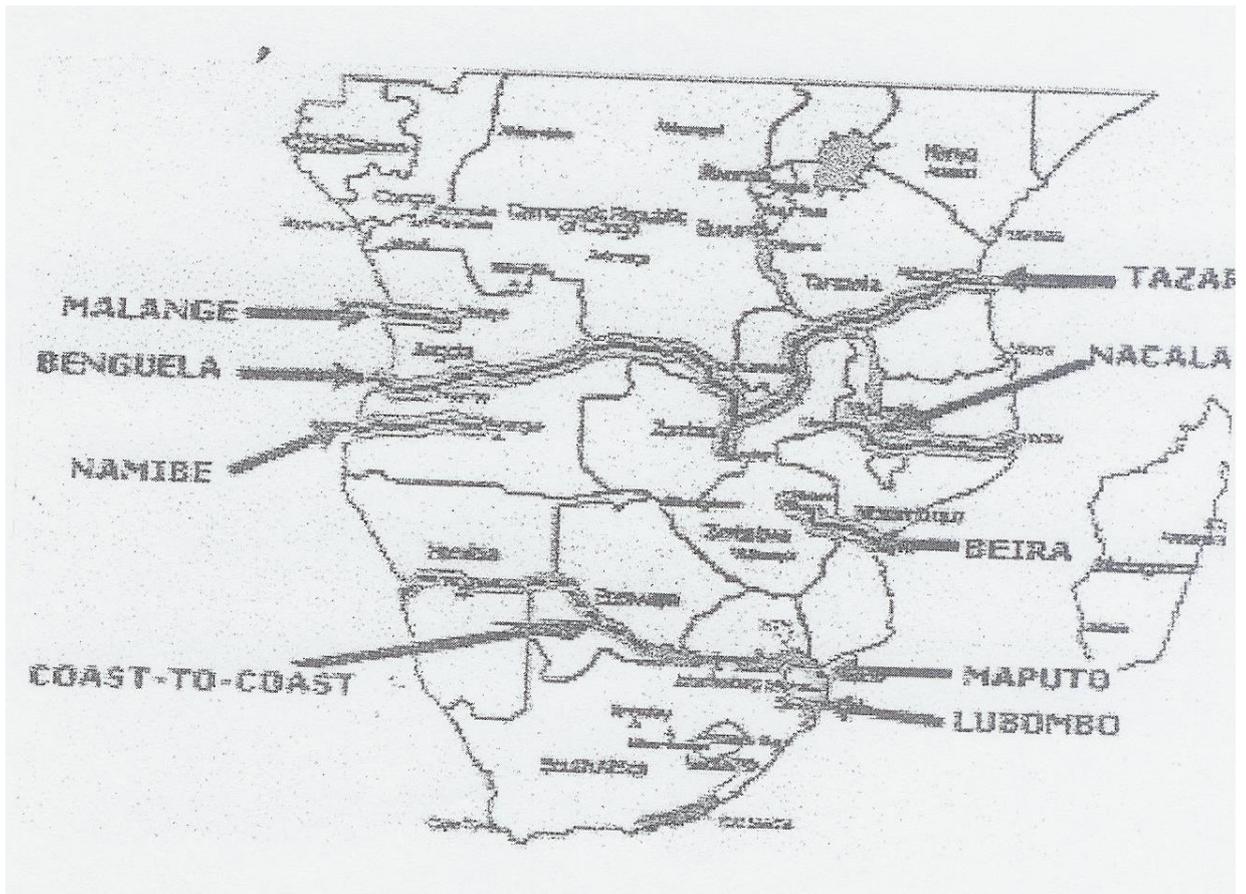
Annex C Map of Trans-Caprivi Highway

Annex D Map of Inland routes

Annex E Map of Shipping routes

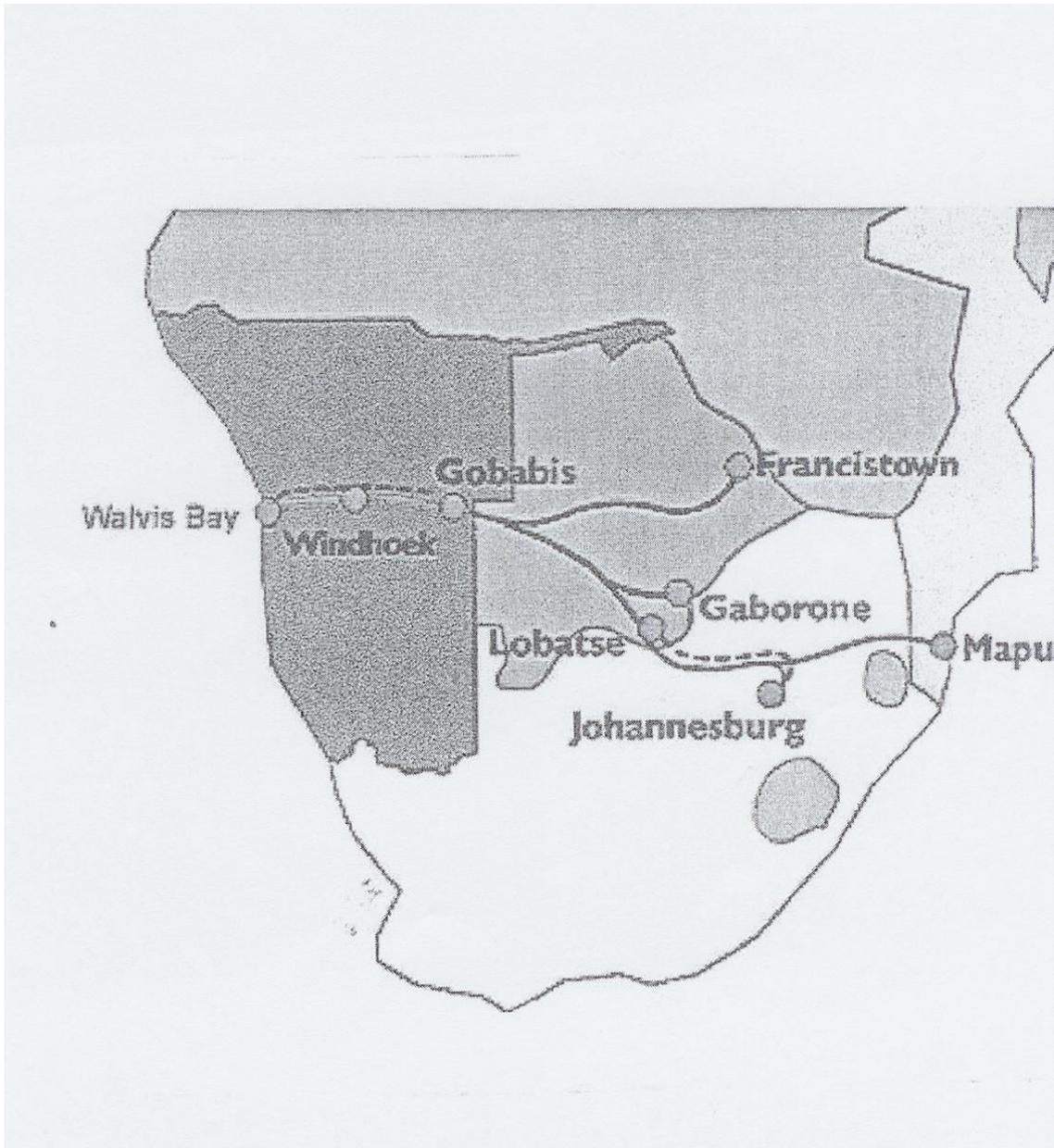
Annex A

Map with Development Corridors



Source: www.sahc-india.com. November 2003

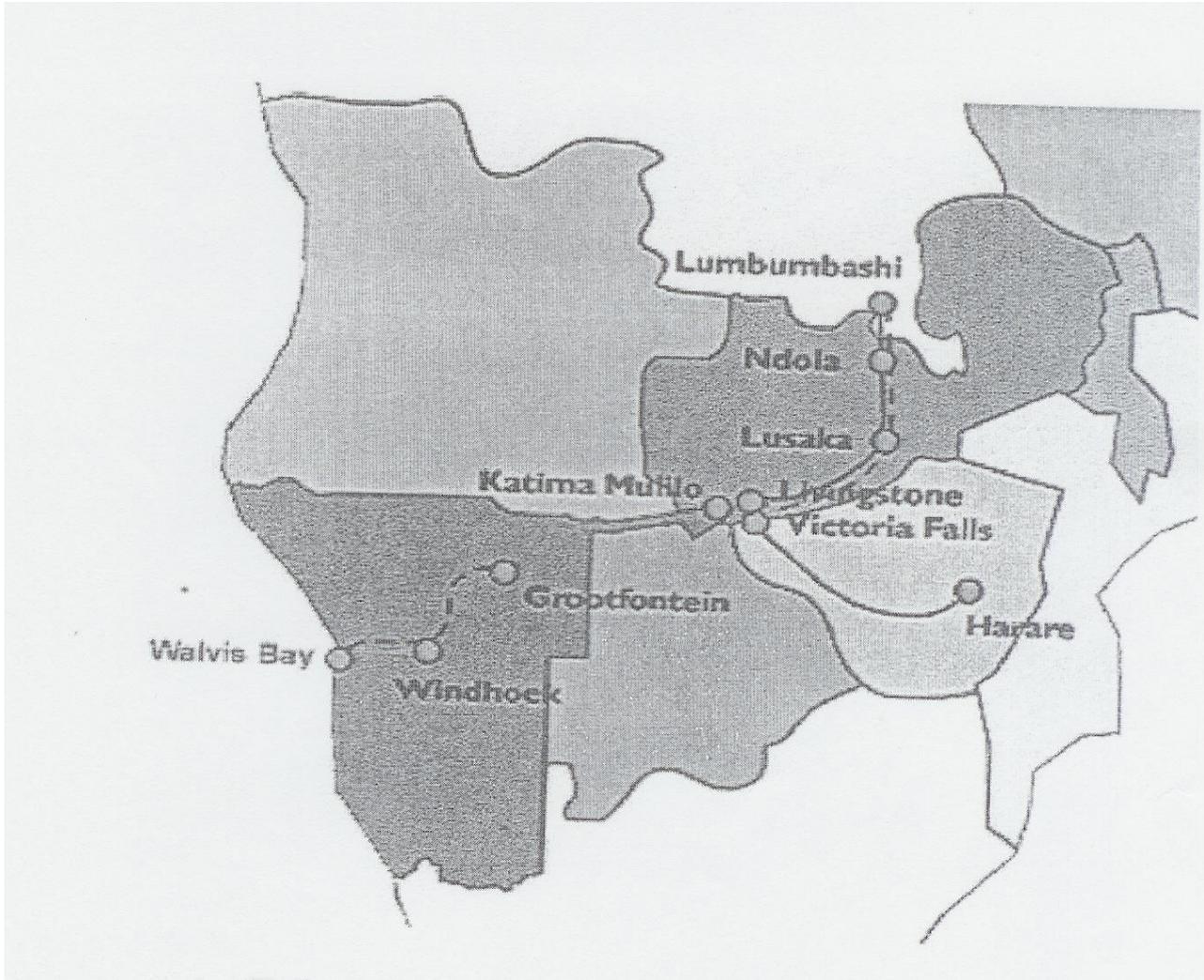
Annex B Map of Trans-Kalahari Highway



Source: www.wbcg.com.na September 2003

Annex C

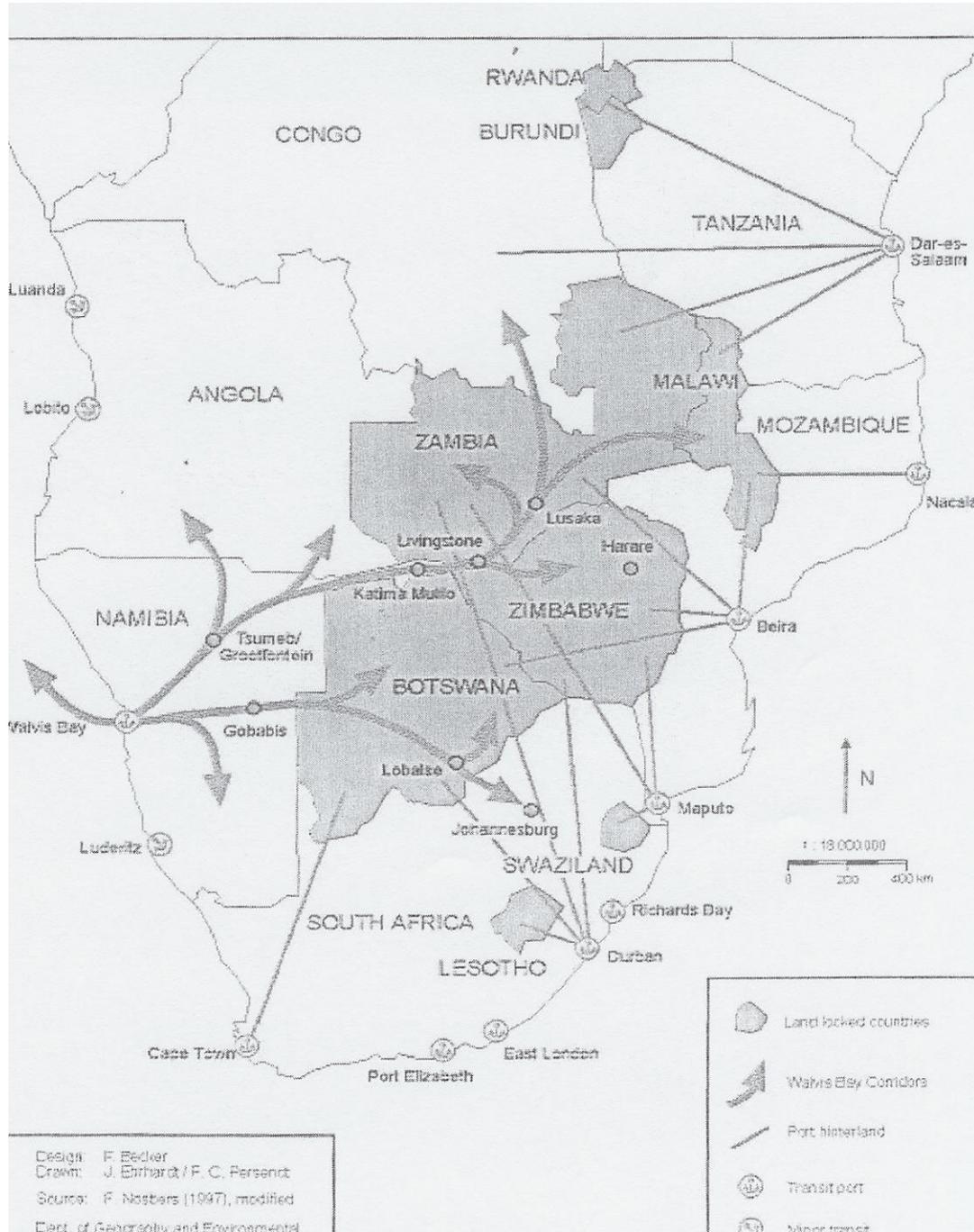
Map of Trans-Caprivi Highway



Source: www.wbcg.com.na September 2003.

Annex D

Map of Inland routes



Annex E

Map of Shipping routes

