

25X1

Approved For Release 2006/09/26 : CIA-RDP85T00875R001900010214-0

Approved For Release 2006/09/26 : CIA-RDP85T00875R001900010214-0

CONFIDENTIAL

S-5979

Approved For Release 2006/09/26 : CIA-RDP85T00875R001900010214-0

CIA/OER/S-5979-74

25X1

The Tan-Zam Railroad: Feasible Route for Zairian Copper?Summary

A new route for the export of Zairian copper conceivably will be available upon completion of the Tanzania-Zambia Railway (Tan-Zam) and improvements underway at the Tanzanian port of Dar-es-Salaam. The new route, however, will not achieve announced initial operating capability immediately upon completion, but will experience a gradual build-up during 1975-78 to a capability of well over a million tons each way per year -- more than adequate to handle Zairian copper exports in addition to Zambian requirements. A gradual diversion of Zairian copper from Lobito to Dar-es-Salaam is indicated and the business should receive a warm welcome by Zambia and Tanzania.

Discussion

Some 400,000 tons a year of Zairian copper exports, now moving primarily via the Lobito route through Angola, conceivably could be diverted to the more politically acceptable route to the Tanzanian port of Dar-es-Salaam via the soon-to-be-completed Tanzania-Zambia Railroad (Tan-Zam). The track should be completed over the entire length of the Tan-Zam by the end of 1974, connecting Dar-es-Salaam with the existing rail network of Southern Africa at the Zambian junction of Kapiri Mposhi. Gauge will be compatible and railroad cars interchangeable from the Cape to Lobito, Angola and Dar-es-Salaam, Tanzania.

Approved For Release 2006/09/26 : CIA-RDP85T00875R001900010214-0

CONFIDENTIAL

Track settlement, the construction of sidings and other ancillary fixed installations, and the lack of rolling stock and other equipment will probably delay effective use of the railroad throughout its length until at least the end of 1975. Achieving the announced initial operating capability of one million tons each way per year will require complete acquisition of at least 2,100 freight cars and 100 locomotives in addition to the line improvements. An initial labor force of 5,000 increasing to 8,000 will also be required and extensive training and foreign recruitment are indicated.

A gradual build-up is probable during 1975-78 to a substantial capability well in excess of the approximate total million tons of copper exported from the Kolwezi-Ndola copper belt area of Zaire and Zambia. The recruitment and training of staff will be a critical problem and minor delays in acquisition of rolling stock and equipment much less of a problem. Only a quite feasible 2 to 3 trains a day carrying a net 1,200 tons of copper each are required to haul over a million tons a year. The 30 day turnaround time implied for 2,100 freight cars also seems reasonable.

The Tanzania-Zambia Railway Authority (TAZARA), the operating authority, may be faced with financial difficulty if traffic and revenue does not develop soon -- a factor which should encourage

CONFIDENTIAL

the early development of a capability to haul as much Zairian as well as Zambian copper as possible. Meanwhile, the BCK (Bas-Congo au Katanga) Railway in Zaire would have to come to grips with changing its pattern of heavy copper flow from the Kolwezi area. Running eastward out of Kolwezi to Zambia requires transit of heavily loaded track between Tenke and Lubumbashi.

The port of Dar-es-Salaam probably would not be any great problem to the export flow of copper by the Tan-Zam route. Three new deep-water berths should be completed in 1974 for a total of eleven at the port. Copper bars and sheets are a simple handling problem at a port and refined copper can be stored in the open with no damage. A bonus factor is the probable reopening of the Suez Canal by the end of 1974 which will place Dar-es-Salaam far closer to many world markets.

In sum, total diversion of Zairian copper exports to the Tan-Zam route in 1975 would appear to be impractical. Gradual diversion during 1975-78, however, seems to be eminently practical and a very likely course of action.

CONFIDENTIAL