

~~CONFIDENTIAL~~**APPENDIX****Impact of a South African Blockade of Botswana and Zambia**

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Our analysis indicates closure of South African transportation routes and ports to neighboring black countries would have a substantial negative impact on the ability of these countries to import and export goods. For example, forced to use alternative transportation routes, Botswana would face sharply higher shipping costs -- perhaps as much as 350 percent higher -- for some commodities such as food and fuel. For a state more removed from South Africa, transport costs would increase less dramatically; denied access to South African ports, Zambia, for example, would experience a 10 percent rise in the cost of exporting ore.

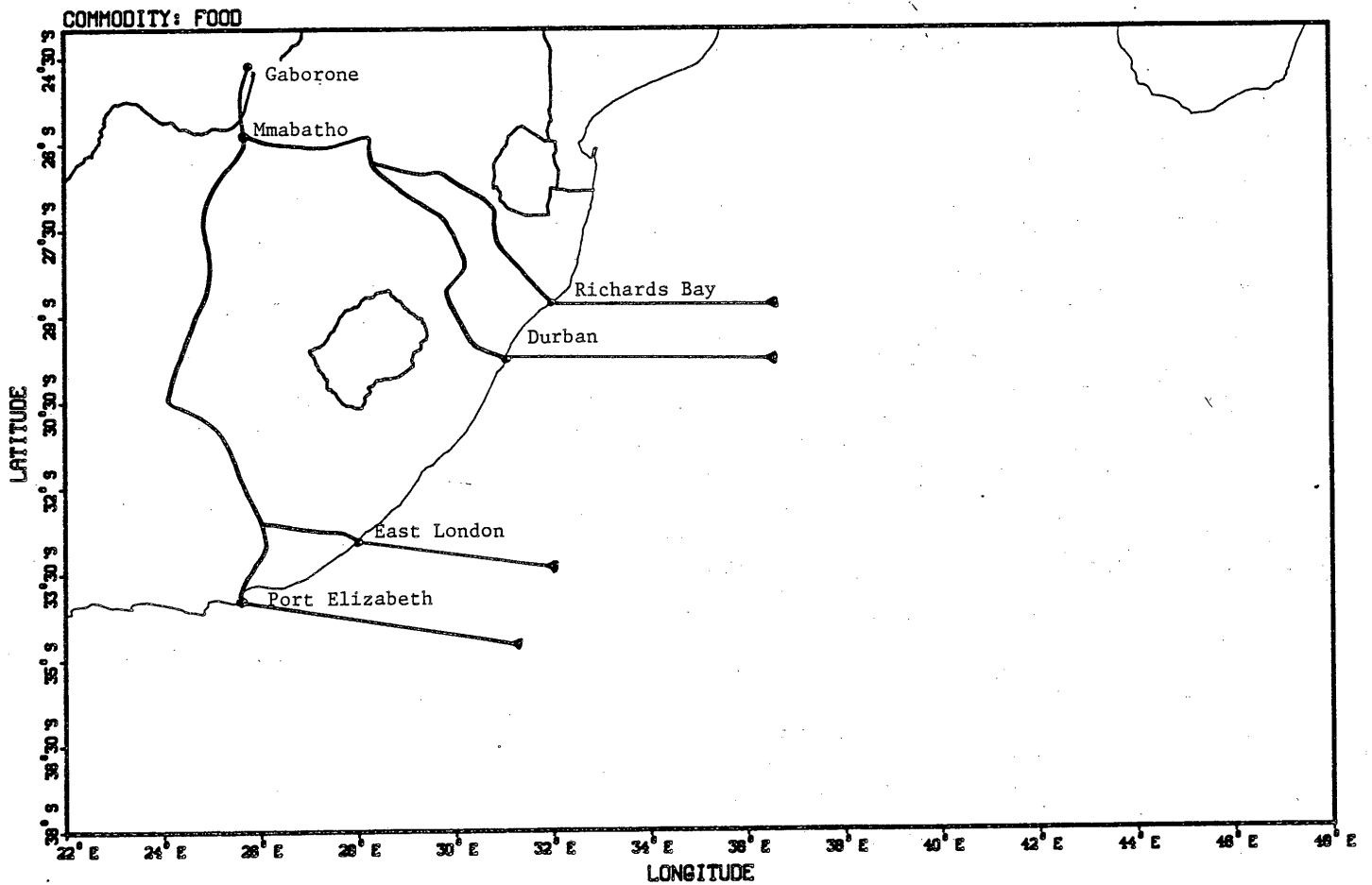
These estimates assume that potential alternative routes would in fact be available to Botswana and Zambia, and map the most cost efficient alternative routes. The graphics presented as examples, however, do not take into account the political feasibility of using such routes. Obviously insurgent activity, or inadequate transportation infrastructures, or systems already being used to capacity enter into the equation. Most notably, the security situation in Angola and Mozambique would limit the rechanelling of trade along the Benguela Railway in Angola or through the port of Beira.

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From: Overseas

To: Gaborone, Botswana

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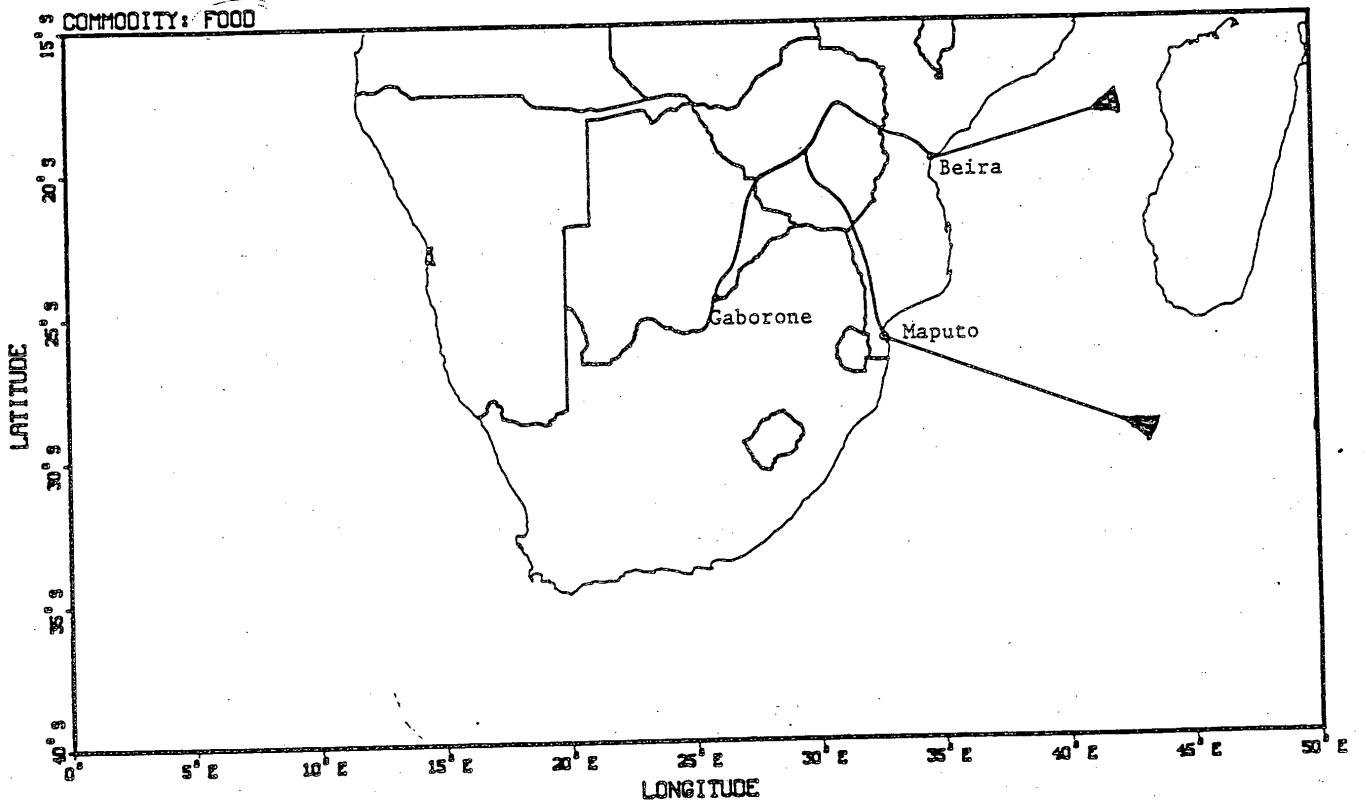


QUANTITY MINIMIZED: COST

From: Overseas

To: Gaborone, Botswana

South African links cut

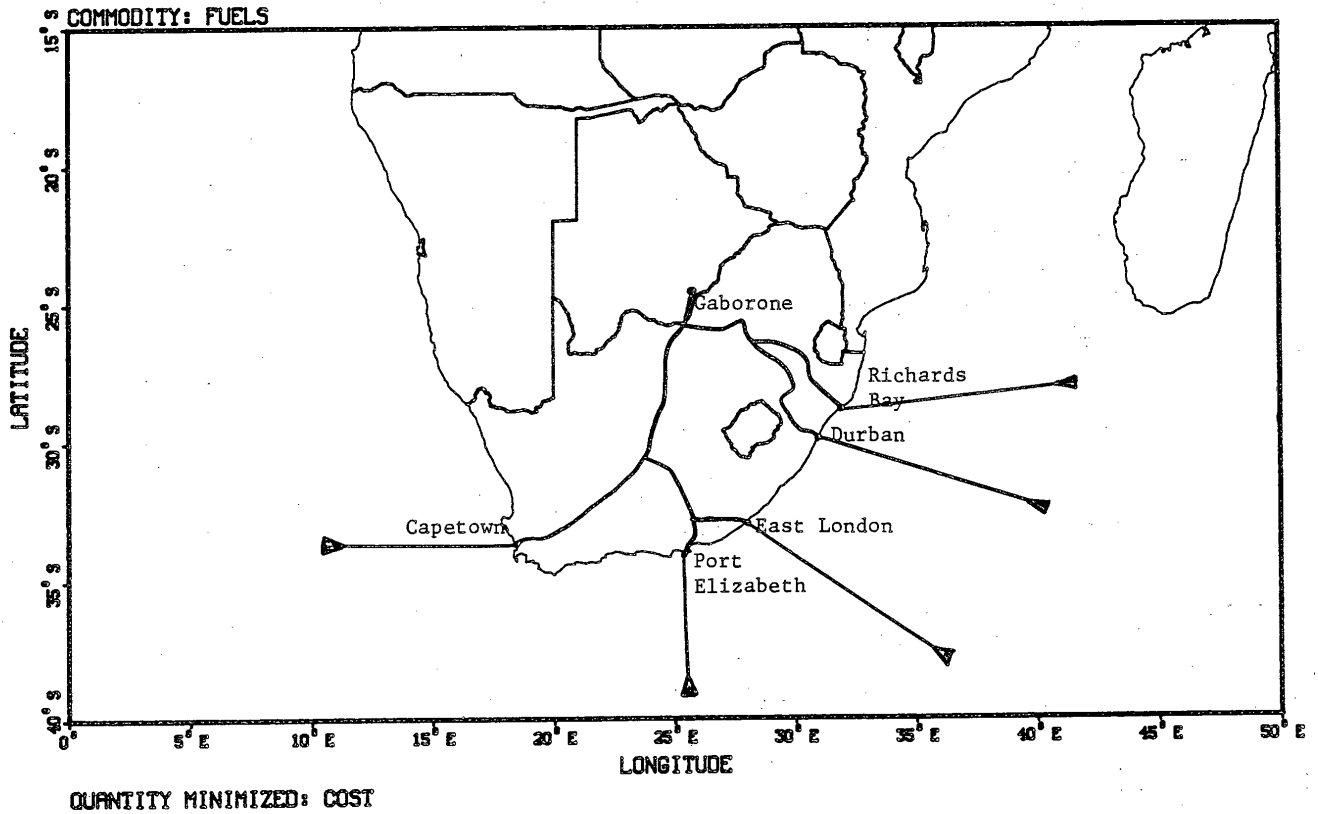


QUANTITY MINIMIZED: COST

From: Overseas

To: Gaborone, Botswana

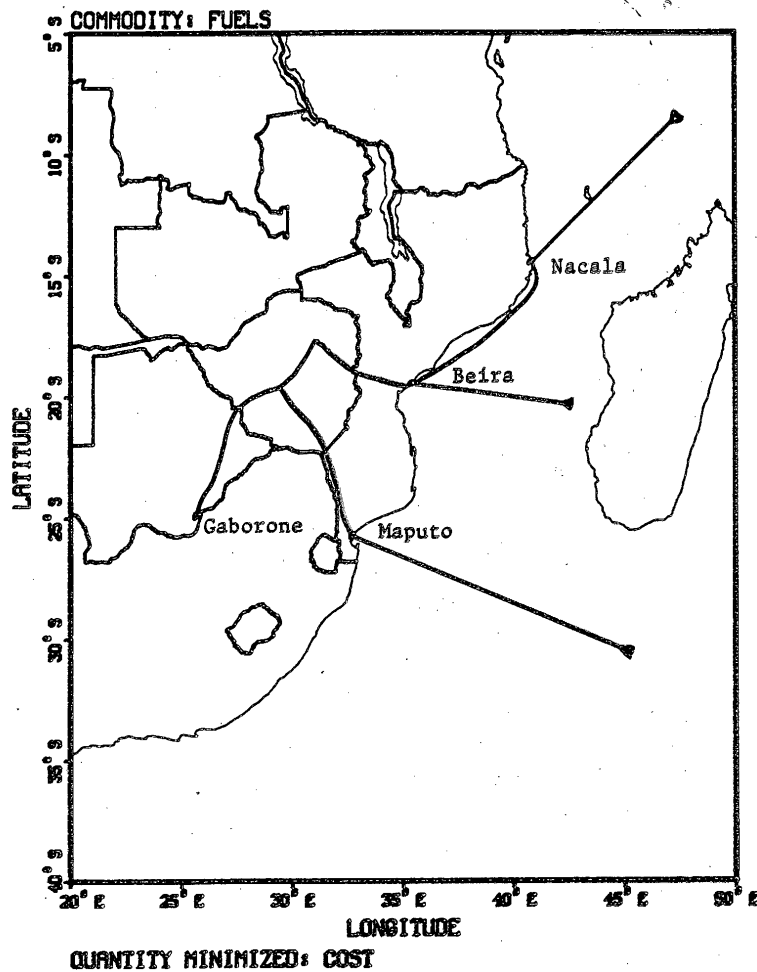
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From: Overseas

To: Gaborone, Botswana

South African links cut

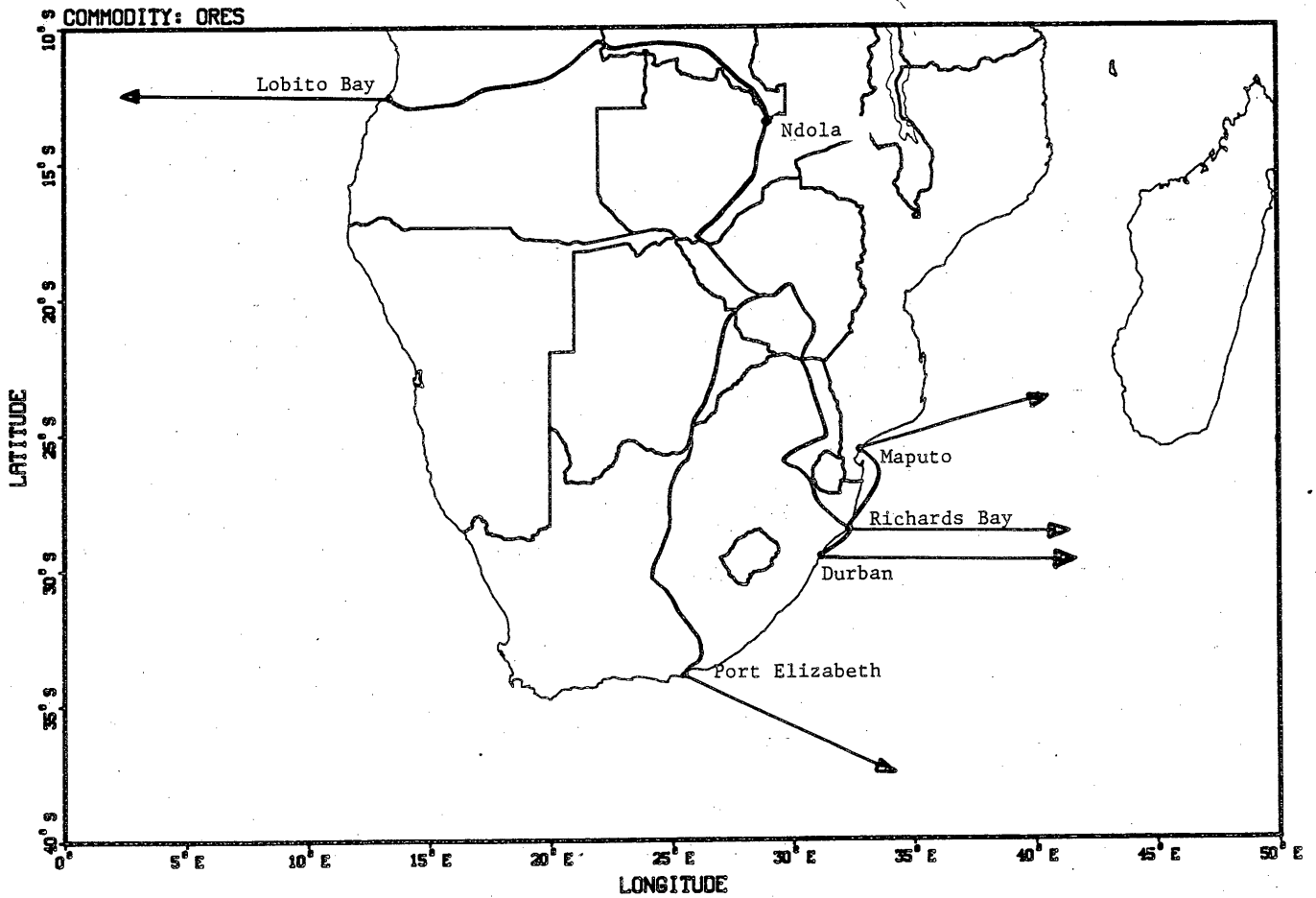


From: Ndola, Zambia

To: Overseas

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COMMODITY: ORES

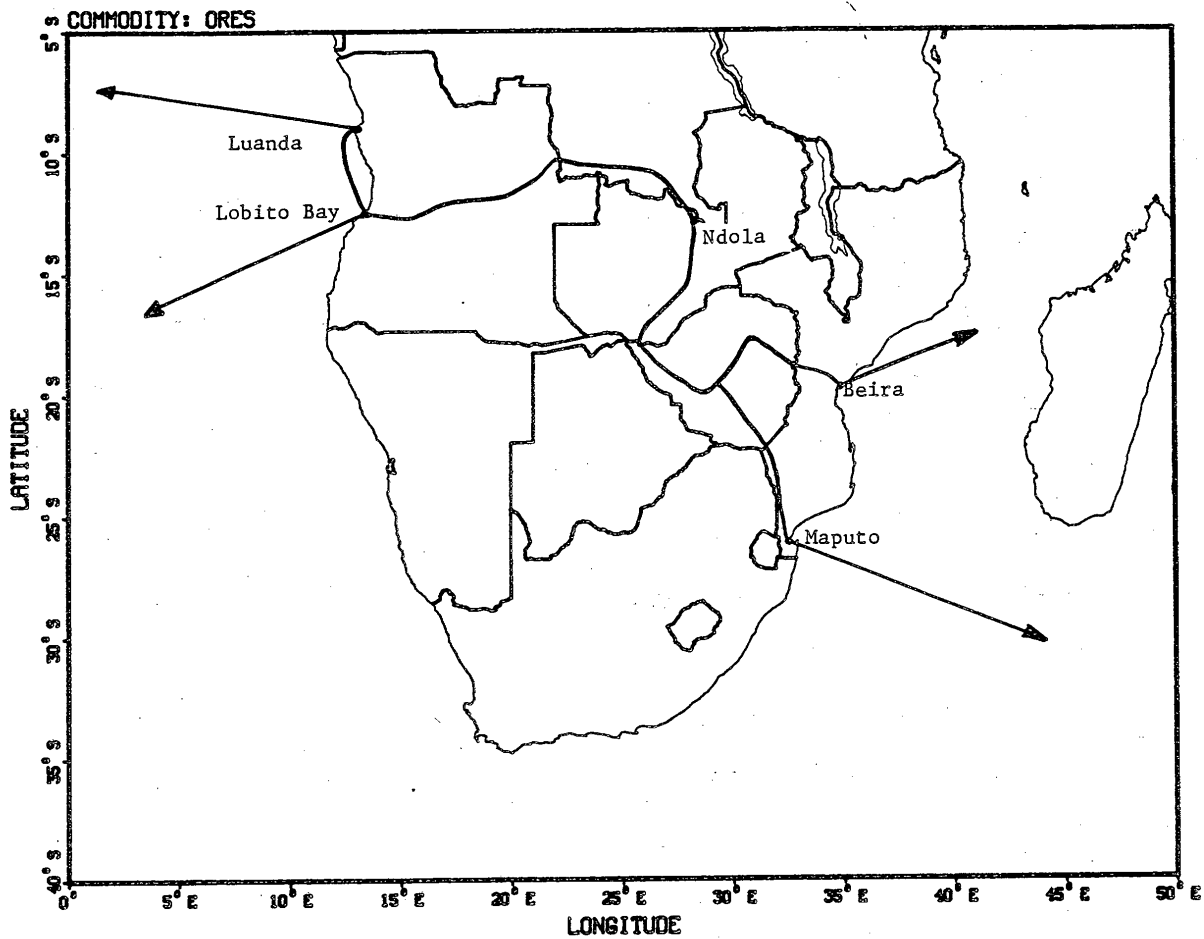


QUANTITY MINIMIZED: COST

From: Ndola, Zambia

To: Overseas

South African links cut



QUANTITY MINIMIZED: COST