ROAD/RAIL FREIGHT

Botswana to invest in improving rail network

18 Feb 2025 - by Staff reporter

Source: International Railway Journal

Botswana's Minister of Finance has announced the country will spend 156 million pula (R208.7m) improving its rail networks as part of a development projects budget for the 2025/26 financial year.

Ndaba Gaolathe made the announcement during his budget speech last week, saying that the expenditure would support the rehabilitation of the Limpopo Corridor, equipment upgrades and feasibility studies for network expansion.

The rail development forms part of a broader proposed infrastructure development budget of P11.54 billion (R15.4bn).

"Railway infrastructure forms the backbone of industrial and logistical operations and is a cost-effective and environmentally sustainable mode of transportation," Gaolathe said.

"To this end, a total budget amounting to P156m will cater for rail projects, which include Rehabilitation of the Limpopo Corridor, Botswana Railway Workshop Equipment, and feasibility studies for the Mmamabula-Lephalale and Mosetse-Kazungula Railway."

He said the development budget also included several information communication technology projects, such as upgrading the local area network, providing equipment, and computerising driver tests.

Gaolathe said the state of the country's road networks, rail, power, water and sewerage infrastructure was not adequate to facilitate its vision of building a deep and inclusive economy.

"In addition, the absence of adequate infrastructure to support modern agriculture, coupled with the lack of world-class airports, presents a significant barrier to our ambition of becoming a regional logistics hub."

Gaolathe added that there was a "critical need" to upgrade and expand the infrastructure ecosystem to unlock economic opportunities and enhance the quality of life for a greater number of our citizens.

"A development budget of P11.54bn is proposed to fund infrastructure development projects. I must, however, indicate that modernising and transforming our infrastructure cannot be achieved in one financial year, as it is a process that needs time and resources," he said.

Public-Private Partnerships (PPPs) will play a vital role in mobilising the resources needed to accelerate the agenda and deliver projects effectively.

"Government is advanced in creating a legal framework for better management of PPP projects," he said.

The draft Bill on PPPs is expected to be finalised and presented for consideration to parliament during the 2025/2026 financial year.

"Once it comes into effect, it will foster a strong private sector partnership and provide a platform for domestic and international consortiums to optimise the full benefit of the PPP delivery model. This will reduce the fiscal strain on the government budget and improve our growth-investment nexus," Gaolathe said.