INFRASTRUCTURE

Dakar-Mali rail link fights for survival

The end of the line is in sight for the cash-strapped railway, which needs $1.6bn to replace the track but faces structural and financial roadblocks

ROSE SKELTON

A second-hand train bought from India needs a bit of dusting down. A passenger service only runs on the Mali section of the line

The distance between Kidira, in western Mali, and Tambacounda, eastern Senegal's largest town, is just 200km of flat, empty terrain. But the railway company can no longer risk running a full passenger service: the rails are so weak that wagons carrying minerals from Mali to the port in Senegal are only a third full. The railway, whose sleepers date back to the early 1900s, is warped and punctuated with gaping spaces that regularly throw wagons off the rails. In the year to October 2011, the line had 136 derailments and 291 sections of broken track, causing days of delays.

"We need investment of 177bn CFA francs [$357m] over 10 years for improvements to the track," says Djibril Keita, secretary general of Transrail, the company that owns the railway line connecting the Malian capital with the Senegalese capital and sea port. "If the line were in a good state, Mali could double its exports," he says.

In fact, this figure would cover just modest improvements to the line and stop the derailments. What is really needed, says Abdoulaye Lo, the general director of Senegal's Agence Nationale des Chemins de Fer, is $1.6bn to replace the existing line completely. "A high-capacity railway line transporting iron ore and phosphates is extremely important for Senegal," he says. Without it, the country does not have reliable access to the Malian market for the goods coming through its new Dakar port, operated by Dubai's DP World, or passage for the iron ore and phosphates coming from the east of the country for export. Mali, in turn, cannot rely on the line to export commodities, particularly cotton.

SPANNERS IN THE WORKS

The Dakar-Niger railway, so called because it connects Senegal's capital with the Niger river in Mali, was built by French colonists after World War I. Today, the line transports only a fraction of what goes by road. Mali currently exports 150,000tn of goods a month by road, says Transrail's Keita, whereas the train line transported just 440,000tn in both directions in 2010. When Côte d'Ivoire's election crisis closed Abidjan's port, Mali spent an extra 2.5bn CFA francs transporting cotton via the port in Lomé, Togo.

A complex minefield of financial and ideological issues stands in the way of new investment. Donors such as the European Union, the African Development Bank and the World Bank – all of which have expressed interest – can lend only to governments. Currently, the Malian and Senegalese states each own 11% stakes in the line, but Keita explains that investors are waiting for a restructuring that would divide the company into two. The state would own the rails and the buildings, with the trains operated on private concessions. "The returns on a train line are very slow," he says, "so private investors do not want to invest." This restructuring was due to be finished by the end of 2011 but has been delayed.

$357m

Cost of merely reparing the Kidira to Tambacounda line, which suffered 136 derailments last year

Since 2007, the trains on the line were being operated by Vecturis, which also runs railway concessions in Tanzania, Madagascar and the Democratic Republic of Congo, and is building a new railway line in Angola. Vecturis pulled out in January 2012, and the line is now operated by Advens, a food trading business that is the major shareholder in Transrail.

A QUESTION OF GAUGE

A newly elected government in Senegal and a recent coup d'état in Mali only add to the setbacks suffered by this railway, which has never been a governmental priority despite its crucial role in both countries' economies. On top of this, states do not want to invest in an existing narrow-gauge line but instead wish to build a standard-gauge line, considered more modern and not carrying colonial connotations. But this would mean replacing the entire network, as trains fitted to the narrow gauge cannot also run on a standard gauge. This would require sums that no one is yet ready to pledge.

At Thies, Senegal's second-largest town and the home of Transrail's Senegal operations, stands a tanker that once carried cement from Rufisque, near Dakar, directly to Bamako and the Malian market. But the uneven railway line caused it to derail, and it lies damaged in the yard. "Because of the state of the rails, now cement has to be transported in bags," says Vecturis's Eric Peiffer, former director general of Transrail. "The people pay the price of a bad railway line." ●

Rose Skelton in Dakar

ROSE SKELTON

Second-class traveller Sadio Dembele has been taking the line for 25 years

RADISSON BLU

The $42m Radisson Blu in Addis is the first of several African hotels planned by the Carlson Rezidor group

HOTELS

Carlson Rezidor expands Africa presence

Hotels are set to open in Gabon and Guinea as the Radisson Blu brand targets countries rich in natural resources

It has been a busy first quarter for the new Carlson Rezidor Hotel Group. Formed in January through a partnership between US-based Carlson and Belgian-based Rezidor, the group opened the doors of a $42m Radisson Blu hotel in Addis Ababa that same month, then in March announced plans to establish two more hotels in Africa. The first will be a $40m renovation of the Okoume Palace Hotel in the Gabonese capital Libreville, set to open in 2013. The second, a $70m new-build in Conakry, Guinea, is scheduled to open in 2014, just in time for the Africa Cup of Nations tournament to be held in the city.

STABILITY EQUALS DEMAND

Leagues of businesspeople coming to Africa are increasing the demand for high-quality hotel rooms on the continent. Andrew McLachlan, Carlson Rezidor's vice president of business development for Africa and the Indian Ocean, says the group's strategy is to "target politically stable countries with natural resources".

Between them, Carlson and Rezidor – in which Carlson has a 50.3% majority shareholding – had just eight hotels open or under development in Africa five years ago. Now the new group boasts 45 hotels in 19 countries, 20 of which are open and 25 under development. In November the group plans to inaugurate a hotel in Freetown, Sierra Leone, where McLachlan expects Carlson Rezidor will be the only player for the next five years. Mozambique's Maputo Radisson Blu is due to open its doors in May, though the opening was originally scheduled for the end of 2011.

The company is holding discussions about plans for developments in Kinshasa, Brazzaville and Cameroon. Further south, McLachlan says an oversaturated Southern Africa means the group will only consider a takeover, rather than new-builds, in the region in the near future. ●

Billie McTernan

TICKER TAPE ● **OIL** Toyota has made a proposal to build an oil pipeline linking South Sudan's oilfields to Lamu port in Kenya ● **BANKING** Kenya Commercial Bank (KCB) and Equity Bank reported profits for the first quarter of 2012, with earnings up 35% and 29% respectively ● **ENERGY** EDF Energies Nouvelles and Mitsui & Co. won a bid to build a 150MW wind park in northern Morocco ● **BANKING** South Africa's Advertising Standards Authority ordered Standard Bank and First National Bank to withdraw misleading campaigns in late April, weighing in on an increasing war of words between the two banks ● **TELECOMS** Kenyan mobile competitors Safaricom and Bharti Airtel plan to cooperate on a fibreoptic network