



Chirundu Inland Dry Port

Zimbabwe / Zambia One-Stop Border Post

Presentation to:

Infrastructure Development Bank of Zimbabwe

By:

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CHIRUNDU – HARARE HIGHWAY
(Chirundu Border Post, 2013)



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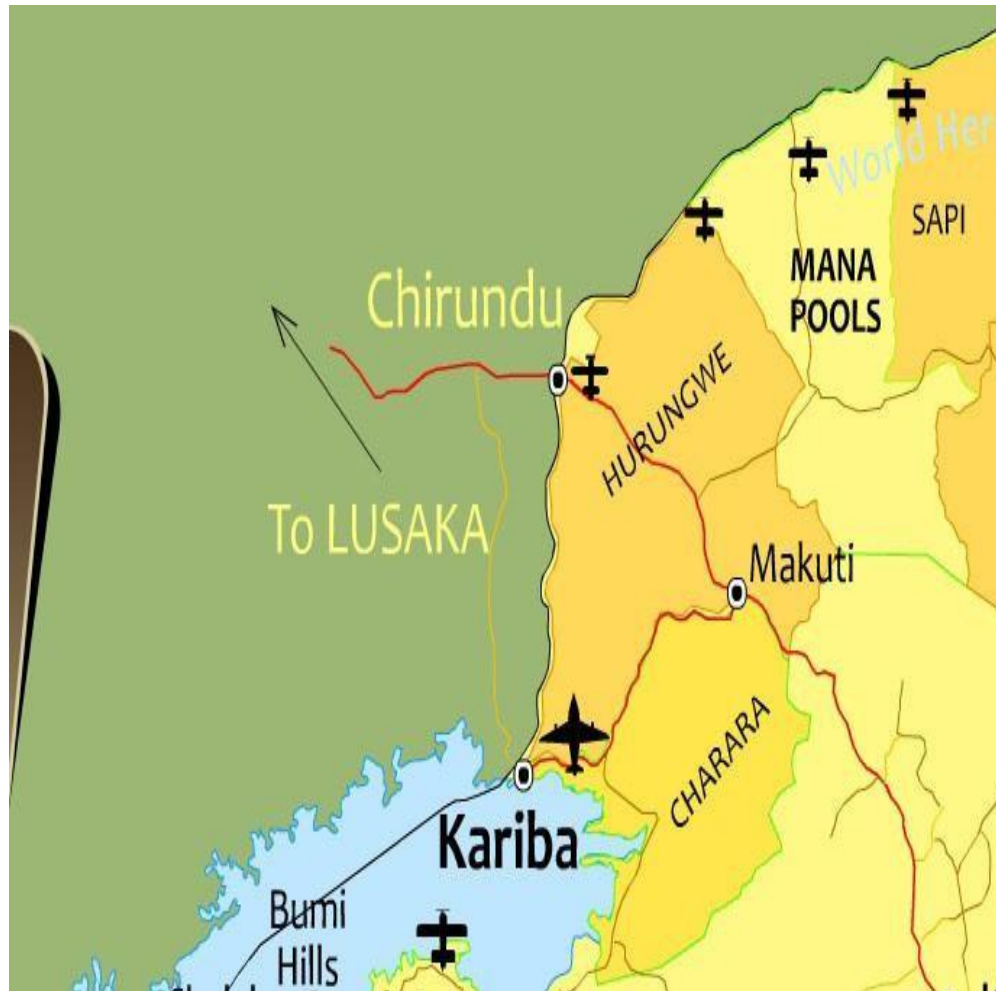
1. PROJECT BACKGROUND

PROJECT BACKGROUND – Location



- Chirundu is Zimbabwe's gateway to the north and a key port of entry into Zambia
- The town has a limited space of a 5-kilometre radius as it is located in a National Game Reserve in the Kariba Valley Basin.
- In December 2009, the governments of Zimbabwe and Zambia commissioned the One-Stop Border Post initiative at Chirundu, this being the first of its kind in Africa.
- This one-stop border post was implemented through the generous support from JICA and other partners to address delays and also promote smooth flow of goods – by removing restrictive operational procedures.
- CTC intends to facilitate infrastructure development that will result in Chirundu being able to offer almost all essential products and services that a town centre would offer.

PROJECT BACKGROUND – Location



- Chirundu Trade Centre (CTC) will house businesses ranging from:
 - container depots,
 - bonded warehouses,
 - truck clearing port,
 - hotel / conference centre
 - lodges, fuel stations,
 - banks, retail shops, food outlets,
 - hardware stores, hair salons,
 - surgeries, hotels and pharmacies
- These facilities will cater for companies and individuals that do trade between Zimbabwe and South Africa and the countries to the north of the Zambezi River.

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About Chirundu

- Chirundu has the potential to become an economic hub for countries north and south of the Zambezi River. It is currently a preferred gateway to the north and focal point for traders from different countries in the region. The Southern African Development Community (SADC) selected Chirundu a few years ago as one of the border posts for the pilot phase of the one-stop border initiative that aims to facilitate trade and free movement of goods and services among the 15-member regional bloc.
- Chirundu is one of the busiest border posts in Southern Africa. Chirundu is the border town between Zimbabwe and Zambia with a new one-stop border control and customs and facility based on the Zimbabwe side of the Zambezi River. The Zambezi is only about 370 metres wide at Chirundu and two transport bridges span the Zambezi River here. The old Otto Beit Bridge, a steel suspension bridge, was built in 1939 and named after Alfred Beit's younger brother; the Beit Trust funded the Bridge, and is a single span of 382 metres, but with only one lane and an ever increasing amount of heavy lorry traffic between the countries this inevitably led to long queues and waiting time. In the early 2002 the new Chirundu Bridge with two lanes was constructed 90 metres upstream from the old one. The new bridge was funded by JICA. It is the typical modern concrete box girder bridge 400 metres long and 120-tonne maximum road across Zambezi River between Zimbabwe and Zambia. Chirundu is surrounded by wildlife/safari areas, elephants frequently wander around. It is also a popular destination for fishing.

Chirundu Trade Centre (PVT) Ltd.

Inland Dry Port

- Chirundu has the potential of becoming a tourist destination being a national game reserve endowed with scenic spots for game viewing, fishing and wild safaris and the big five.
- Given the volume of human and vehicular traffic at Chirundu, there exists untapped potential to capitalize on existing natural endowments like the Zambezi River and abundant wild life in the game reserve.
- Flopress has title deeds for the stands for the site where Chirundu Trade Centre is located, which is strategically located along the Harare-Lusaka highway adjacent to ZIMRA offices and 300m from the border post bridge.
- Chirundu Trade Centre will therefore play a significant role as an Inland Port and destination for SADC, COMESA, EAC manufactured goods, making it a benchmark for regional integration among SADC Member States. For instance, the proposed bulk storage facilities will result in increased exports out of Zimbabwe.
- According to ZIMRA statistics, the value of goods passing through Chirundu is estimated at around US\$1 billion per year. Chirundu Trade Centre intends to harness business amounting to at least 30% of the value of goods currently passing through the border.

Chirundu Trade Centre – Inland Port

- As the continent seeks to boost intra-African trade to promote growth and foreign direct investment, governments are trying to draw informal traders into the formal economy. They hope that simplifying and harmonising trading rules will make life easier for the merchants. Such a move would also fatten government coffers through customs payments, provide reliable statistics and – because registration would provide easier access to loans – offer small traders the chance to grow.
- Efforts are under way to bring together Comesa, SADC and the East African Community into a single market of 26 countries, stretching from Cape Town to Cairo, with half a billion consumers and \$1 trillion in output.
- The Chirundu border post currently handles more than 6,000 trucks each month, with an average of 225 trucks per day, both directions. More trucks use the route going northwards (120 average per day) than southwards (105 average per day).
- It is the most preferred entry point for commercial traffic into Zambia from South Africa and other commercial ports to the South, or through to and from Central and Eastern Africa. It is also used by return traffic in the opposite direction.

SITE LOCATION

Google maps Address

To see all the details that are visible on the screen, use the "Print" link next to the map.



chirundu

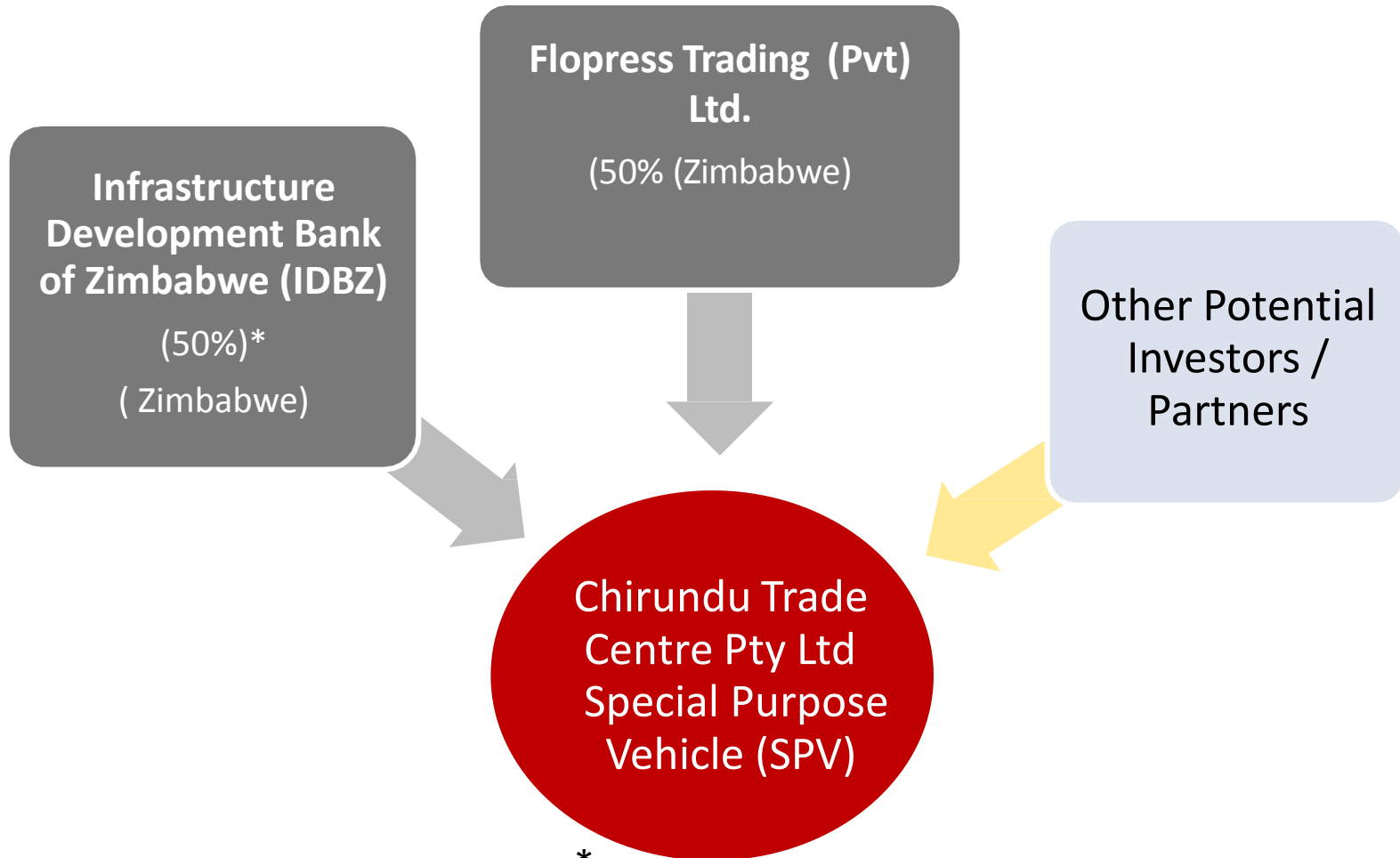
Chirundu Trade Centre (PVT) Ltd.

Inland Dry Port

- The successful implementation of the Chirundu Trade Centre will lead to increased economic activities.
- This should subsequently lead to demand for hotel and conferencing facilities for meetings, workshops and conferences for corporates, NGOs and government departments from COMESA, SADC and EAC member states.
- The economic viability of the Chirundu Trade Centre has been assessed through the use of a financial model of the projected financials for CTC. The Chirundu Trade Centre offers excellent cash generation characteristics and possibilities.

2. PROJECT PROMOTERS / SHAREHOLDERS

Chirundu Trade Centre (PVT) Ltd.
Inland Dry Port



* Current shareholders willing to dilute down shareholding to bring in new shareholders.

Chirundu Trade Centre (PVT) Ltd.

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- **FLOPRESS TRADING (PRIVATE) LTD.** (“Flopress”) is an indigenous, Zimbabwean registered company that is currently the title holder of the land where Chirundu Trade Centre is located.
- Flopress is controlled by Mr. George Chiromo and family. Flopress has registered a Special Purpose Vehicle by the name of **CHIRUNDU TRADE CENTRE (CTC)** that is now the project owner and promoter inviting the Infrastructure Development Bank of Zimbabwe to buy a 50% shareholding stake in **CHIRUNDU TRADE CENTRE (CTC)** and play the roles of a shareholder, lead advisor, enabler/facilitator in raising project funding and seeing to the overall successful implementation of the project from start to finish.
- George, was behind the founding of the Chirundu Trade Centre investment opportunity. He is seasoned businessman who currently runs his own enterprises, Score Butchery which also processes meat products and Mashonaland Abattoir.
- He has participated in a number of local business initiatives and has been a member of business associations such as the Smallholder Ostrich Producers Association, Meat Advisory Council of Zimbabwe and founder of the SME Development Trust.
- Mr. Chiromo did his high school at the Federal Government College in Sokoto, Nigeria, and a Diploma in Banking and Finance from Ahmadu Bello University in Kaduna State, Nigeria. In addition he also holds a Bachelor of Science degree in Biology from Cuba and a Postgraduate Diploma in Health Services Management.

COMPANY STRATEGY

- **Opportunity and Project Identification, Feasibility and Viability Studies**
- **Land Acquisition**
- **Concept Design and Costing**
- **Investor & partner Acquisition and Retention**
- **Project Management & Oversight**
- **Environmental Impact Assessments & Geotechnical Surveys**
- **Construction and Construction Management**
- **Rental and Capital Appreciation Strategy**
- **Emerging Mixed Use Business / Commercial Parks in Africa**
- **Rapidly developing the demanded Urban Retail, Housing, Commercial and Industrial Facilities**
- **Hospitality & Specific Leisure Assets**
- **Other Required Services – incl. healthcare, financial intermediation**

OUR KEY FOCUS IS ON DEVELOPING SUSTAINABLE, ENVIRONMENTAL-FRIENDLY, PROFITABLE CASH-GENERATING FACILITIES WITHIN EXPANDING TOWNS AND CITIES

3. ABOUT ZIMBABWE & CHIRUNDU

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Business Activities

- The largest sources of formal income in Chirundu urban are government departments such as customs and immigration, ZIMRA and ZRP, retailers, freight clearance companies, construction companies and fishing camps just to mention but a few.
- More than three hundred and fifty (350) trucks use the Chirundu route daily. Truckers' major destinations are DRC, Malawi and South Africa with some going as far as Rwanda, Angola and Tanzania. Major goods transported are food items, fuel consumables, hardware, steel, motor vehicles, clothing, agricultural input, mining machinery and spares.

Infrastructure Developments

- ZIMRA (Zimbabwe Revenue Authority) has recently constructed new office blocks. This complements the Great North Road Bridge that now can accommodate growing traffic volumes.
- The ZRP has also built a new police station at the border post as part of its station revamping exercise and to stem smuggling and border jumping criminal activity.
- Chirundu now receives radio or television broadcast signal coverage from both the Zimbabwean and Zambian broadcasters. Furthermore, there is network coverage for all the three mobile network operators namely Econet Wireless, Telecel Zimbabwe and Netone mobile networks and landlines for Telone, the fixed-network operator.

CHIRUNDU ONE-STOP BORDER POST



Zimbabwe: Chirundu – The Old Otto Beit Bridge Built in 1939

CHIRUNDU ONE-STOP BORDER POST

New and Old Bridges



CHIRUNDU ONE-STOP BORDER POST

The New Bridge Funded by JICA



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- Chirundu is very expensive and monopolistic tendencies by the retailers have left local and traveling consumers vulnerable to exorbitant pricing of goods and services.
- There are no regular supplies of groceries and one has to cross the border into neighbouring Zambia to buy basics such as bread. The prices of basic commodities are on average higher in Chirundu and adjacent Zambian towns than those in other major towns in Zimbabwe.
- The small motel currently situated and operational at Chirundu cannot cope with the demand for budget overnight accommodation.
- Although, the new border system is meant to address these delays, there is still potential business for accommodation providers should the town develop further since it will then become a convenient resting place for long distance travelers.
- Poorly developed housing at the border post does not alleviate the problem. The makeshift pole and dagga houses are the only other option for stranded travelers and tourists.

Chirundu Trade Centre (PVT) Ltd.

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- Due to the acute shortage of accommodation the owners of such shacks make a lot of money from letting the 'rooms' to travelers who fail to get accommodation at the motel.
- Truckers also make extra money from converting their haulage trucks and containers into make shift lodges for overnight accommodation. This situation is likely to improve as a result of our proposed housing programme.
- The Chirundu Trade Centre will also seek to address the housing issue through development of residential houses for potential employees of the Chirundu Trade Centre tenants.
- Chirundu has limited health services. Patients requiring hospital services are referred to Karoi, over 150 Kilometers away. More commonly, locals may seek care across the border at Zambia's Mtendere Mission Hospital. The town has one clinic with a six-bed capacity.
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- Chirundu has only one primary school, offering grades 1 to 3. Most children either do not attend school or go to Karoi, Chinhoyi or Hurungwe for their primary education.

CHIRUNDU ONE-STOP BORDER POST – Congestion remains a problem



CHIRUNDU ONE-STOP BORDER POST – Congestion remains a problem



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Competition

- On the other side of the border post there is Chirundu, Zambia, which is also relatively a small outpost. The area is relatively more developed than the Zimbabwean side of the border, there are no serious efforts being taken in direct competition with the proposed project. There are no trucking offices since the town is just about 140 kilometers south of Lusaka.
- There is a notable health institution, Mtendere Mission Hospital that is sponsored by Harvest Help Zambia, a Non Governmental Organization based in Lusaka. There are also two clinics and a school, which were developed to cater for people from the town and surrounding farms.
- The largest forms of formal income on the Zambian side of Chirundu are freight, construction, agriculture, retail, customs, domestic service, teaching, immigration, police and other government departments.
- Whereas much of the area around Chirundu town in Zimbabwe is set aside for wildlife without village settlements, the rural areas surrounding Chirundu, Zambia are used for commercial and subsistence agriculture.
- The farms outside Chirundu, Zambia are large, employing more than 800 permanent workers and 2,000 seasonal workers who purchase their goods and services from the Zimbabwe.

Chirundu Trade Centre (PVT) Ltd.

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Location

- Located on Stands 607 and 617 in Chirundu Township, lying strategically along the Harare-Zambia Highway. This makes a strong case for the development to serve what is a significant catchment area that stretches beyond Zimbabwe's borders.

Opportunities for Expansion

- Chirundu is a border post town situated at the crossing of the Zambezi River from Zimbabwe into Zambia. The town is located in the district of Hurungwe in Mashonaland West Province of Zimbabwe. Being in a remote district, the main inhabitants are indigenous people and a few personnel who have had to migrate there to work for the few businesses currently existing.
- Being also in a Safari region, within a 5-kilometre radius of the national game reserve, wildlife regularly strays into the town center.
- Development at the post has started taking shape with Government Departments like ZIMRA, putting up significant structures for the efficient collection of revenue at this important North-South corridor, ZRP and the Ministry of Transport and Communication.
- Civil works are also taking shape, a sign of what was once a sleeping town now waking up to rise and grow into one of the largest border towns in Zimbabwe.

North-South Trade Corridor

CHIRUNDU ONE-STOP BORDER POST

The Importance of the Chirundu One-Stop Border Post

- The Chirundu One-Stop Border Post initiative is expected to foster regional integration and trade facilitation within the North-South Corridor.
- The Chirundu One Stop Border Post is set to addressing impediments to cross border trade and the cost of doing business by reducing the turnaround time through harmonization of customs.
- The Chirundu One Stop Border Post is a trade facilitation programme in the North-South Corridor, a COMESA-SADC-EAC tripartite integration programme that seeks to link Dar-es-Salaam in Tanzania and the southern port of Durban and Port Elizabeth in South Africa.

CHIRUNDU ONE-STOP BORDER POST

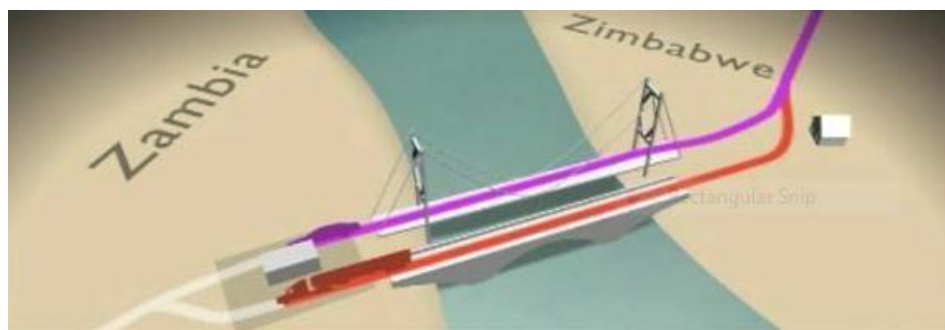
The Importance of the Chirundu One-Stop Border Post

- The North-South Corridor also seeks to link with other transport corridors such as Walvis Bay in Namibia, Beira Corridor in Mozambique and Lobito in Angola in order to harmonise customs requirements.
- This initiative also provides a platform for the establishment of a Free Trade Area for Eastern and Southern Africa, which will boost the economic activities amongst member countries and increase competitiveness of their goods.
- The Free Trade Area for Eastern and Southern Africa will result in reduced cost of doing business in Africa through the removal of duty amongst member states of economic blocks such as COMESA, SADC and EAC.
- This development will accelerate the harmonization of customs and COMESA-SADC-EAC integration programme. This will also enable the integration of Africa as envisaged in the Abuja Treaty on the creation of the Africa Commission.

North-South Trade Corridor

Corridor	Route	Distance	Volume/day (both ways)	Estimated transit time (days)
North-South	Johannesburg-Lusaka	1,583	250	5
Beira	Beira-Lusaka	1,150	50	3
Maputo	Maputo-Johannesburg	604	150	0.5
Nacala	Nacala-Lilongwe	-		
Dar es Salaam	Dar es Salaam-Lusaka	1,980	100	5
Trans-Caprivi	Walvis Bay-Lusaka	1,462	30	
Trans-Kalahari	Walvis Bay-Johannesburg	1,350	120	1.5

Source: FESARTA, Imani Capricorn and World Bank (2000), Portfutures (2005)



North-South Trade Corridor

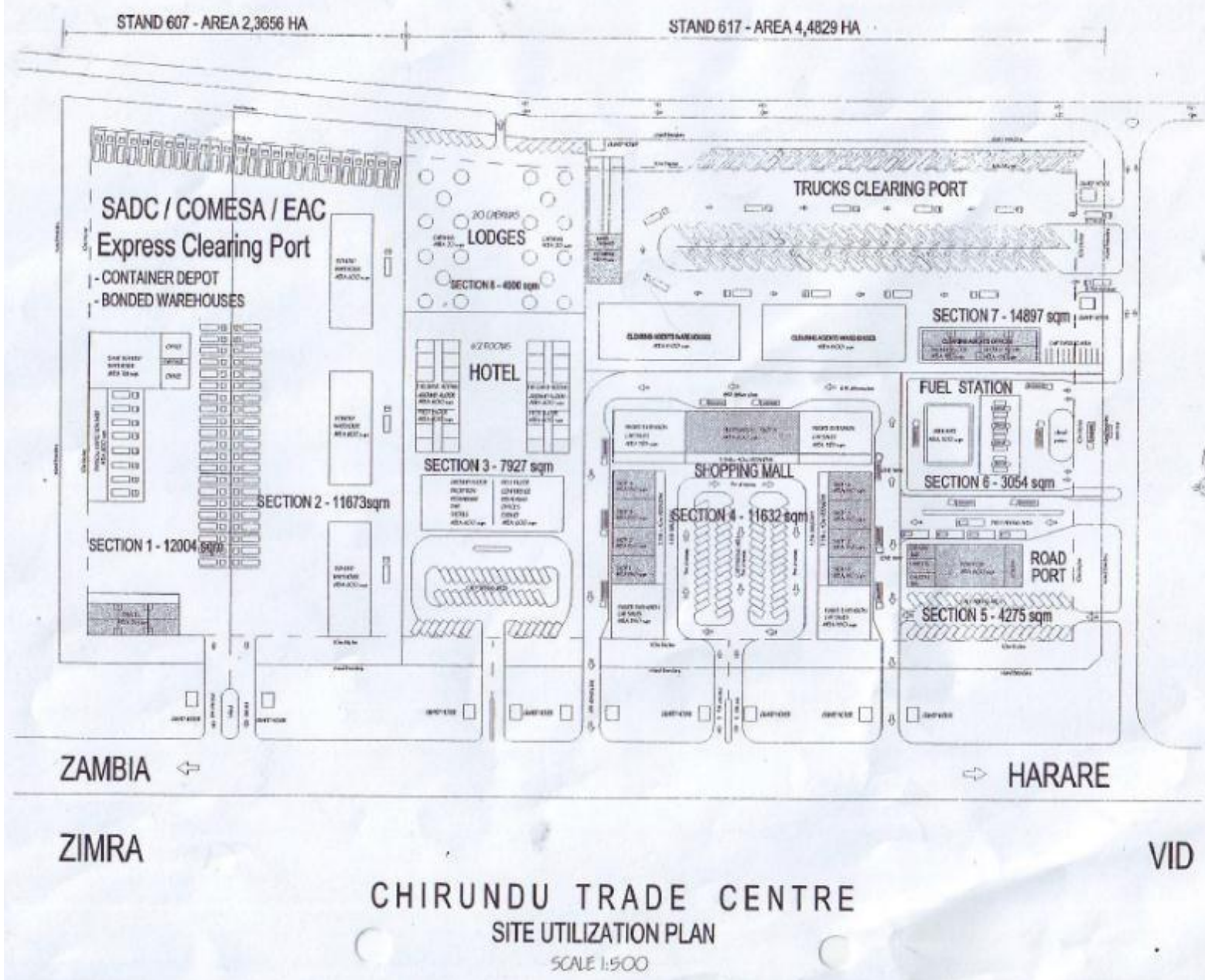
- The transport corridor linking South Africa to its northern countries is the busiest regional transit transport link in eastern and Southern Africa, carrying 5.8 million tons of cross-border traffic in 20013
- There are two main reasons for the importance of the corridor: firstly, South Africa is the largest African trading partner in the region and secondly, the port of Durban handles a significant proportion of transit traffic for the landlocked states and is also the busiest port in Africa.
- The corridor extends over the territories of three RECs, COMESA, SADC and SACU.
- The North-South corridor is the most extensive corridor system in the region, linking the largest number of countries in eastern and southern Africa. It connects Botswana, DRC, Malawi, Mozambique, South Africa, Zambia and Zimbabwe and also interlinks to other corridors including the TransKalahari, Beira, Lobito, Dar-es-Salaam and Nacala corridors.
- The corridor has two main legs: one stretching from the port of Durban on the South African coast, through Johannesburg, through either Harare in Zimbabwe or Francistown in Botswana, through Lusaka in Zambia and on to Lubumbashi and Kolwezi in the DRC. A second leg takes off from Harare, through Tete in Mozambique and on to Blantyre in Malawi.

4. PROJECT PLAN / STRUCTURE

**TOTAL
STAN
D
SIZE:
6.8485
Ha**

**Stand 607 =
2.3656 Ha**

**Stand 617 =
4.4829 Ha**



PROJECT PLAN / STRUCTURE

Chirundu Trade Centre has been subdivided into 8 stand alone sections in order to accommodate diverse investment appetite and provide an exit route to investors wishing to disinvest from the Project.

Outlined below are brief descriptions of the 8 sections:

Section 1– Container Depot Section 2 – Bonded Warehouses

Section 3 – Hotel and Conference Centre Section 4 – Shopping Centre

Section 5– Roadport and Food court Section 6 – Fuel Station

Section 7 –Truck Clearing Port and Office Park

Section 8 –Low-Cost Lodges

PROJECT PLAN / STRUCTURE

Section 1– Container Depot

- This section is the Inland Port comprising of a container depot that will be utilised for COMESA, SADC and EAC destined goods.
- It will also be utilised as an Express Clearing Port for their preferential goods. Within this section, there are offices that will accommodate ZIMRA and private clearing agents and customs agencies under SADC/COMESA/EAC.
- Within this section, they will be a state bonded warehouse with an inspection shed that will warehouse impounded goods which will be non-compliant to the harmonised customs procedures and rules.
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PROJECT PLAN / STRUCTURE

Section 2 – Bonded Warehouses

- This section is an Export Processing Zone which aims to accommodate the entire manufacturing sector including SMEs in a one-stop export/import zone. The warehouses will also be utilised for goods in transit and in bond for COMESA-SADC-EAC and other importers and exporters.
- The bonded warehouses will also enhance the OSBP initiative. For instance, goods imported from overseas can land at Chirundu (through use of air/water and road networks) free of duty and will be stored in the bonded warehouse.
- Duty will only be paid once on collection by the distributors in the end markets and thus increasing the competitiveness of these goods on the regional market.



PROJECT PLAN / STRUCTURE

Section 3 – Hotel and Conference Centre

- Section 3 will house the proposed 60 roomed hotel to provide long distance travelers and holiday makers luxury accommodation option.
- The hotel will also be in a position to offer facilities for conferences especially those involving Zimbabwe, Zambia and Malawi due to its central position.
- The section also targets to host COMESA, SADC and EAC conferences at this relaxing venue located in a game reserve park.
- Whereas Beitbridge Border Post, which has almost similar characteristics with Chirundu has one hotel and another is under construction, Chirundu does not have a hotel except a motel that is failing to harness potential businesses from long distance travelers passing through the border due to its inferior infrastructure and poor service.



PROJECT PLAN / STRUCTURE

Section 4 – Shopping Centre

- This will address shopping needs for the people of Chirundu, Zambia and all passersby.
- The section will have hardware, clothing shop, retail supermarket, banks, furniture shop; motor spares shop, fast food shop, surgery, pharmacy, hair salon and a phone shop.
- To this end, the proposed Shopping Mall will also divert traffic from Kariba to Chirundu in addition to current traffic passing through the border post.
- Furthermore, this section is also targeted to provide facilities for the proposed COMESA, SADC and EAC Free Trade Area that is expected to handle goods worth around US\$1 billion per year.



PROJECT PLAN / STRUCTURE

Section 5– Roadport and Food court

- Since Chirundu is a gateway to the North, with a host of transport providers servicing the Lusaka Johannesburg route, there will be need to provide rank facilities to luxury coach service providers such as City to City, Translux, CR, Linking Africa and thus the proposed bus terminus.
- This section will also accommodate a food court that will service passengers from buses and cars that pass through the border post on a daily basis and other travelers on the North-South Corridor.
- The proximity of this Roadport to the customs clearance offices enables travelers to obtain refreshments and customer clearing services within proximity.



PROJECT PLAN / STRUCTURE

Section 6 – Fuel Station

- Chirundu has been monopolized by the only fuel service station that is currently located at the Border Post. The proposed fuel station will there provide travelers with an alternative source for fuel, lubricants and parts for their trucks, buses and passenger vehicles



PROJECT PLAN / STRUCTURE

Section 7 –Truck Clearing Port and Office Park

- The delays in the clearing process necessitate the development of a truck clearing port for haulage trucks that pass through the border post. The haulage trucks would be provided with suitable parking space as they wait for clearance and this means improved clearance processing and conditions.
- Chirundu Trade Centre will also address office space requirements for various companies intending to do business at Chirundu. Among the targeted clients are members of the Shipping and Forwarding Agents' Association of Zimbabwe who have indicated that they will need a total of at least 40 rooms for offices. A restaurant within the Port will service the drivers in transit.

Section 8 –Low-Cost Lodges

- The proposed low-cost lodges seek to address the problem of overnight accommodation of travelers who may be too tired to continue with their journeys. It will also provide facilities for fishing safaris and tourist activities.

THANK YOU