



U.S. TRADE AND DEVELOPMENT AGENCY

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USTDA GRANT SUPPORTS RAIL UPGRADE IN TANZANIA

WASHINGTON, D.C. (November 19, 2008) – Developing the necessary rail infrastructure in Tanzania to support economic growth and to facilitate the establishment of an important regional transportation corridor is the goal of a USTDA grant awarded yesterday to Tanzania’s Ministry of Infrastructure Development. The grant, which was awarded under USTDA’s African Trade Lanes Partnership, will fund early investment analysis on a proposed upgrade to the Dar es Salaam to Isaka Railway.

The \$653,600 grant was conferred at a signing ceremony held at the Mayflower Hotel in Washington, D.C. USTDA Director Larry W. Walther and the Honorable Shukuru Jumanne Kawambwa, Minister of Infrastructure Development, signed the grant agreement on behalf of the U.S. and Tanzanian governments, respectively. The Honorable Linda Bihire, Minister of Infrastructure of Rwanda, and the Honorable Philippe Njoni, Minister of Transport, Post and Telecommunications of Burundi, signed as witnesses to the grant agreement.

The current railway from Dar es Salaam to Isaka dates from the early 1900s and is narrow gauge. The USTDA grant will be used to evaluate the economic and technical feasibility of upgrading the railway to standard gauge, which would allow trains to carry more weight per car, more cars per train, and move trains up to three times faster than the current railway.

The proposed railway upgrade is part of the Central Development Corridor (CDC) plan for Tanzania, Rwanda, and Burundi. In combination with improvements at the Port of Dar es Salaam and construction of a new Isaka to Kigali, Rwanda rail link, the CDC would convey freight from the Port of Dar es Salaam to a “dry port” at Isaka and onward to land-locked Rwanda.

The Ministry of Infrastructure Development has selected Burlington Northern Santa Fe (BNSF) Railway of Fort Worth, Texas, as the U.S. firm that will perform the USTDA-funded study. In addition to the grant awarded yesterday, BNSF Railway will contribute additional resources toward the study’s completion.

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The African Trade Lanes Partnership was launched in April 2008 to advance the development of sub-Saharan Africa's most vital trade lanes and transportation networks to facilitate local, regional and global trade. The two-year, \$4 million initiative is designed to promote regional cooperation and connectivity in all modes of transportation, including aviation, maritime, land, and rail.

The U.S. Trade and Development Agency advances economic development and U.S. commercial interests in developing and middle-income countries. The agency funds various forms of technical assistance, early investment analysis, training, orientation visits and business workshops that support the development of a modern infrastructure and a fair and open trading environment. USTDA's strategic use of foreign assistance funds to support sound investment policy and decision-making in host countries creates an enabling environment for trade, investment and sustainable economic development. In carrying out its mission, USTDA gives emphasis to economic sectors that may benefit from U.S. exports of goods and services.

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