

NRZ gets \$5m for fleet repairs

The National Railways of Zimbabwe (NRZ) has secured a \$5m loan from a local bank to repair part of its fleet and is also negotiating with a Russian firm to supply it with 100 new wagons.



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The debt-ridden parastatal, which owes creditors millions of dollars, among them its workers, is in urgent need of recapitalisation to buy new equipment and restore its aged infrastructure.

Transport and Infrastructural Development Deputy Minister Michael Madanha said the NRZ had sourced finance from local banks to repair locomotives and wagons as an interim measure to improve capacity and business volumes.

"To date, the organisation has secured a loan of \$5 million from a local financial institution, which will be used to repair five locomotives and 200 wagons," he said.

"The NRZ has also been involved in negotiations with a Russian wagon manufacturer, UNIWAGON for the supply of 100 new wagons through a \$10m facility from the Russian Exim Bank. The NRZ has submitted a business case on its capacity to service the loan and other relevant documentation, which the Russians are currently going through."

Failure to meet wage bill requirements

Madhanha said the NRZ had so far this year overhauled 165 wagons using its own resources. The NRZ has also engaged a consultant to assist in the right sizing of the organisation against the background of its failure to meet its wage bill requirements.

The parastatal, which has said it requires \$2bn to fully recapitalise, has failed to run profitably for years due to under-capitalisation and ageing rolling stock, incurring losses of over \$200m between 2009 and 2013.

At its peak, the NRZ employed about 20 000 workers and moved 18 million tonnes of freight annually.

The NRZ is one of the 10 state enterprises that the Government has targeted for reform and its revival is

seen as crucial to the turn-around of local industries.

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