

# SA's labour militancy hurts Botswana

By [Nicholas Kotch](#)

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President Ian Khama of Botswana says labour militancy in South Africa and port congestion at Durban are putting bilateral trade in jeopardy.



A three-week wage strike by transport workers last September and October greatly slowed down the movement of goods from Durban harbour - a lifeline for goods into Botswana.

Although non-strike congestion has eased in recent years, Durban harbour is expected to run out of capacity by 2016 and a second, R75bn dig-out port is expected to be completed by 2019.

Khama said that his government was increasingly looking at ports in Namibia and Mozambique as potential hubs for two-way traffic with Botswana - not just as exit points for its future coal exports.

"The unions in South Africa are very militant and I'm just a bit disappointed," he said this week in an interview in his office in Gaborone.

"Do the unions, for example, know that apartheid has ended? The tactics they used then were justified and we supported them. But they seem to have carried them over into a democratic South Africa."

The 60-year-old president is the son of Botswana's founding father, Sir Seretse Khama, and a former head of the armed forces.

Since taking office in 2008 he has repeatedly spoken his mind, on issues ranging from Zimbabwe to alcohol abuse and his comments about South Africa's turbulent industrial relations are in the same vein.

"For us, we have seen the effects of the strikes in South Africa, they do affect us," he said.

"South Africa would then find that the trade that we do with them, the goods that we import from them, would in turn be affected because we will, and are, looking elsewhere, because of those disruptions."

South Africa is Botswana's biggest trading partner and has been for decades. But coal could change the balance.

## **Coal deposits**

Botswana has among the world's biggest untapped coal deposits, estimated at more than 200bn tons. Once they begin to be exploited, the precious but dwindling diamond deposits will be dwarfed in value.

Khama said he expected feasibility plans on new rail lines to export the coal - westwards to Walvis Bay in Namibia and eastwards to Mozambican ports via Zimbabwe - to be finalised this year.

The establishment in 2000 of a public-private partnership, the Walvis Bay Port Corridor Group, and a recent R4bn investment in the Walvis Bay port, are intended to make the port the choice logistics and distribution hub for Southern Africa by 2030.

Khama said the Walvis Bay option was likely to be the first to be constructed and his government wanted private operators to make the huge investment.

"What is likely to happen is that there will be a call for expressions of interest," Khama said, adding that he expected those calls to be made this year.

He said Botswana had historically imported almost everything through Durban. But he sounded a warning, saying that the Namibian and Mozambican ports to be used for Botswana's coal exports could be used for its imports too, as a result of congestion at the Durban port.

"Whatever we put in place would become long-term. We won't just switch it on and off as and when there's a strike. It will be a permanent feature," Khama said.

He said that his concerns about South Africa were labour-related and not about its political outlook.

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