

THE JAPANESE REPORT ON CONSTRUCTION OF THE PROPOSED ARUSHA-MUSOMA RAILWAY LINE-AN APPRAISAL

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The Tanzania Government has given consideration to the construction of a railway from Arusha to Musoma. This proposal has been studied but unfortunately the study did not give more than just preliminary data which could be useful for further investigation but certainly fell far short of providing an adequate basis for key decisions such as on actual construction. Construction is still far off; it is not projected in the current Plan (1976-80) except for minimum funds for further studies.

No attempt for a thorough economic evaluation of the project was made (either from an overall economic perspective or from an essentially financial analysis), indeed no data for operating costs and estimates of expected revenue are given, other than two summary figures in the introduction where it also stated that the railway could not be justified from an economic stand: point.¹

Surprisingly not only was no substantive comparisons made between rail and road, but even the likely effects of the proposed new Arusha-Mwanza highway (with many parallel sections) are ignored.

No serious attempt was made at evaluating the project in the context of the very complicated problems relating to the benefits and costs likely to emerge within the entire East African Regions e.g. comparative overview of the impact this project might have on existing railway lines (Tanzania's Central Line and Kenya-Uganda Railway) and the existing ports of Dar es Salaam and Mombasa in particular; more so since they were managed under the auspices of the then East African Community. Diversion of Uganda traffic could weaken the financial standing of the Kenya-Uganda Railway, already running into problems with the loss of the Mombasa-Nairobi oil traffic with the opening of the oil pipeline.

The question of diverting Uganda traffic to the proposed railway line involves both political and economic considerations. The railway would be highly welcomed by land-locked Uganda as an alternative "gateway" to the sea, for because of its limited capacity the Mwanza-Dar es Salaam line cannot offer such an alternative.²

Needless to mention that future capacity problems and necessary investment in Kenya-Uganda Railway link and its Mombasa port would have to be investigated carefully for comparisons with the proposed Arusha-Musoma Railway line. This point is relevant even in today's position of national railway systems, (electrification of the Kenya Railways for example would have an impact on the proposed one vis-a-vis non-Tanzanian Customers). Land-locked Rwanda and Burundi should also have been brought into the picture as they use East African ports.³

The consultants estimates of future traffic volumes are dubious. Estimates of freight traffic for 1980 are based on a straight extrapolation of the average 1963-67

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growth, and that only of a certain number of selected commodities in the whole of Tanzania, which relates neither to the survey area nor to the likely future growth pattern of particular commodities. Likewise the prevailing traffic on the Tanga—Arusha section was extrapolated to 1980.

An attempt was made to estimate the tonnage that would have moved between Arusha and Musoma in 1967, had the railway line been built — the volume appeared quite small, only 38,000 tons p.a.. Likewise an estimate is given of the Uganda traffic that would have been switched to the new line from the Kenya line in 1967, extrapolated to 1980.

No explanation was given either on the basis or how these figures were derived; let alone answers for the following crucial questions: What % of total Uganda railway traffic did these commodities constitute? Why have these particular commodities been switched and not others? What are the effects on the financial viability of the Kenya-Uganda Railway line? What are the costs and effects of transshipment via railway ferries on Lake Victoria? How do the transport charges and operating costs compare on the two alternative ways of shipment?

The forecasts for passenger traffic are unrealistic. They were based on the then average figures for the entire East African Railways Corporation system and an increase of considerable magnitude was foreseen. Passenger traffic in the study area would certainly be below average vis-a-vis other lines; and tourists are not likely to travel by railway.

The proposed alignment passes for a good distance through Serengeti National Park. No account was taken on the effects of the railway and its locomotives upon wildlife and tourism, esp. since Government policy is to ensure that the "Serengeti shall Never Die".

It is hard to comment on the technical and engineering details given in connection with the proposed alignment and the improvement of the existing Tanga-Arusha section to which the proposed rail joins. The given cost estimates however appear to be very aggregated and detailed specifications are not made.

The whole chapter on the necessary improvement of Tanga and Musoma ports is very poorly backed by quantitative data and analysis. The future role of Tanga port for instance should have been investigated in much more detail. Not even the construction of the jetty at Tanga was taken into account. The expansion of the port at its present site needs evaluation, including its comparison with the possibility for example of construction of an entirely new harbour at a more favourable location a few miles away. Nor was any effort made to compare necessary future investments and the likely costs per deep-water berth in the three Tanzanian ports in question. The congestion at Mombasa and Dar es Salaam harbours was just accepted as a fact even for the future.

On the whole the chances of the project being a viable one at this juncture does not look too promising. The area to be served by the terminals of this line is already served by a water system with two rail outlets to two different seaports. The need for a third railway outlet appears questionable. It would perhaps be more economical to use improved existing and projected road facilities to meet seasonal

peakloads and projected transportation demands than to invest on a new railroad instantly. (The discovery of new huge mineral deposits or the full utilization of existing rail lines could alter this viewpoint. The railway could possibly facilitate the exploitation of phosphates near Lake Manyara, which could replace those imported for the Tanga-based fertilizer plant. Furthermore the diversion of Uganda traffic to the railway would mean more value added benefits for Tanzania, at the expense of Kenya). Indeed the area traversed does not hold much promise for extensive development, much of it is uninhabited. The contention that the railroad will automatically generate enough development to (more than) justify itself could be false and Tanzania itself with the removal of uneconomical branch lines (the colonial Groundnut scheme lines to Kongwa and Masasi and the continued subsidization of loss-making lines (Kaliua-Mpanda and Kilosa-Kidatu) offers a perfect illustration.⁴ Whether the railroad could be provided depends upon future events and studies.

The over-emphasis often made for the developmental role of rail and road transport, must be treated with caution. Transport as a "leading sector in the economic "miracle" of the now developed countries is increasingly being questioned by economic historians.

In locating the place of railways in the USA's developmental equation R.W. Fogel⁵ was able to conclude that the focus on transport as a distinct area of study portrayed a level of uniqueness, generating a (false) belief in "the axion of indispensability:

Youngson⁶ has contended that rather than taking a lead in, economic growth, investments in the transport infrastructure and its services in the now industrialized countries tended to follow and was often in response to manifestations of bottlenecks in the transportation system.

Footnotes

1. As was the case with the TAZARA project, (where several Western Countries feasibility studies dismissed it as "uneconomical") this Japanese Report cannot be taken as the last word.
2. Uganda would then have been able to use the port of Tanga. Furthermore there would have been some pay-off from a Regional integration axis point of view: for a redressing of the imbalances in the then Common Market, an "informal" tactical alliance between Tanzania and Uganda against Kenya's predominant position was expected; a railway link to Tanga, providing an alternative to Mombasa and therefore central to Uganda's bargaining position would have enhanced the redressment of the unequal sharing of benefits in the E. A. Community and might have saved the Community from disintegration and collapse. Green has argued that the absence of such a railway, and indeed an atmosphere conducive to its consideration, was crucial to the failure by Tanzania and Uganda to sustain a semblance of "E.A. Community" after Kenya's withdrawal. 'The last gasp effort to salvage a Tanzania-Uganda E.A.C. appeared to face, overwhelming obstacles: (a) Uganda's urgent need was transportation and imports (b) to move towards meeting these needs required a workable lake Nyanza-Rail link (e.g. new rail ferry barges and operated by Uganda and Tanzania in a context of confidence in each other's stability and predictability' "(R.H. Green: *The East African Community: A Valediction Forbidding Mourning*, *The African Review* Vol. 8 No. 2 (forthcoming).
3. For Ruanda, despite seeking transport links with Tanzania, a highway project is underway to improve access to the Uganda border (supplemented by improvement of railway section in Uganda) and thus to the East African port (likely to be Mombasa). Hofmeier has stated: As a politically - strategically motivated alternative the project of a railway line between Musoma and Arusha would certainly seem to have a certain merit but from an exclusively economic point of view taking into consideration the existing capacity of the Kenya-Uganda Railway and of the port of Mombasa its justification must be seriously doubted', (Holf, Hofmier: *Transport and Economic Development in Tanzania*, Munich, 1973.
4. The deficit in 1971 was 1.24m/-. Although the duty of subsidizing losing lines was due to the East African Railways, the delay (or reluctance) of the E.A. Railways to do so made the Tanzania Government spend 1.6m/- in 1972 to subsidize the Kaliua-Mpanda line (while the other partners were not shouldering responsibilities likewise'.
5. R.W. Fogel: *Railroad and American Economic Growth: Essays in Econometric History*. John Hopkins University Press, 1964.
6. A. J. Youngson: *Overhead Capital: A Study in Development Economics* Edinburgh, 1967, pp. 78-78.