

Lobito Corridor – progress update

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The 1,866km heavy rail project from Angola’s Atlantic coast to Ndola in the Democratic Republic of Congo continues to progress as the delivery team marshalls forces.

The Lobito Corridor Trade Facilitation Project – from Lobito in Angola to Ndola, DRC – is key for the export of copper and cobalt from DRC and Zambia, shipping from the Port of Lobito.

Once financing for Lobito Corridor concludes, it will provide a swifter western route to market for metal and minerals produced inland, connecting them to global markets and enhancing regional trade and growth.

The project has been slowly, but surely, advancing in recent years, with several updates of note.

African Development Bank

In the project’s most recent development, African Development Bank (AfDB) pledged \$500 million to the project stating that a “well-connected Africa will be a more competitive Africa”.

The AfDB suggested 5 priority areas to optimise the benefits of developing the regional corridor:

- dedicating pooled financing facilities to corridor projects
- building special industrial zones around the corridors to optimise existing infrastructure
- adopting a systematic approach and platform to syndicate around the development of strategic regional corridors
- one-stop border posts to facilitate trade and reduce travel times on the corridors
- concessional financing, through actors the likes of the African Development Fund (ADF), which offers low-income countries unmatched resources to commit to developing regional corridors

The EU & US

To accelerate development of the Lobito corridor the EU and US – through the Partnership for Global Infrastructure and Investment (PGII) – launched feasibility studies for a new greenfield rail line between Zambia and Angola.

The feasibility study for the project is expected to start by year-end (2023) and will take up to 6 months to complete.

Helaina Matza, acting special co-ordinator PGII, said: “We want this rail to be built within 5 years. That’s complicated for any large-scale rail project, let alone one that’s crossing multiple jurisdictions.”

Angola railway contract

Angola’s Ministry of Transport [awarded a \\$100 million railway concession](#) contract within the Lobito Corridor to a consortium of Trafigura and Mota-Engil last November (2022).

The consortium was awarded a 30-year concession to O&M the 1,344km Angolan portion of the railway between Lobito and Luau on the DRC border.

The consortium will also arrange around \$450 million in project financing to upgrade the rail line and bring it up to standard as an international trade route.

This includes:

- \$170 million – rail infra upgrades
- \$170 million – rolling stock
- \$100 million – initial concession premium

The 30-year concession has the option to extend by a further 20 years, understood to be dependent on the JV's option to build a rail branch between Luacano and Jimbe (both in Angola).

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