Possibility for the central corridor transport system to better contribute to the development of Burundi

Nestor Nyabenda

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POSSIBILITY FOR THE CENTRAL CORRIDOR TRANSPORT SYSTEM
TO BETTER CONTRIBUTE TO THE DEVELOPMENT OF BURUNDI

by

NYABENDA NESTOR

REPUBLIC OF BURUNDI.

A paper submitted to the Faculty of the World Maritime University in partial satisfaction of the requirements for the award of a

MASTER OF SCIENCE DEGREE
IN
GENERAL MARITIME ADMINISTRATION.

The contents of this paper reflect my personal views and are not necessarily endorsed by the University.

Signature: _______________________
Date : October 20, 1989.

Supervised and assessed by: Professor Jerzy Mynarczyk, World Maritime University;
co-assessed by: El. A. Georgandopoulos, Emeritus Professor and former Rector of the University of Piraeus in Greece, Visiting Professor at the World Maritime University.
POSSIBILITY FOR THE CENTRAL CORRIDOR TRANSPORT SYSTEM TO BETTER CONTRIBUTE TO THE DEVELOPMENT OF BURUNDI

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INTRODUCTION

Burundi is a small country geographically located in the eastern part of Central Africa. For this reason, it is sometimes said to belong either to the eastern part or the Central part of Africa. Both locations may be considered right. As a matter of fact Burundi economically belongs to East Africa since the major part of its imports and exports has always been carried through the ports of East Africa: Dar-es-salam in Tanzania and Mombasa in Kenya.

On the other hand, historically and politically, its belonging to Central Africa could be explained in the same way, having in mind the fact that it once was a German protectorate before becoming a Belgian "colony" after the World War I when Germany lost the war and then, its colonies including Tanganyika and Ruanda-Urundi. Burundi is one of the landlocked microstates of the world and shares the sorry plight of some of them which are classified among the least developed countries.

Despite its smallness however, Burundi fulfills the requirements of being recognized as a state: it has a territory, a permanent population, a form of government and the capacity of entertaining relations with other states, economic regional organizations like PTA and KBO, and international organizations including the UNO, OAU, WHO, IBRD, IMF, GATT, ILO, ADB, GATT, ILO, ECA and so on. This last criterion has led it to the reinforcement of existing trade routes inherited from the colonial power and the opening of new ones to or from our neighbouring transit states. Traditionally, since the colonial period, Burundi was using the route Bujumbura-Kigoma-Tabora-Dodoma-Morogoro-Dar-es-salam and vice-versa for the
carriage of its international trade. Nowadays, this route is known as the central corridor. Considering its importance for the colony of Belgian Congo and Ruanda-Urundi, representatives of Great Britain and Belgium signed agreements whereby facilities were to be given to goods going to or from the Belgian colony and transiting by Tanganyika.

After political independence, efforts had to be made to safeguard those advantages inherited from the colonial power. Unfortunately, results of negotiations with its neighbours have not always been very successful. There were ups and downs which have led some transport operators to divert part of their cargo to other routes even though the latter were presenting more disadvantages for the economy. Nonetheless, being aware of the importance that the corridor really or potentially presents for the economy of the country, Burundi has to try by all means possible to identify the weaknesses of the route and make it work better than it has been working since 1979.

The most important alternative route goes from Bujumbura-Kigali-Kampala-Nairobi to the port of Mombasa. It is called the Northern Corridor. It is quite a long route passing through three different countries with different administrative procedures. To alleviate the difficulties along this route, an agreement was signed in 1985 between countries which use it. That is the Northern Corridor Transit Agreement. Its main instrument is the Road Customs Transit Declaration. Since 1979, political instability in one of the transit countries (Uganda) and the congestion of the port of Dar-es-salam led Burundi to the use, thanks to support from the international community, of air transport for the carriage of its cargo. Nowadays, it is
being marginally used for carrying specific groups of commodities including perishable or high value cargoes.

Apart from the central and northern corridors and the marginal air transport, a new route has been opened crossing Lake Tanganyika from north to south; it is called the Southern Corridor. This route was opened for serving the Preferential Trade Area (PTA) for eastern and southern African states. It is being used for the exchange of goods with some of the PTA members including Zambia, Malawi and Zimbabwe through the Zambian port of Mpulungu located at 750 km from the port of Bujumbura.

This important idea of regional economic groupings was part of Lagos Action Plan and had been the foundation for the U.N Transport and Communications Decade for Africa which came to its end last year. Within the framework of this decade, the U.N has strived to promote the integration of the transport systems, the harmonization of rules and regulations in different countries with a view to facilitating inter African trade. Nevertheless, the results are not so bright due inter alia to political problems and economic recession which prevailed during the period of the decade (1978-1988).

Other reasons for this failure are the different problems which have always handicapped the economic development of poor countries in general, the African countries in particular. For different reasons, finance could not always be available whenever needed. Something positive that should be stressed however is the fact that many transport problems have been identified to a great extent. Some of the problems are being solved and others will hopefully be solved in the future. This is true not only
for Burundi but also for other African countries with similar problems. The major difference lies in the fact that as a landlocked country, it has other problems which are different from those of developing coastal states irrespective of the continent they belong to. They are inherent in its vulnerable geographical situation.

This paper could be considered as a kind of manual for any civil servant working in the Ministry of Transport of a landlocked country or any other department the activities of which are directly or indirectly related to transport in a landlocked country. It shows inter alia, the relation of dependence of such a country vis-a-vis its neighbours, the relation of inter-dependence between different operational services and the need for cooperation among themselves. Better cooperation is needed at home and with transit countries. This will lead to more credibility and will favour regional and international cooperation, a prerequisite for development.

After the presentation of the country, this paper will try to give some of the features of under-development and the impact they may have on the development of poor countries in general, Burundi in particular. The author will concentrate on landlockedness, an additional factor of underdevelopment limited to few countries of the world. Then, he will discuss the importance of the central corridor for solving this problem. That part will be followed by expectations from the Ministry of Transport for the rehabilitation of that so important and economical route. Then, before drawing conclusions, the author will deal with some of the actions undertaken or proposed to the government for the improvement of the situation along that route.
1.1 PHYSICAL DESCRIPTION IN BRIEF

Burundi is a small landlocked country of 27,834 square kilometers, located in the eastern part of Central Africa. It is bordered by Tanzania in the east and south, Zaire in the west, and Rwanda in the north. Between Burundi and Zaire there are the Rusizi River and Lake Tanganyika. Part of the Burundian border with Rwanda and Tanzania is formed by Kanyaru and Malagarazi rivers respectively.

Regarding the climate, it can be said that it is tropical, moderated by altitude since most of the country lies above 1,500 meters. On the plateau, the average temperature is 21 degrees Celsius with a normal maximum of 33 degrees and a minimum of 6 degrees Celsius. As for seasons, there are two main seasons in a year: the dry season runs from mid-May to mid-September and the rainy season thereafter until Mid-May.

1.2 POPULATION, HISTORICAL BACKGROUND

Burundi is an overpopulated state with about 4.3 million people, according to 1982 estimates given by the World Bank (Africa Review-1985). That makes it one of the highest density of population in the world, with an average density of 154 inhabitants per square kilometer. What are the main components of this population? It is composed of three tribes: Hutu people (Bahutu), Tutsi people (Batutsi) and Twa people (Batwa). The prefix "Ba" or
"Wa" simply means people in different Bantu languages. According to historical sources, these tribes came to living together four centuries ago. As far as Burundi recent historical background is concerned, it is believed that since the 16th century, the newly born nation became a monarchy in which four dynastic names were to follow each other until November 28, 1966 when the monarchy was abolished and replaced by a military republican regime. The four dynastic names were Ntare, Mwezi, Mutaga, and Mwambutsa. Ntare I-Rushatsi is said to have become the first king of the new nation in the 16th century.

At the end of the last century, the first explorers arrived in Burundi. In 1871, Stanley and Livingstone met at the bank of Lake Tanganyika. In 1892, Bauman from Austria explored the countryside. In the meantime, Catholic missionaries had preceded colonization. In 1897, the Germans settled in Burundi where they were replaced by Belgians after the Berlin Treaty whereby the former lost their colonies, including Namibia, Tanganyika (Tanzania since 1964) and Ruanda-Urundi. In Tanganyika, Germans were taken over by the British people.

During the Belgian colonization period, as far as transportation is concerned, it should be pointed out that on the 15th of March 1921, an agreement was signed between Great Britain and Belgium. It was related, as will be seen in pages ahead, to facilities which had to be given by Great Britain to the Belgian colonies' cargoes in the ports of Dar-es-salam and Kigoma, and also along the central railway line Dar-es-salam-Tabora-Kigoma, built by the Germans before they left.
Regarding the Belgian colonization in Burundi, many things have been said and written to show that they were ruling the country following the well known principle of "divide and rule". Historical sources assert that since the early thirties, they purposely divided the existing three tribes into ruling and ruled tribal groups, giving privileges to some groups at the expense of others. They were thus initiating division among the three tribes of which the country is composed.

At the eve of our independence, in his effort to fill the gap, Prince Louis Rwagasore, Prime Minister, son of the then King Mwambutsa IV was advocating a policy of national unity and social justice. He was assassinated on the 13th of October 1961 by those who did not want to lose their privileges in favour of more justice and thus more internal cohesion.

It is in critical conditions of an already divided nation that Burundi until then a kingdom got its political independence on July 1, 1962. On the 15th of January 1965, the then Hutu Prime Minister, Pierre Ngendandumwe, who had been appointed to that position a few months before for unity purposes was assassinated as well. It is probably this murder that has triggered off the first tribal killings between Hutu and Tutsi which took place in October 1965. The next year in July, NtareV-Ndizeye took over the country replacing his father Mwambutsa IV - Bangiricenge who had left Burundi for Switzerland.

A few months later, on November 28, 1966, the new young king who was on a mission in Kinshasa was overthrown by Captain Michel Micombero who decided to abolish the monarchy and replace it by a republican military regime. His
tumultuous reign, which lasted for ten years, was characterized on the one hand, by nepotism through regionalism and tribalism and, on the other hand, much bloodshed, especially in 1969 and 1972 when, for tribal reasons, thousands of people were killed and others fled into exile to Rwanda, Tanzania, Zaire and elsewhere. This assertion is in sharp contrast to what some cunning courtiers of decadent regimes wrote a few years ago, pretending that this extensive historical migration was due, not to internal problems, but to "pressure on land".

On November 1, 1976, Michel Micombero, who by then had become General, was overthrown by Colonel Jean-Baptiste Bagaza, accusing him of fatigue, alcoholism, and cumulation of power. As he knew he could not do better, he did not mention anything about internal divisions which had led to two repetitive massacres during the previous regime. During nearly eleven years, he ruled the country in an autocratic way, sarcastically singing democracy, social justice and national unity. In practice however, only the opposite was done, exaggeratedly favouring his clan and thus, deepening divisions among the three tribes and the different regions of the country.

In such a conflicting social atmosphere, he rejected any kind of dialogue at all levels. As clergymen began crying against excessive injustice and advising him to change, he launched an anti-clerical policy and decided to put some of them into prison, along with other innocent civilians. Churches at different places were closed and even crucifixes jailed. This regime which was also characterized by the principle of "divide and rule", finally came to its end on the third of September 1987.
This new coup d'etat which overthrew Colonel Bagaza brought Major Pierre Buyoya to power. As new the President, Major Buyoya inherited from his predecessors a very critical situation of the country at national and international levels. The sounding proof may be the 1988 inter-tribal massacres which took place just before the first anniversary of his coming to power and in which Hutu and Tutsi people killed each other in the northern part of the country (Ntega and Marangara).

As one government monthly review wrote in October 1988, "among the problems inherited from the previous regimes, we mention national unity. Those regimes only delivered official speeches and invited the population to discuss the issue (national unity) during the regular party meetings. However, massacres which have recently taken place in the north of the country have shown that speeches and debates have proved unsuccessful" (1). People do not like sweet tongues. They prefer more deeds than too verbose speeches.

The new President is now decisively striving for creating a new social atmosphere where all the components of the population would reconcile for ever. To this end, in October 1988, he designated a consultative commission composed of 24 members who will be tackling the problem of national unity. Then, for unity purposes, he appointed a Hutu Prime Minister, the first Hutu in such a position since the proclamation of the Republic in 1966.

As far as national reconciliation is concerned, President Buyoya seems optimistic and decisive and is aware of how difficult his undertakings are. Last year, he declared that "it will take much time to wash up the shame of the
blood shed during the last twenty years, whatever reason or pretence. However, we should try to look forward. We are capable of going up the slope" (2).

1.3. LANGUAGES AND BELIEFS

Washing this shame is quite possible and may be eased by the fact that all the components of the population speak the same native language: Kirundi. It may be a very important tool to achieve national unity which has been laughed at for years. This homogeneity of language can play a key role to overcome Burundi backward condition and reach unity, sine qua non for integral development. Apart from Kirundi, French, inherited from the Belgians is the language of the administration. There exists also a third language: Swahili which is an important regional language.

Regarding religious beliefs, most Burundians are Christian. Christians constitute about 75% of the population 65% of whom belong to the Roman Catholic Church. The other 25% are mostly animists with a few Muslims (1.5%) living in towns and small commercial centers.

1.4 POLITICAL AND ADMINISTRATIVE ORGANISATION

As far as its political and administrative organisation is concerned, Burundi has got a military presidential regime since 1966. After General Michel Micombero (November 1966-November 1976), and Colonel Jean-Baptiste Bagaza (November 1976-September 1987), Major Pierre Buyoya is the present President of the country, head of the ruling military council (called Military Council for National
Salvation) which overthrew Bagaza. It was composed of 31 military officers.

When Bagaza was overthrown, they were subsequent changes. Both the symbolic constitution and the National Assembly were suspended. The new Military Council, the Party and the Government became the new institutions of the country. The party, called Uprona (Party for Unity and National Progress) has been ruling the country for about 28 years. As for the latest cabinet formed in October 1988 and called the unity government, it is composed of a Prime Minister and Minister of Planning, 22 ministers and 2 deputy ministers.

Regarding the administrative organisation as such, Burundi is divided into 15 provinces headed by Governors who are appointed by the President. Those provinces in turn are sub-divided into a hundred communities or so, headed by administrators appointed by the government. The main cities are Bujumbura and Gitega. The former, which is the capital city, has a population of about 250,000 people.

Notes: 1: Le Burundi en Images
          October 1988, p.11.
          2: idem p.32.
CHAPTER 2: ECONOMY OF A DEVELOPING COUNTRY

2.1 MAIN FEATURES OF A DEVELOPING COUNTRY

2.1.1 GENERAL FEATURES

Developing countries have so many things in common. The main common feature is poverty. Burundi is classified among what economists call indiscriminately developing, under-developed, or non industrialized countries, to simply mean that they are poor. In one of his books, Martin Ira Glassner says that "the term developing means essentially the same as underdeveloped, except that it conveys the impression of forward movement, of being engaged in the process of economic development" (3).

The problem is to know whether this forward movement really exists in those countries. Some people are of the opinion that there exists a backward movement instead, to confirm the terminology of under development. In the author's opinion, the solution could be found through a case by case study. In this part, he will deal with the features of poor countries in general, followed if need be by some particulars about Burundi.

Burundi has many criteria characterizing this group as a whole. They may be seen inter alia, from the political, economic, social and cultural point of view. They cover the whole environment in which we live since environment and development are, as Mrs Gro Harlem Brundtland (Prime Minister of Norway) believes, inseparable. She defines the environment as "where we all live" and development, not "as what poor nations should do to become richer", but as
"what we all do to improve our lot within our abode"(4). If we refer to this definition, underdevelopment could then be defined as what we all do, live or endure that hampers the improvement of our standard of living.

2.1.2 POLITICAL ASPECTS
To begin with, there are political aspects featuring underdevelopment. It is generally believed that poor countries are characterized by a lack of political order and unity. In many such countries, there exist permanent instability, turmoil, social conflicts, political violence sometimes followed by bloodshed. This is said to be due to the problem of legitimacy of power faced by some leaders whom the people expect in vain, to embody their aspirations. If these expectations are not met, there may be social conflicts the importance of which will vary depending on the level of expectations.

Taking Burundi as a case in point referring to its historical background as summarized in the first chapter, it can be seen that our country which is among the least developed countries (LDC) could be grouped in the category of non stable countries. The new leadership however has realized the errors from the past and seems now ready to put an end to the social conflicts, violence and bloodshed that the country has been facing for about thirty years.

2.1.3 HISTORICAL ASPECTS
Apart from being featured by lack of political order, unity and national integration, many poor countries, especially African countries, share the past experience of being colonies. This transforms many educated people from those countries into citizens of two worlds (developed and non developed), having a dual tradition as Rhee Kyu Ho
says. This sometimes creates a deep gulf between the westernized elites and the mass of people. At times, it seems that there is no possible link between both groups which are supposed to be complementary in order to achieve integral development. The gulf between the westernized elites and the mass of people must disappear so that the former be not considered new colonizers neglecting or oppressing their people as implied by Rhee Kyo Hu who believes that those citizens of the two worlds do not belong to either of the two and are alienated people deprived of home and exhibiting a superiority complex and psychological disorder.

On the other hand, he has experienced that "the mass of people who are separated from the elites possess a continuous deep-rooted consciousness of resistance inherited from the past when they were subject to colonial rule" (5). It is a shame that sons and daughters of the people behave in such a way that they are sometimes feared and considered by the latter as new colonizers in their own countries.

Beside this dual tradition which makes us straddle between the two worlds without really belonging to either of them, poor countries have another aspect in common as far as the political point of view is concerned. There exists between the non developed and the developed states a kind of confrontation operation. The former are accusing the latter of being responsible for their failures. This may be seen especially between the former colonies and the former colonial powers. Until recently, this was the case in Burundi where Belgium was accused, since it left in 1962, of being responsible for all the errors and failures that had always been there. To cope with the different
situations hampering development, the new President has not denied the share of such responsibility from the colonial power. However, he suggested that from now on, "we should no longer content ourselves with ascribing our difficulties to the colonial power 25 years after our independence"(6).

2.1.4 ECONOMIC, SOCIAL AND CULTURAL FEATURES

In our non-developed countries, political problems lead to economic and social problems and vice-versa. This is easy to understand since in critical political situations, it becomes rather impossible for people to work hard. People work so as to produce for their self-sufficient life. They are not willing to grow many crops since they are not sure that they will harvest them due to internal political disorder. In the same way, public officials themselves do not work hard in such conditions. They are inclined to embezzlement because they think that they may be replaced at any time due to instability. On the other hand, potential investors become reluctant or, even when they decide to invest their money, the capital invested is not so high as it would be in normal stable and peaceful conditions. Therefore, it becomes difficult for the population to reach the minimum standard of living.

Another aspect of under-development is the existing imbalance between the population growth rate and the limited available resources, generally based on agriculture. Per capita income is decreasing in the poorest countries. In 1982, GNP per capita in Burundi was only US $260. In 1987, Mrs Brundtland believed that in the third world, the GNP per capita had not been so low since the sixties. This makes savings rather impossible and any kind of important investment from nationals
becomes a dream. Subsequently, the degree of
industrialization remains at a low level. These days, the
situation is even getting worse with the unceasing falling
of the primary commodity prices, the permanent increase of
our burdens of debt, and the reduction of the financial
flows coming from external aid.

According to P.M. Brundtland, our countries are caught in
what she calls a vicious circle of economic decline,
poverty and environmental degradation. They try to keep
up through the destruction of land by forcing it to allow
them to harvest many times a year when the soil can hardly
sustain one year. When they do not destroy land itself,
they cut down the forests so as to sell timber and
cultivate the soil. As P.M Carlsson says, "much of the
environment is destroyed in response to short term
economic interests" (7). At present, people are cultivating
marginal land. Worse still, using the traditional
agricultural methods. There is no technological evolution
in different methods and different means of production.

Developing countries have also many social and cultural
aspects in common. It is believed that there are many
inequities in multi-racial and multi-ethnic groups. The
social structure is said to be rigid, hampering any trend
towards urbanisation for people who lack mobility. It is
well known that some countries have tried in vain to
convince their people to settle new villages. The latter
can hardly accept so long as they are not aware of the ad-
vantages they will get from the new settlements.
Moreover, if they do not trust the leadership, they may
consider the new settlements as a kind of long term
concentration camps.
There is need for sensitization of the population before undertaking a project affecting many people living together. More important is also credibility and legitimacy of the existing political power, the association of the population concerned in decision making, for a better implementation of any kind of development project of general interest.

People like mobility when they know what they are shifting for. As a matter of fact, a huge number of people leave their home villages for cities hoping to find employment and enjoy better life. Their disappointment may cause impoverishment, more social and more moral problems in cities where they are settling, sometimes in vain, looking for employment. In poor countries, there is a high rate of unemployment. Even many people among those who have got a job are generally badly paid. Sometimes, their wages, which are very low are not even paid on a regular basis.

This kind of poverty or irregularity, in the civil servants' circles, usually leads to corruption in the offices. Even though corruption is not seen only among the so-called poor people. When poverty has come, be it real or mental, all means may become good for being easily bribed. At the expense of the general interest.

Other features of under-development include housing, health and literacy problems. Regarding the first point, the housing conditions are precarious. Although they have the minimum material for building small airy houses in the countryside, no efforts are really made in this sense. Peasants are left alone: the elites do not collaborate with them. They do not show them that man-made bricks and tiles can be available at any time so that their houses be
easily built with the material existing at hand.

The problem of housing exists also in cities where people as individuals can hardly afford building a house due to a lack of possible savings and the non-availability of loans, since the principle of the banks is to lend money only to the rich and let the poor people, once again alone. As far as health conditions are concerned, there exist a lack of adequate sanitation conditions, a lot of cases of infant mortality, malnutrition and hunger among adults which in the long run may lead to debilitating diseases followed by premature death.

Another important feature affecting developing countries is the illiteracy rate problem. The number of people knowing to read and write is extremely low even though the situation is changing in some countries. Demographs agree to say that there is correlation between illiteracy and all the banes mentioned above such as malnutrition, infant mortality, low agricultural production and poverty. This can be easily understood since literacy leads to awareness and makes people understand better the problems they are facing and the ways of solving them.

Regarding the transport and communication infrastructure, there is also a very serious gap in poor countries. Railways, roads, ports and shipping infrastructures are generally insufficient or badly maintained and do not always meet the requirements of the users. Some of them, which have never been taken care of since independence, are out of order and no longer in use. Others have known no evolution at all since they were built long ago by the colonial power. The fleet operating on Lake Tanganyika for instance was built during the colonial period. It is
very old. Exceptional efforts are needed to replace it progressively. In poor countries, means of transport are either inadequate or insufficient for a growing population.

As for communications, there is no good infrastructure of telephone, telex and mail services. Rural areas are seldom connected to the telecommunication system. Broadcasting services do not always reach the rural areas where they could support development programmes. Owing to the rudimentary transport network in rural areas, it becomes impossible to have a quick and smooth distribution of mail. When it happens that the network is available, the problem of premises remains unsolved due to financial reasons. This makes postal links with many rural areas nearly impossible.

All the aspects briefly covered so far under the denomination of features of under-development are interlinked and may be considered at the same time, as causes and effects of non-development.

In the second part of this chapter, the author will show that the economy of poor countries is characterised by a monoculture situation, the limitation of presently exportable resources and a disequilibrium between their imports and their exports.

2.2 RICHES AND EXTERNAL TRADE
Like many other developing countries, Burundian riches are mainly based on agriculture. This is true for both local consumption goods and export commodities. The main crops include cassava, sweet potatoes, beans, bananas, cereals and so on. The cash crops are composed of coffee, cotton, tea and tobacco. Livestock is composed of cattle, sheep,
goats, pigs, poultry and so forth.

With regard to fishing, it is an important activity for many people to whom it provides jobs and food. There are at least three different ways of fishing in Lake Tanganyika: industrial fishing operated by private companies including very experienced Greek companies, artisanal fishing using hundreds of catamarans and, finally, customary fishing using several hundreds of canoes. There are six main kinds of fish of commercial interest in that lake. From our area which covers 7% of the lake i.e. 2,000 square kilometers, reported catch was 20,000 tons in 1976, 19,500 tons in 1977, 11,000 tons in 1979 and 14,750 tons in 1980. In 1988, according to recent sources from the Department of Fisheries, it decreased dramatically to only 6,000 tons. (Renouveau No 2959, August 8, 1989).

However, it is from coffee that Burundi earns 90% of its yearly income. Table 1 below reflecting the evolution of total exports from 1981 to 1985 shows that coffee occupies a predominant part in the export sector and may be considered as a single-crop farming product, a major source of Burundi’s foreign earnings.

Table 1: coffee exports from 1981 to 1985 (tons)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>coffee</td>
<td>30,000</td>
<td>35,000</td>
<td>29,000</td>
<td>33,000</td>
<td>39,000</td>
</tr>
<tr>
<td>total</td>
<td>32,732</td>
<td>37,985</td>
<td>32,053</td>
<td>37,394</td>
<td>43,273</td>
</tr>
</tbody>
</table>

Source: Ministry of Transport

The recent evolution of the prices of this commodity has proved very disadvantageous, leading to a dramatic decrease in foreign currency earnings. The possibility of
financing development projects was thus reduced. What is going to likely worsen the situation if very serious measures are not taken is that now that the recent negotiations within the members of the International Coffee Board have resulted in the cancellation of the existing quota policy, it may become difficult in the future for coffee producing countries like Burundi to sell the whole of their production at competitive prices. Owing to the constraints resulting from this monoculture situation, the government has been trying to promote, step by step, new agricultural industrial commodities including tea, cotton now largely locally processed, tobacco and forestry products.

Nevertheless, peasants are not always in favour of some industrial products like tea and cotton cultivated at large scales, preventing them from growing their subsistence crops they are used to grow. This reaction is also justified by the fact that what they earn from the two commodities does not correspond to the efforts made to produce them. Therefore, there is a risk that the production of these commodities remain static as that was the case during the last development plan (1983-1987).

Regarding forestry products, the problem of deforestation was raised in the first part of this paper. Burundians need more land to cultivate. They also need firewood since other sources of energy are rarely available or inexistent especially in rural areas. In urbanized areas, they are so expensive that people prefer using firewood and thus, favouring, sometimes unwillingly, permanent deforestation of newly planted areas. Sources of energy are expensive because part of the energy used in Burundi is imported from Zaire.
Owing to all those constraints, more studies are being carried out for the improvement of the condition of producing those commodities and the ruralization of modern sources of energy. Other studies are aiming at the diversification to new commodities including flowers, vegetables, exotic foods, medicinal plants and so forth.

Apart from predominant primary products, a few manufactured goods are also produced. These include glass bottles, brewed beverages, lemonade, soap, paint, shoes, beer, cigarettes, sugar and cotton material with a factory which has been operating since 1979. According to the recent evaluation of the Fourth Five-Year Development Plan (1983-1987), the average contribution of manufactured goods to Burundi’s exports was only 6.3% during the whole period of the previous plan. (Renouveau 2788, Jan. 1989).

With regard to exportable natural resources, they are not abundant in the sub-soil which contains modest quantities of bastanasite, cassiterite (or tin ore), tentalite, gold and uranium. Nevertheless, important deposits of nickel were discovered a few years ago. Estimates give about 300 million tons, lying between 3 and 5% of the world reserves, along with very rich deposits of vanadium, estimated at 14 million tons, phosphates and carbon minerals estimated at 17 and 7.3 million tons respectively. Moreover, oil reserves have also been discovered in the plain of the Rusizi River and in Lake Tanganyika. Studies are being carried out by Amoco. Their exploitation could be of paramount importance for Burundi’s economy since, until recently, oil imports were eating away 45% of coffee earnings. (Africa Review 1985 and Renouveau 2763, Aug 89).
Despite all these discoveries however, it should be mentioned that it will be difficult for the country to achieve its development, due, inter alia, to financial reasons, a lack of adequate infrastructure and transport facilities to carry out its projects so as to achieve a trade balance. Table 2 below shows us the imbalance existing between imports and exports in terms of quantity.

Table 2: Exports and Imports (000'tons)

<table>
<thead>
<tr>
<th>Year</th>
<th>Exports</th>
<th>Imports</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1976</td>
<td>27.5</td>
<td>85.0</td>
<td>112.7</td>
</tr>
<tr>
<td>1977</td>
<td>20.8</td>
<td>115.2</td>
<td>136.0</td>
</tr>
<tr>
<td>1978</td>
<td>32.1</td>
<td>125.4</td>
<td>157.5</td>
</tr>
<tr>
<td>1979</td>
<td>32.7</td>
<td>144.0</td>
<td>176.7</td>
</tr>
<tr>
<td>1980</td>
<td>37.9</td>
<td>161.3</td>
<td>184.2</td>
</tr>
<tr>
<td>1981</td>
<td>32.7</td>
<td>163.9</td>
<td>196.6</td>
</tr>
<tr>
<td>1982</td>
<td>37.9</td>
<td>201.2</td>
<td>239.1</td>
</tr>
<tr>
<td>1983</td>
<td>32.1</td>
<td>192.6</td>
<td>224.7</td>
</tr>
<tr>
<td>1984</td>
<td>37.3</td>
<td>224.9</td>
<td>262.2</td>
</tr>
</tbody>
</table>

Source: Central Bank.

It was shown earlier that the exports are composed of primary products and quite few manufactured goods. The destination is generally the USA and EEC countries. Burundi imports nearly all its needs in manufactured goods. The values for imported manufactured goods are much higher than the values of unprocessed exported raw materials.

Imported manufactured goods include:
- production goods used in metallurgy, agriculture and relevant industries, construction material, paper, leather
- production goods used as chemicals such as petroleum
products, inorganic oil;
equipment goods: different types of machines, mechanical material, spare parts, electric material, transport equipment;
consumption (durable and non durable) goods including textiles, foodstuffs, liquids, pharmaceuticals, furniture, bicycles and light machines. These imports come from different countries of the world. In Africa for instance, they are imported from Rwanda, Kenya, Tanzania, Malawi, Zaire, Zambia and so on. Apart from the USA, imports come from France, Benelux, West Germany, United Kingdom and Italy. Other imports come from the Arab world and Asiatic countries such as China, Taiwan and Japan.

However, owing to the vulnerable geographical situation of Burundi, the traffic to/from the overseas markets suffers from so many weaknesses in the transit countries and over which it does not have any control. Therefore, this situation of dependence becomes an additional important factor of under-development as that will be seen in the next chapter.

Notes:
(3) Martin Ira Glassner
"Access to the Sea for Developing Landlocked States", p.3
(4) P.M Brundtland of Norway,
"Our Common Future", Forward, p.xi
(5) Rhee Kyu Ho
"Struggle for National Identity, p.38"
(6) Le Burundi en Images, p.31
(7) P.M Ingvar Carlsson of Sweden,
"Man Damaged the Environment, Man can Rescue It".
CHAPTER 3: LANDLOCKEDNESS AND ACCESS TO THE SEA

3.1 LANDLOCKEDNESS, FACTOR OF UNDER-DEVELOPMENT

Apart from factors of under-development summarized in the previous chapter, there are many others which are specific to a smaller group of countries. These include the natural factors, real causes of non-development. Some of them are the climate, the nature of the land itself or the geographical location of a country.

This last category is composed of the so-called landlocked countries. These are comprised of 26 states including Austria, Czechoslovakia, Hungary, Lichtenstein, Luxemburg, San Marino, and Switzerland in Europe, Afghanistan, Laos, Mongolia, and Nepal in Asia, Bolivia and Paraguay in Latin America, Botswana, Burkina Faso, Burundi, Central African Republic, Chad, Lesotho, Malawi, Mali, Niger, Rwanda, Uganda, Zambia and Zimbabwe in Africa.

As may be seen from this list, landlocked countries fall into two categories: developed and non-developed countries. Africa has got a share of fifteen out of the twenty-six. To say that a country like Burundi is landlocked simply means that it has no seacoast whatsoever. It is located in the interior of the continent between three other states. This has a serious impact on its economy: transport costs of both imported and exported goods, road capacity limitation, time needed to carry them due to transhipments, administrative and customs procedures, risks of loss, damage or pilferage en route.
Like many landlocked countries, Burundi is very much dependent on its neighbours. It has no control at all over the availability, suitability or operating efficiency of the transport network and the port facilities in Kigoma, Dar-es-Salam in Tanzania or Mombasa in Kenya. It is simply informed of new regulations or new measures taken by transit states regarding the tariffs and the carriage of its cargoes. It is never consulted before road, railway and port tariffs are fixed, affecting wharfage, cargo handling, pilotage and goods storage charges. Neither is it when schedules for carrying its cargo are being planned. Furthermore, its bargaining power as a landlocked state is reduced considerably in many cases. This may be partly due to the fact that it often competes with the transit states in the production of the same few primary products.

This is true for different riches which are nearly the same as those found in the transit states. The main crops, the cash crops and livestock are the same as those found in Rwanda or in Tanzania where the major part of Burundi’s exports passes. Coffee, from which the country earns 90% of its income is cultivated in the transit countries including not only Rwanda and Kenya, but also Tanzania which is the export route for the whole of Burundi’s coffee.

Moreover the production of the same products in the same region makes inter-regional trade rather difficult to achieve. This is understandable since instead of being complementary, neighbouring countries tend to compete with each other. This may explain to some extent, why the (sub)regional economic organizations seldom reach their
goals, if they ever do, at least on the African continent.

3.2. ROUTES USED FOR OUR EXTERNAL TRADE AND IMPORTANCE OF THE CENTRAL CORRIDOR TRANSPORT SYSTEM

3.2.1 MAIN ROUTES

Among the numerous problems some of the poor countries are faced with, landlockedness is undoubtedly one of the most important ones which hamper the social and economic development of any country. To solve such a problem is not easy at all. Burundi has strived to find out different ways which may open it to the rest of the world. Despite its smallness in size, it has got at least 19 customs offices corresponding to 19 possible routes towards neighbouring countries.

However, from those routes, only four of them could be considered as vital for our external trade: the central corridor, the northern corridor, the southern corridor and air transport. As far as transport of cargo is concerned, air transport usually operates as a lifeline in periods of crisis. This was notably the case in 1979 when, due to the war in Uganda (northern corridor) and the congestion in the port of Dar-es-salam (central corridor), an emergency air transport system was organized for Burundi and Rwanda thanks to the financial contributions from the EEC. It was operating between Bujumbura and Dar-es-salam for Burundi, Kigali and Mombasa for Rwanda.

A short study carried out in 1984 (8) in the Ministry of Transport (see table 3), reveals that since 1979, the northern corridor became more and more important for our
external trade, at the expense of the central corridor. The percentage of volume imported through that route passed from 14.5% of the total volume imported in 1979 to 18.9% in 1980, 30.7% in 1981, 41.4% in 1982, 44.5% in 1983. It slightly declined to 40.7% in 1984.

At the same time, the volume of cargo imported through the central corridor has been decreasing, especially since 1981 when the percentage dropped dramatically from 51.4% to 31.2% in 1982, 29.6% in 1983. In 1984, there was a slight increase and the percentage reached 31.2%.

Table 3: Imports by main trade routes (1981-1984).

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Route</td>
<td>Tons</td>
<td>%</td>
<td>Tons</td>
<td>%</td>
</tr>
<tr>
<td>-------</td>
<td>------</td>
<td>------</td>
<td>------</td>
<td>------</td>
</tr>
<tr>
<td>C.c.</td>
<td>51.4</td>
<td>30.5</td>
<td>62.8</td>
<td>31.2</td>
</tr>
<tr>
<td>S.c.</td>
<td>45.3</td>
<td>26.9</td>
<td>43.1</td>
<td>21.4</td>
</tr>
<tr>
<td>N.c.</td>
<td>65.3</td>
<td>38.7</td>
<td>83.2</td>
<td>41.4</td>
</tr>
<tr>
<td>Air</td>
<td>2.9</td>
<td>1.7</td>
<td>3.6</td>
<td>1.8</td>
</tr>
<tr>
<td>Other</td>
<td>3.7</td>
<td>2.2</td>
<td>8.4</td>
<td>4.2</td>
</tr>
<tr>
<td>Tot</td>
<td>168.6</td>
<td>100.0</td>
<td>201.2</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Ministry of Transport.

This change is due partly to the fact that the cargo which was generally carried through the central corridor had been diverted owing to temporary weaknesses existing along the traditional route. These include the congestion...
of the port of Dar-es-salam and/or Kigoma, the problems related to the railway deficiencies and the long delays resulting from such bottlenecks.

The northern corridor has become important despite the fact that all the comparative studies carried out had shown that the central corridor is by far the most advantageous for our external trade. The only valid explanation is that if our preferred route cannot be exploited properly for technical or other reasons, there is no other choice but using alternatives, irrespective of the disadvantages they may present.

Burundi’s cargoes are sometimes obliged to pass through three different countries, with more than one transhipment. As a landlocked country it does not always have a choice as to the ways of transport. As for the expensive air transport, the average percentage of volume carried turns around 1.8% from 1980 to 1984. It plays a less significant role.

Apart from those routes, Burundi has tried to identify other ways which could be used in case of possible obstacles occurring along the routes now in use, although the practicability of some of their sections is not obvious during the rainy season. Such routes are shown by table 4 below:
Table 4: Identified routes towards the Indian Ocean.

<table>
<thead>
<tr>
<th>Route</th>
<th>Mode and distance</th>
<th>Tot. Length</th>
<th>Tranship</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(km)</td>
<td>(km)</td>
<td></td>
</tr>
<tr>
<td>1. through Dar-es-salam</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buja-Kigoma-DSM</td>
<td>lake</td>
<td>175</td>
<td></td>
</tr>
<tr>
<td></td>
<td>rail</td>
<td>1,253</td>
<td>1,428</td>
</tr>
<tr>
<td>Buja-Isaka-DSM</td>
<td>road</td>
<td>534</td>
<td></td>
</tr>
<tr>
<td></td>
<td>rail</td>
<td>982</td>
<td>1,516</td>
</tr>
<tr>
<td>2. through Mombasa via Kampala</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buja-Kola-Msa</td>
<td>road/road</td>
<td>2,022</td>
<td></td>
</tr>
<tr>
<td>Buja-Kpl-a-Msa</td>
<td>road</td>
<td>871</td>
<td></td>
</tr>
<tr>
<td></td>
<td>rail</td>
<td>1,338</td>
<td>2,209</td>
</tr>
<tr>
<td>Buja-Malaba-Msa</td>
<td>road</td>
<td>1,093</td>
<td></td>
</tr>
<tr>
<td></td>
<td>rail</td>
<td>1,085</td>
<td>2,178</td>
</tr>
<tr>
<td>3. through Msa via lake Victoria</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buja-Kisumu-Msa</td>
<td>road</td>
<td>376</td>
<td></td>
</tr>
<tr>
<td></td>
<td>lake</td>
<td>440</td>
<td>1,748</td>
</tr>
<tr>
<td></td>
<td>rail</td>
<td>932</td>
<td></td>
</tr>
<tr>
<td>Buja-Kisumu-Msa</td>
<td>road</td>
<td>376</td>
<td></td>
</tr>
<tr>
<td></td>
<td>lake</td>
<td>440</td>
<td>1,646</td>
</tr>
<tr>
<td></td>
<td>road</td>
<td>830</td>
<td></td>
</tr>
</tbody>
</table>


Some of these routes are in use whereas others may be considered as new ones for the country for which there remain potential alternatives. This shows that to reach the port of Dar-es-salam, there are at least two
alternatives. All those variations are generally covered by the "central corridor" denomination.

However, for the purpose of this paper, only the first variation which reflects our traditional trade route has been selected. Some of those so-called new variations are only operational during the dry season and become impracticable when the rainy season comes. To become practicable throughout the year, many investments are needed to build or improve some of their sections. As far as national investment programmes are concerned, each country has got its own priorities.

3.2.2 IMPORTANCE OF THE CENTRAL CORRIDOR TRANSPORT SYSTEM

3.2.2.1. HISTORICAL IMPORTANCE: THE BELBASE REGIME

As mentioned earlier, for the sake of this paper, the central corridor is described as the trade route going from Bujumbura-Kigoma through Lake Tanganyika to the seaport of Dar-es-salam. It is one of the main routes beside the northern route, the southern route and the marginal air transport, at least as far as carriage of cargo is concerned.

The historical solution to land-lockedness relates to what is generally known as the Belbase regime, which may be defined as Belgian Bases established in the British territory of Tanganyika to facilitate transport and transit formalities. They are commercial bases even if it is believed that the first agreement was dealing with military affairs. The Belbase regime was evidenced by a convention signed on the 15th of March 1921. This convention reflects an exchange of advantages between
Great-Britain, colonial power of the then Tanganyika territory (now Tanzania), and Belgium, colonial power of the Belgian Congo and Ruanda-Urundi

According to this agreement, facilities regarding transport were to be accorded to the goods to/from the Belgian colonies and transited by the British colony. Such facilities included on the one hand warehouses in the port of Kigoma, railway facilities, quays and warehouses in the port of Dar-es-salam. On the other hand, they included regulations for simpler and quicker procedures. The users from the Belgian colony were asked to pay a symbolic hire of one Belgian franc per year, ad for life.

This agreement was giving a general freedom of transit to any person, mail, goods, vessels, wagons and trucks. Along that route, there were also free zones constituting real continuation ashore of the ship’s hold before loading on a different means of transport. Transit facilities along the route were also offered. It even allowed Belgian authorities to have official functions on the sites. The British Government accepted that it would use ways and means to give the Belgian cargo all the facilities possible. The Belgian government could appoint agents responsible for the exploitation of the sites, for a period which had not to exceed 25 years. The agreements which followed were aiming at putting into a concrete form the wishes expressed by the 1921 convention. These included, since 1927, the nomination of a representative body of the colony in the ports of Kigoma and Dar-es-salam, for the installation, the equipment and the management of the sites.

From 1926 to 1929, this task was fulfilled by the Belgian
commercial agent for East Africa in Dar-es-salam. In Kigoma however, the administration of the sites was in the hands of the local Belgian customs authorities, then the Great Lakes Company before the latter was taken over by the Belgian commercial agent who was already operating in the port of Dar-es-salam.

On 30th September 1936, an agreement was signed between the representative of Belgium in the colonies and the Belgian commercial agent for East Africa whereby the latter had to become the official representative of Belgium in the ports of Dar-es-salam and Kigoma. The agent would get annual remuneration in return for collecting taxes and charges resulting from the use of the sites and carrying out customs formalities.

After the doubling of the Belbase area of Dar-es-salam which had taken place in 1927, another convention was signed in 1951. According to this convention, more land had to be allocated to the Belbase site of Dar-es-salam due to the increasing flow of traffic to/from the Belgian colony. Moreover, an additional quay in deep water had to be built in the same port for the use of the Belgian colonies. It was also agreed that the exchange of sites or the allocation of additional land would be considered whenever this would be the wish of the users.

Nevertheless, the Belgian Government had to assure the British Government that it would exploit fully the central line of the Tanzania railway system for imports and exports to/from Congo and Ruanda-Urundi, inasmuch as the installations in the port of Dar-es-salam could allow such a traffic. However, although it had been agreed that wagons owned by Belgian colonies could use the central
railway line, the British Government required that such a right be not exploited before a certain period of time (20 years). There was no objection from the Belgian side since the rail gauges existing in Tanganyika were different from those prevailing in the Belgian Congo. The use of its own trains directly from the colony was technically impossible.

What should be underlined here is that such an agreement signed by colonial powers was unilaterally denounced by Tanganyika which, after its independence, claimed the rights of sovereignty of the country. Tanganyika found that there was incompatibility between the perpetual aspect of the Belbase regime and the national sovereignty of an independent country. However, Tanganyika was in favour of giving transit facilities to its neighbours and compensation for their investments. This was followed by a very critical evolution of the Belbase situation for ZBR countries which, when they were asked by the Tanzanian government to give their opinion about signing and ratifying a new convention after a possible compensation could not have the same views.

It is said that one of the ZBR countries was in favour of full compensation, whereas the others wished to have the same kind of facilities as those they had before with the Belbase regime, instead of compensation. Therefore, as there was no common views between the parties concerned regarding the possibility of signing a new convention, the situation remained unclear as for the use of the Belbase sites. Nevertheless, even if compensation was to be given, it would not have been easy to allocate it since it is believed that such installations were built thanks to funds only coming from Congo. Some sources give 76% for
Congo leaving 24% for Ruanda and Burundi. Figures such as 97.5% and 2.5% for the respective two parties are also given from different sources.

One of the problems in case of compensation or a similar measure is to know which figure should be taken into consideration due to those contradictions. One could then guess that it could be rather difficult to reach an agreement within ZBR countries before negotiating with Tanzania. Moreover, taking into account the age of the facilities and the depreciation factors, one could wonder how high or how low the present value would be.

Any new negotiation with Tanzania requires a prerequisite: a sincere and common agreement between the ZBR countries themselves regarding the position to be adopted vis-a-vis Tanzania. Since Independence, many meetings were held with a view to signing a new agreement which could replace the no longer valid Belbase regime. Held on a very irregular basis due to internal instability in those countries, such meetings have proved unsuccessful.

Nevertheless, if such a convention was not signed before 1971 when Tanzania unilaterally decided to nationalize the Belbase sites, it is due to the ZBR countries which failed to seize a good occasion given them in 1963 and 1970. They could not ratify a new convention which, by and large, had so many interesting references to the unmatched Belbase terms.

Since then, the Belbase issue entered a dim period from 1971 to 1982 when finally in Arusha (Tanzania), ZBR countries agreed that they would submit a joint request to the EEC for financing activities of experts who would
prepare a new convention for the use of the central corridor transport system. The draft agreement has been prepared by competent design offices and is now under consideration by the governments concerned.

3.2.2.2 PRESENT AND FUTURE IMPORTANCE OF THE CORRIDOR

In spite of the fact that the Belbase regime is no longer valid as mentioned earlier, the central corridor remains a very important trade route for Burundi's cargo. Table 5 reflecting the evolution of our exports from 1981 to 1985 for instance shows how important the percentage of the export cargo passing through that route is.

Table 5: Exports from 1981 to 1985 (000' tons)

<table>
<thead>
<tr>
<th>year</th>
<th>tonnage via Kigoma</th>
<th>total tonnage</th>
<th>%Kigoma</th>
</tr>
</thead>
<tbody>
<tr>
<td>1981</td>
<td>30.4</td>
<td>32.7</td>
<td>92</td>
</tr>
<tr>
<td>1982</td>
<td>35.0</td>
<td>37.9</td>
<td>92</td>
</tr>
<tr>
<td>1983</td>
<td>29.0</td>
<td>32.0</td>
<td>91</td>
</tr>
<tr>
<td>1984</td>
<td>33.0</td>
<td>37.3</td>
<td>88</td>
</tr>
<tr>
<td>1985</td>
<td>39.0</td>
<td>43.2</td>
<td>90</td>
</tr>
</tbody>
</table>

Source: Ministry of Transport

The cargo passing through the central corridor is composed of coffee. It constitutes an average of more than 90% of the country's total exports. Coffee, like tea, cotton, and tobacco are exported to America and Europe. Different reasons may explain such a high percentage of cargo exported through the central corridor. The main reason is that it is a traditional route. For this it took in the past much advantage of the Belbase regime. Historically,
coffee, which is exported by the Government through the
Burundi Coffee Company (BCC) in charge of trading it
overseas, has always and exclusively used that route.

This is due to the fact that even though the Belbase
regime is no longer valid, this route presents so many
advantages. Compared to the northern route for instance,
the central corridor is much shorter. Moreover, cargoes
cross only one country instead of three. This implies that
documentation is also reduced. For the case of the
northern route, each country has got its own documentation
and its own rules, so that it is rather difficult to
comply with all their requirements.

To reduce this heavy and heterogenous documentation, the
northern corridor member states signed in February 1985,
the Northern Corridor Transit Agreement. This was possible
thanks to the assistance from UNDP and UNCTAD which had
provided those countries with financial and technical
means to achieve this goal. The main instrument of this
agreement is a unique transport document: the Road Customs
Transit Declaration. The secretariat of the project is
located in Nairobi (Kenya).

In spite of all those efforts however, it has been
recently reported that there still were bottlenecks along
that route including new regulations limiting the maximum
axle load on the Kenyan roads, affecting thus most of
Burundi’s lorries which have to be loaded below their
normal capacity. This shows that any change of regulation
in the transit country leads to economic instability in
the landlocked country using its territory for its
external trade. Those internal problems lead to unexpected
long transport delays and, at times, to heavy losses in
transit cargoes and/or in human lives.

Nevertheless, for the sake of diversifying our transport routes, the northern corridor should remain one of the outlets of our external trade. Needless to say that this applies mostly to imports rather than exports which usually wait until the more or less fleeting barriers disappear from the central corridor, to keep on using the same traditional and economical route. It is a fact that apart from technical problems, barriers along this route seldom last long.

Another important element in favour of the use of the central corridor is that it is much cheaper than any other of the routes used for external trade. Generally speaking, according to comparative studies carried out about the main trade routes, the transport costs through the central corridor for imports are 5.5 times lower than on the northern corridor. They are about 5 times lower for exports.

As a consequence of being cheap, this corridor has allowed our country and could still allow it, if it were rehabilitated fully, to make very important savings. Considering separately the carriage of oil products through the central corridor for instance, according to a study carried out by a former World Bank expert to the Ministry of Transport (9), it was found that it is possible to make very important savings by using that route instead of the northern route.

In 1978, petroleum expenses were estimated at 538,6 million Burundi francs. In 1983, they were around 2488,9 million Burundi francs. This means that after 6 years, the
expenses had increased fivefold. This amount paid for oil corresponded to about 18.5% of the total budget expenditure.

Until 1978, all petroleum products were imported through the central corridor. The following table 6 shows what happened afterwards.

Table 6: Evolution of oil imports by the c.c. (tons)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>c.c</td>
<td>24,826</td>
<td>8,176</td>
<td>3,086</td>
<td>966</td>
<td>804</td>
</tr>
<tr>
<td>total</td>
<td>24,826</td>
<td>33,210</td>
<td>34,356</td>
<td>32,402</td>
<td>36,596</td>
</tr>
<tr>
<td>% c.c</td>
<td>100</td>
<td>24.6</td>
<td>9.0</td>
<td>3.0</td>
<td>2.2</td>
</tr>
</tbody>
</table>

Source: Central Bank and Arnolac.

The percentage of cargo passed from 100% in 1978 to 24.6% in 1980, 9% in 1981 and 2.2% in 1983.

The transport costs of oil in 1983 were fixed at 24.7 francs per liter on the northern corridor. They were around 12 through Tanzania, i.e. half of the northern route. This may better explain why this route should be rehabilitated at all costs, since Burundi still has two tank barges which may carry 80% of its yearly needs.

According to the same study, if the country could own tank wagons in Tanzania, the depreciation of all of them could take only one year, thanks to this difference of costs which would be allocated to depreciation reserves and
payment of money borrowed from local financial institutions. This means that after depreciating their wagons, the importers would pay to the treasury the difference of 12 francs per liter imported through the central corridor every year.

However, these obvious economies would not lead the country to using exclusively that route. For strategic reasons, it needs diversified ways of access to the sea so that if one route is not working as that sometimes happens, it may use another one and thus, avoid the possible temporary strangulation of its external trade.

3.2.3 CHARACTERISTICS OF SOME OF THE MAIN LINKS OF THE CENTRAL CORRIDOR

3.2.3.1 INTERNAL ROAD TRANSPORT

This part will deal about points which seem to be of interest for this specific paper. To the general features of the transport and communications network briefly described earlier, it may be added that in Burundi, roads are the main ways of internal and external transport. They are connected in one way or another, to the central and northern corridors. This is why more roads should be paved and the existing ones better maintained. Unfortunately, this is not always the case even for the international transport sections.

The construction of roads requires that the administrative staff be more serious and more honest from the preselection procedures until the end of the construction. This will make that the standards required for the international transport purposes will be met instead of
having some centimeters or millimeters "eaten" before or during the construction period. Roads should be built in such a way that they allow the use of appropriate lorries for which capacity they are supposed to be built.

Among the 9 national roads which have already been paved, many of them including some of those intended for international transport do not fulfill the requirements for the use of containers which is being developed. This concerns inter alia the authorized load per axle, the weight and the total length of vehicles. This explains partly why some lorries used by national road transport companies cannot be loaded at their full capacity without damaging the roads.

3.2.3.2 THE PORT OF BUJUMBURA

From the hinterland, the cargo is carried to the port of Bujumbura or vice-versa. The management of this port is in the hands of a private company using the equipment and other facilities on behalf of the government. The port of Bujumbura is the only commercial port of Burundi. The cargo may be stored into four warehouses of 4400 square kilometers each. A fifth one is at the disposal of the Zairian national railway company. In the central building, there are administrative offices and the principal workshop of Arnolač, the most important private shipping company operating on Lake Tanganyika. There are also two more workshop buildings and other auxiliary installations.

The port facilities include a quay which is 500 m long for general cargo handling. A second one which is 200 m long is used for handling containers and petroleum products.
For these products however, it should be recalled that in these days, almost all of them are imported through the northern corridor from the refineries of Mombasa in Kenya. Very few are coming from the refineries of Dar-es-salam in Tanzania as shown in table 6.

The port of Bujumbura is under-exploited. It cannot operate at its full capacity. Originally, it was conceived to handle ZBR cargoes. Since the development of the northern corridor transport system, Rwanda diverted its cargo towards the Kenyan port of Mombasa. As for Zaire its vessels and cargoes seldom visit the port of Bujumbura. Regarding the handling facilities, by the end of 1987, they included four electric mobile cranes operating on rails, a fixed crane for handling containers, five mobile cranes, four forklift elevators etc.

3.2.3.3 LAKE TANGANYIKA

As mentioned earlier, there is a fleet operating on Lake Tanganyika. The major owner is the Arnolac Shipping Company. The lake has been described by some people who have visited it as an inland sea. It has an area of 32,300 square kilometers of which 2,000 (7%) belong to Burundi. It is the second in rank after Lake Victoria. The latter has got an area of 68,800 square kilometers. From Tanganyika, the share of Zaire, Tanzania and Zambia is 45%, 41% and 7%, respectively.

The length of the lake from Bujumbura in Burundi to Mpulungu in Zambia is 750 km. The breadth reaches at some places 75 kilometers. As for its depth, it varies between 450 meters and 1,470 meters. Regarding this depth, the lake Tanganyika ranks second in the world after Lake Baikal which is 1522 meters deep. Burundi lake coast is
180 kilometers. The lake Tanganyika is a very important means of communication between Burundi, Zaire, Zambia and Tanzania through the use of ports including Bujumbura in Burundi, Kalemie, Kalundu and Moba in Zaire, Mpulungu in Zambia, Kigoma towards Dar-es-salam seaport in Tanzania. This lake which used to be a salty lake when it was still closed gradually lost this quality and became softer and softer when it was evolving into a flowing lake.

Thanks to the present softness of the water, ships operating on the lake can last long. Apart from few vessels purchased in 1984, the age of the fleet operating there varies between 24 and 100 years as shown by the non-exhaustive list below in table 7. There is for instance a tug which has been in operation since 1889. Two barges have been operating since 1918 and 1927, respectively.

Table 7: Age of the fleet.

<table>
<thead>
<tr>
<th>Type</th>
<th>Name</th>
<th>Date of operation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tugs</td>
<td>Camus</td>
<td>1955</td>
</tr>
<tr>
<td></td>
<td>Tanganvika</td>
<td>1889</td>
</tr>
<tr>
<td>Harbour tugs</td>
<td>Ngiri</td>
<td>1959</td>
</tr>
<tr>
<td></td>
<td>Njiwa</td>
<td>1958</td>
</tr>
<tr>
<td>Self-propelled barges</td>
<td>Impala</td>
<td>1960</td>
</tr>
<tr>
<td></td>
<td>Swala</td>
<td>1963</td>
</tr>
<tr>
<td>Tank barges</td>
<td>Lubaya</td>
<td>1957</td>
</tr>
<tr>
<td></td>
<td>Kasimia</td>
<td>1953</td>
</tr>
<tr>
<td>General cargo barges</td>
<td>Songa</td>
<td>1927</td>
</tr>
<tr>
<td></td>
<td>Buyogoma</td>
<td>1918</td>
</tr>
<tr>
<td></td>
<td>Moliro</td>
<td>1929</td>
</tr>
</tbody>
</table>

Source: Waterways Department.
This list, even though incomplete shows how vessels operating on Lake Tanganyika last long. This lifetime aspect of the vessel is a very interesting advantage any possible investor should know since competition on the lake has not been allowed so far.

Lake Tanganyika constitutes an important means of communication. It allows Burundi to operate internally along the 180 km of coast and externally through the exchange of goods and services with the neighbouring countries surrounding this common lake, since all of them have got their own ports. For the national economy, it presents more than a simple means of communication with neighbours. It is a very important link of the chain thanks to which the effects of land-lockedness may be alleviated. This makes it a privileged way of communication from Bujumbura to Kigoma and thereafter, the rail takes over until Dar-es-salam towards the widely open overseas markets.

Apart from the carriage of cargo, passenger traffic on the lake is virtually non-existent, at least as far as the Burundian fleet is concerned. The few passengers constituting less than 10,000 per year in both ways are mostly Zairians and Tanzanians using non Burundian vessels. This is due not only to the fact that Burundi does not own any passenger vessel, but also to the restrictive administrative measures and procedures which in the recent past made it nearly impossible for Burundians who wished to travel by the lake from Bujumbura to the neighbouring countries to do so.
In other words, the then prevailing non stable political situation has played a great role in preventing possible investors to purchase ships and citizens from using a well known economic means of transport. Until recently, exaggerate control over the movement of population through deliberately endless administrative procedures discouraged many people from travelling by any means of transport whatsoever. There is no doubt that it was a loss for both the people concerned and the country’s economy.

After finishing with the Burundian link of the chain, cargoes are carried from the lake to the Tanzanian railway running from Kigoma-Tabora to Dar-es-salam and vice-versa in case of imports. On the Tanzanian side, problems along that link are reflected inter alia by the abnormal transport time. This will be explained in the next part of this chapter.
3.2.4 SOME CHARACTERISTICS OF THE TRANSPORT CHAIN ON THE TANZANIAN SIDE: TRANSPORT TIME

When discussing international trade, people mean or imply the carriage of goods from a place to another, under conditions agreed upon by the parties concerned, and the payment for such services by the user. It is known however that very often, especially in developing countries, there are a considerable number of obstacles which cause delays in normal transport time.

On the Tanzanian side of the corridor, there are many problems arising from the use of different Tanzanian facilities. However, such problems have recently been reduced at the port of Kigoma which is located at 175 Km from the port of Bujumbura.

Nonetheless, there still exist so many constraints related to the use of the Kigoma-Tabora-Dar-es-salam railway line and the port of Dar-es-salam itself. Such constraints existing particularly in those two links of the chain result in excessive transport delays. Generally speaking, these constraints or obstacles to trade will mainly lead to two related situations described as congestion and delay. Transport delays are one of the logical consequences of congestion.

There are many causes of congestion in ports inevitably leading to transport delays. These include:
- the low productivity resulting from poor planning and poor labour relations;
- the lack of cooperation and coordination between the port and its users,
- the failure to streamline documentation requirements and
its processing;
-the seasonal concentration of ships and cargo arrivals, and of cargo take-off;
-inappropriate charging policies which lead transit sheds to be used as warehouses;
-various barriers to a smooth operation of cargo handling;
-low productivity and poor planning in the field of forwarding and rail or lake transportation,
-lack of transport capacity due to poor infrastructure, inadequate maintenance and/or insufficient rolling stock;
-lack of cooperation between the port and the hinterland;
-inconsistency between the storage and transport capabilities of the distribution system and the volume of traffic;
-failure of planning ministries to take into account the fact that the increasing economic activity in a country inevitably causes an increase in demands placed on that country’s ports and so forth.

In the context of the central corridor, transport delays have been identified as being, very often, but not exclusively, a consequence of the congestion of the port of Dar-es-salam and the use of locomotives and wagons by non planned users from the southern African part who, for the time being cannot use the Mozambiquean ports of Beira and Nacala due to the prevailing civil war in that area.

Transport delays will make the costs rise inordinately, and will lead to the non fulfilment of agreements related to export and import orders. They will contribute to jeopardising the development plans. As far as the central corridor transport system is concerned, the transport time is not well known. It keeps changing every time depending on circumstances beyond the control of the
transiting countries like Burundi. The fact is that the transport time is much longer than it should be.

A few years ago, the Ministry of Transport tried to find out what the real transport time could be (10). It used transport documents prepared by the Arnolac shipping Company office in Kigoma. These documents reflected inter alia: the date of arrival of the vessel from the overseas markets to the port of Dar-es-salam; the date of end of documentation procedures in that port; the date of arrival in Bujumbura and the date when the goods are put at the importer's disposal.

As may be seen from this, the first and the last dates give the total time of transport for goods which are specified in the transport document. However, it is important to say that these elements were not enough to enable the ministry to precisely identify the stages at which the different bottlenecks hampering the transport system were localised. The missing elements include the average time of unloading vessels in Dar-es-salam, the transit and the storage time within the port, time needed for loading wagons and constituting block-trains, time for unloading in the port of Kigoma, transit time in the same port and finally, time for loading vessels towards the port of Bujumbura.

Using the four available elements above mentioned, after going through 359 transport documents prepared and used between April 19, 1983 and May 27, 1984, for all the cargoes covered by the 359 documents, it was found that the time used for transport from Dar-es-salam to Bujumbura varied between 14 and 357 days. This means that the minimum
transport time was two weeks and the maximum, nearly a
whole year. From the following ten classes given in table
8, it may be seen that the majority of cargoes use between
30 and 50 days.

Table 7: classes for transport time:

<table>
<thead>
<tr>
<th>classes (days)</th>
<th>cases</th>
<th>%</th>
<th>containers</th>
<th>%</th>
<th>others</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>10-30</td>
<td>71</td>
<td>19.7</td>
<td>36</td>
<td>10.0</td>
<td>35</td>
<td>9.7</td>
</tr>
<tr>
<td>30-50</td>
<td>204</td>
<td>56.6</td>
<td>63</td>
<td>17.5</td>
<td>141</td>
<td>39.3</td>
</tr>
<tr>
<td>50-70</td>
<td>41</td>
<td>11.4</td>
<td>14</td>
<td>3.9</td>
<td>27</td>
<td>7.5</td>
</tr>
<tr>
<td>70-90</td>
<td>20</td>
<td>5.5</td>
<td>7</td>
<td>1.9</td>
<td>13</td>
<td>3.6</td>
</tr>
<tr>
<td>90-110</td>
<td>13</td>
<td>3.6</td>
<td>4</td>
<td>1.1</td>
<td>9</td>
<td>2.5</td>
</tr>
<tr>
<td>110-130</td>
<td>3</td>
<td>0.9</td>
<td>-</td>
<td>-</td>
<td>3</td>
<td>0.8</td>
</tr>
<tr>
<td>130-150</td>
<td>2</td>
<td>0.3</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>0.3</td>
</tr>
<tr>
<td>150-170</td>
<td>2</td>
<td>0.6</td>
<td>1</td>
<td>0.3</td>
<td>1</td>
<td>0.3</td>
</tr>
<tr>
<td>170-190</td>
<td>1</td>
<td>0.3</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>0.3</td>
</tr>
<tr>
<td>190-...</td>
<td>3</td>
<td>0.9</td>
<td>1</td>
<td>0.8</td>
<td>2</td>
<td>0.6</td>
</tr>
</tbody>
</table>

Total 359 100.0 126 35.1 233 64.9

Source: Ministry of Transport.

In this class, there are 56.6% cases. The meaning is that
out of 359 documents reflecting cargo carried, 204
documents (56.6% of total) used between 30 and 50 days.
Only 71 documents (19.7%) used between 10 (or 14 which is
the minimum) and 30 days.
Generally speaking, 76.3% of the cargoes used between 14
and 50 days. The remaining 23.7% used more than 50 days.
This is too much if, according to a study carried out by
the World Bank in December 1980, after the elimination of
the different bottlenecks and the necessary improvements
along the corridor, the carriage of goods from Dar-es-
salam to Bujumbura would take only 4 or 5 days.

Consider now the second part of table 8 which classifies
cargoes according to the way in which they are packaged. They are grouped into two main sets depending on whether or not they were packaged in containers. Although it is generally accepted that one of the advantages of containerisation is the possible reduction of transport time, in the case of this study, it is very striking that there is no palpable difference of transport time for containerised and non containerised cargoes. For containerised cargoes, the average time is around 43.4 days. For non containerised cargoes, it is around 49.9 days. The total average transport time is about 47 days.

Along the northern corridor, from information given by Otrabu, it could be deduced that the transport time varied between 50 and 70 days. Transintra, which is a private freight forwarder was suggesting about 57 and 70 days. Ami-Burundi, another private freight forwarder was giving between 60 and 80 days.

Once more, this is a proof that there are very serious bottlenecks along the central corridor where the transport time is, in absolute terms, practically longer than along the northern route. No one could believe that in normal conditions, even with slight barriers, there be no difference in transport time for containerised and non containerised cargoes. This is a confirmation that there is something abnormal along the traditional route. There is no doubt that those barriers which hamper the normal flow of traffic are localised in the port of Dar-es-salam, the railway transport system and, to a lesser extent, the
port of Kigoma.

During the on-the-job training in Le Havre (April 1989), it could be seen from the port’s documentation, that the transport time by sea from Europe (taking the port of Le Havre as the origin of the cargo) to Dar-es-salam was around 30 days. This means that the transport time by sea from Europe is shorter than from Dar-es-salam to Bujumbura.

Many of those obstacles which will not be discussed in detail in this paper have already been identified through other studies. They include, as said earlier, the congestion of the seaport of Dar-es-salam, problems in connection with personnel management, non-availability of handling equipment when it is needed, bad condition of the railway system, insufficient locomotives and wagons partly due to the unforeseen additional users, problems of handling and warehousing capacity in the port of Kigoma, documentation procedures, problems of telecommunication between users of different facilities existing along the chain of transport and so on.

All these problems, known to both Burundi and Tanzania are regularly discussed within the framework of a joint technical committee on Transport and Communications set up in 1977. Meetings are held every year in either country on a rotational basis. The main function of this committee consists of analysing through discussions and exchanging documents, different problems arising from the use of the central corridor transport network. The discussions are followed by concrete proposals regarding the measures to be taken by the services concerned or, if need be, the governments themselves.
Through these annual meetings, quite a number of problems have been solved. Others have not, due to financial reasons. To overcome this constraint, both countries have agreed that for projects of common interest, a joint request seeking for finance could be submitted to financial organisations agreed upon.

Nonetheless, in spite of the numerous difficulties arising from the use of the central corridor, considering all in all the advantages and disadvantages compared to other routes, it still remains the most favourable for Burundi's wobbly economy. This is why all measures should be taken to eliminate the existing barriers and encourage investors, importers and other interested business people to use the central corridor as much as possible. This encouragement could be coordinated by the Ministry of Transport as will be described in the next chapter.

Another issue which deserves much attention for the exploitation of the central corridor concerns the freight forwarders' performance. As a matter of fact, when giving some of the reasons for port congestion and transport delays, the point concerning the low productivity and poor planning of freight forwarding services was touched. The freight forwarders could be defined as professionals carrying out actions which are necessary to transport international cargo, organizing the whole or part of this transport and the related operational and administrative tasks.

They are generally classified into three main categories depending on the scope of actions they perform: general freight forwarders, port forwarders (or mandate forwarders) and clearing agents.
A landlocked country should expect better services from a
general freight forwarder. The latter is responsible for
organizing transport, taking care of cargo from a place to
another in accordance with an existing contract. He
offers the most adapted mode of transport and tries, by
his own initiatives, to alleviate the transport costs
whenever possible. Besides, what is more interesting is
that he is fully responsible, from origin to destination,
for the safe arrival of the cargo he is taking care of.

As a landlocked country, this is the kind of freight
forwarding agent needed. He would strive for reducing, at
his level, the long transport delays to which cargoes are
subject. He should not eschew his responsibilities,
particularly in case of loss or any damage to cargo.
Important steps are needed from different government
services concerned to make some freight forwarders feel
more responsible in their work, so that they attract more
users along the central corridor.
This attraction is not possible without a strategy of
awareness which should be launched by the Ministry of
Transport in conjunction with the Ministries of Trade,
Finance and the Central Bank.

Notes:
(8): Unpublished note to the Director General,
Ministry of Transport, doc.323/84.
(9): Unpublished note to the Director General,
Ministry of Transport, doc.421/84.
(10): Unpublished note to the Director General,
Ministry of Transport, doc.323/84.
CHAPTER 4: ROLE OF THE MINISTRY OF TRANSPORT IN CONNECTION WITH THE USE OF THE CENTRAL CORRIDOR

4.1 NEED FOR PUBLIC AWARENESS

In Burundi, when referring to transport, people immediately think about road transport and its trucks, vans, transport problems whether public or private transport buses, small cars with many road accidents caused by taxi drivers and other bad users of the road. People in general know little about vessels, about shipping activities even though all of them consume many items carried on board vessels. Many people think that such goods come either by car, or by air, or, to a lesser extent, by train. This shows that one of the tasks of the Ministry of Transport is information.

People should be informed about the various transport modes which are the means by which cargo is transferred from one place to another. They should know that there are five prominent modes of transport even if some of them are not used in the country: motor-vehicle land transport, rail transport, water transportation, air transport and pipelines. Since this paper is concerned with water transportation, more details should be given with a view of encouraging the increasing number of users to exploit the central corridor.

People in general, possible investors and other potential users of shipping activities in particular should be informed that there exists another means of transport unknown to many of them and which is generally cheaper than the other means they were using before. It is through public awareness and sensitization that the too old vessels (Table 6) will be gradually replaced and the lake
transport of cargo and passengers developed.

Nowadays, even though it is claimed that Burundi's vessels last longer because of the softness of the water, the ones in operation present a permanent impending danger for the cargo and the people on board. Very serious technical repairs including hull and machinery repairs have been recommended for many of them. One never knows what may happen with them at any time since the majority of them are timeworn. More information is needed through the mass media, through organization of seminars intended for public, semi-public and private interests, with the hope of having such vessels replaced.

Nevertheless, before informing and motivating other people such as investors, exporters, importers and other possible users interested in shipping, the government and its servants are to be motivated first. The government has to know and to be convinced of the important national interests it will be protecting or promoting through the development of shipping and related matters.

It should be recalled that if a country is landlocked, it has no sea coast. This does not mean, unlike what some people think, that it has no navigable waters where ships can, if need be, be operated. Burundi, Malawi and Uganda in Africa for instance, have non negligible navigable lakes used partly for their internal trade, partly for their international transport through the lakes Tanganyika, Malawi and Victoria respectively.

In the same way, as will be seen in the pages ahead, landlockedness does not imply that the country concerned has not any rights to the sea. Landlocked countries have
got their rights and some of them, like Switzerland, have been taking advantage of these rights for a long time. This shows us that there are ways for landlocked countries to overcome under-development provided that they are capable of using and exploiting properly different ways and means which are or can be made available.

Shipping is an international business. Some countries, for different reasons cannot provide shipping services although it is well known that all countries need such services. Nowadays, due to the internationality of trade and foreign exchange in general, even the poorest countries have relationships with the overseas markets for exporting and importing their goods. This would not be possible without the presence of shipping services operated through lakes, seas and oceans, carrying huge quantities of cargo. They are owned by some countries but are used by the international community since all countries need those services for their external trade. No country could afford using air transport services for the carriage of all its trade.

Shipping has the double character of being a service to trade and an independent industry. The level of demand for shipping, as it is a derived demand, will vary depending on the type and quantity of goods to be carried. There will never be shipping services unless there is cargo to carry and navigable waters on which ships will operate.

Shipping on Lake Tanganyika is part of an international transport chain. It is a reality which, surprisingly is known to very few of Burundi’s inhabitants including many lakeside residents. On the economic point of view, many
people see Lake Tanganyika as a source of wealth for fishermen and other fishing organizations. Nothing more. They think that it is also there to attract tourists who have a lot of money to spend.

It is the role of the administration, notably the Ministry of Transport, to give more details about the use of the lake, as far as transport and trade are concerned. For many people, shortages in different shops of primary need commodities such as salt, sugar, flour and the like is nothing more but simple speculations from dealers who want to get higher prices and, consequently, higher profits. They do not know that the obsolete merchant ships operating on the lake may have caused long delays or worse, that they might have sunk due to their extremely old age.

4.2. CIVIL SERVANTS' AWARENESS

4.2.1 AWARENESS OF THE ROLE OF SHIPPING

Civil servants working in the Ministry of Transport and other related services should also know some of the main objectives of shipping development. They should know what a country could gain from investing in shipping or other activities connected to shipping. For the specific case of Burundi, as far as shipping as such is concerned, it would be a matter of replacing the existing fleet operating in the internal sea. Replacement cannot be achieved unless new investments become available.

The question for civil servants to the Ministry of Transport is to know why, for instance, Burundi should own a fleet. Even if it is, as said earlier, a matter of
replacing the existing fleet. Without being convinced of the reason for owning a fleet, there would not be any reason for possible replacement. The present fleet could die away without any attempt to replacing it or even having it repaired. It is worth noting that those who have decided to create the fleet during the colonial period certainly had reasons for doing so, although for unknown reasons they do do not seem to be willing to renew it themselves.

There are many reasons in favour of the development of shipping and related activities. Considering the political aspect, aside from the prestige factor, it is believed that the national fleet is an important element to attain and maintain national independence. Moreover, this contributes to achieving, in the long run, economic and political integration on the basis of relative equality.

For countries with a difficult geopolitical situation, the question of security of service is an important consideration. The national fleet ensures the security of services which should not be available in periods of deteriorated relationships with the parties supplying such services or in case of political unrest. Thanks to a national merchant marine, a country may be more or less independent of foreign shipping services which can be either unavailable or obtained at the price of political concessions.

Relying entirely on the only foreign fleet for one’s external trade may seriously jeopardise, in certain circumstances, the political independence of any country or any region. If Burundi, as a landlocked country had to entirely rely on the means of transport of its neighbours
to carry the whole of its external trade for instance, this would worsen the already deplorable situation. Thanks to the lake transport on the one hand, and the purchase of its own means of transport operating along the northern corridor on the other, there is a slight reduction of existing expenses inherent in transport services.

In the long run, the existence of a national merchant marine may contribute to the economic integration. From the system of shipping restrictions with regard to coastal trade which are applied by a group of countries within the same geographical area, it is possible that, to get stronger, trade and shipping be more open so as to achieve economic integration from which all the parties concerned could take advantage. Taking advantage implies the prerequisite that all the parties involved in the integration process have got something, whatever the size, to give in order to receive from the adopted system.

Besides the political considerations, there are economic objectives. These may include the reduction of economic dependence, the shift of capital resources from other fields to shipping, the promotion of exports of shipping services, the limitation of imports of the same services and thus, the improvement of the balance of payments. Regarding the possibility of improving it, this may be reflected through earning and/or saving foreign exchange, owing to the activities directly or indirectly connected to shipping.

Thanks to the national fleet operating on Lake Tanganyika which is a section of the international transport system, expenses inherent to the carriage of cargo along that link...
are to some extent reduced. As national vessels are being used, most services are paid in local currency for both imports and exports. As a matter of fact, it is well known that foreign suppliers of shipping services require that they be paid in their national currency or any currency of their choice. Arnolac services are paid in local currency.

However, as the major part of the fleet operating on that lake is not owned by nationals, part of the incomes will sooner or later be transferred to their home country in foreign currency. This outflow may be added to the payment of the loan to the creditors abroad. In the end, the net earnings will be rather low.

In the same way, as UNCTAD wrote in 1984, it should be borne in mind that "although the total freight paid to the national line in the country’s foreign trade represents a gross foreign exchange saving (earning), the net effect on the balance of payments will be considerably less, depending on the degree that the national resources can be made use of in providing such services. The most important outflows in foreign exchange stemming from an engagement in shipping are financing costs for ships purchased abroad, bunker costs and costs incurred in ports." (11)

To make this quotation more explicit, it could be said that in general, the magnitude of the net earnings will depend on the cost of the vessel, the market (local or foreign) where it was purchased from, the type and the age, the cost structures, the national elements available in terms of officers, crew, management, maintenance and repair and so on.
This is one of the reasons why more nationals should be encouraged to invest, if possible, through genuine joint ventures, in shipping. The amount of foreign currency going abroad would be reduced in favour of more savings and therefore, more possible investments at home in any sector of the national life. It should be recalled that lack of saving is one of the numerous factors of under-development. Without savings, no development project can be designed and achieved.

The role of the Ministry of Transport will consist of sensitising and informing people of the existence of a sector known to a few of them, which is open for investors. Then, it would encourage nationals, through measures agreed upon with other government services concerned, to invest individually or in joint ventures with any other experienced partner of their choice.

This is one way of replacing, step by step, the obsolete vessels which are dangerously operating on the lake. Nevertheless, whatever the type of ownership, it not easy at all to evaluate or quantify the potential contribution of a national fleet to the equilibrium of the constant deficitary balance of payments of many under-developed countries.

Apart from shipping itself, a country may earn incomes from activities related to this service. Ports are a very good case in point. Their incomes may originate from services provided to foreign residents, including services rendered to ships such as harbour dues, lighthouse, buoys, pilotage, towage, services rendered to cargoes like handling, stowage, trimming, packing, tallying, weighing, supplies to foreign seafarers and so forth.
If ports are important elements in the balance of payments, this does not mean that there will always be earnings since foreign receipts and payments to foreign countries have to be balanced. As Ignacy Chrzanowski has said "these outgoings may outweigh the receipts and in a such a situation, the influence of the shipping industry will be negative" (12). Investing in shipping and related matters also covers social aspects including manpower employment. Shipping by itself, is highly capital intensive. For a country which has among its priorities the problem of employment opportunities, shipping may not create many jobs. Moreover, the jobs which are generally available onshore and offshore require skilled personnel for managerial tasks and seagoing activities.

For this, education and training are prerequisites for recruitment. This sometimes requires considerable expenditures and time, especially in the case of training managers and officers. Once all these requirements are fulfilled, employment from shipping may become a reality.

Despite these constraints, once expertise is acquired in home countries, it may be easy for the personnel to get trained for being employed in merchant marines of foreign countries, since developing countries are good providers of cheap labour for which they have a comparative advantage, to the industrialized world. This leads to one aspect of South North cooperation from which developing countries may earn once more, foreign currency beside the employment factor as such.

Furthermore, apart from employment in the shipping companies, labour is particularly available in the numerous
support activities. These include port services, shipbuilding and/or shiprepairing industries, marine insurance, banking services, ship supplies and equipment, training facilities for seagoing personnel, managers, telecommunication services and so forth.

With regard to the shiprepairing activity, it is believed that it is a highly labour intensive industry. For this, it appears more suitable for the developing countries which are faced with the problem of manpower surplus and unemployment. Moreover, this activity tends to have a strong influence on the balance of payments and on other production sectors such as steel, metallurgical works, wood processing, electric industries, paints and paintings, needed for carrying out the repair work.

The setting up of a shiprepairing industry may facilitate the creation of a shipbuilding industry or an assembling unit, suitable in size and specialization to meet the requirements of the economy of the country concerned. In any case, as far as this social aspect is concerned, the importance of employment will depend on the size of the industry and its related activities, and the management capabilities of the personnel involved.

We have been talking, not exhaustively, about some of the objectives followed by the developing countries when they invest in shipping. It is up to the Ministry of Transport to take the well selected elements it finds more appropriate to sensitize the population and other interested people accordingly, trying to adapt them to the local reality and the real needs of the country.
4.2.2. AWARENESS OF THE PROBLEM OF FINANCE

To make the development of shipping and/or related activities possible, financial means are needed. It is important to know how to have access to finance and the terms and conditions on which it can be made available by lending organisations. This is due to the fact that shipping is highly capital intensive whatever the size of the fleet in which to invest, and also that the capital expenditure will have foreign exchange implications.

Moreover, shipping, with some sections of this industry is a very risky business. This is why the conditions for raising funds for investment are rather demanding. As a matter of fact, shipping as such cannot be set up simply by acquiring ships. Its setting up is connected with other facilities which should also be available. These include maintenance and repair facilities so that necessary work may be carried out in the home port. Human resources including managers, officers and crew must also be trained. All these actions cannot be carried out without heavy financial means mostly coming from abroad, but also from domestic savings which are scarce, sometimes inexistent in the so-called developing world.

Owing to this scarcity of capital at home, poor countries will have recourse to different sources of finance abroad. At home, the source of finance may consist of self-financing for those countries whose shipping companies can afford it. This can be achieved by using the non-distributed earnings or the depreciation reserves which may be held as a form of future investments. However, such companies may face the problem of foreign currency
for the purchase of ships abroad. Joint venture operations could be a possible solution. The latter should be encouraged since the contribution from the already established company may be in the form of vessels themselves or foreign currency.

The second source of finance consists of raising capital by issuing shares on the public and private market. This could include in some cases, partial foreign investments by foreign joint venture partners. Such a source may not be successful because many people think, rightly or wrongly, that shipping has a low degree of profitability, although it is known that the luckiest ones may get, at times, very high profits. Other people are reluctant because of competition of shipping with other means of transport such as rail and road, particularly rail transport whose tariffs are generally competitive.

Another source of finance is the local development banks and any other development institutions. In many countries, governments have created such companies which can help investors who present them viable projects. In Burundi for instance, there are the National Bank for Economic Development and the Burundi Financing Company. It goes without saying that potential investors should not expect to get the whole amount of money they need from these institutions which, apart from being local and having no branch abroad to ease foreign exchange transactions, have limited financial means, compared to shipping investment needs.

The fourth source of finance consists of the shipbuilding industry credits. According to the World Bank, with this source, purchasers may receive loans of 70 to 80% of the
price of the ship at a reasonable interest rate varying from 5 to 8% and repayable between eight and ten years in equal annual or semi-annual instalments. For this source of finance however, no period of grace is allowed. Some of the comments which could be made here are that this source of finance is limited to the construction of new buildings and cannot be applied to the purchase of second hand vessels the prices of which are always lower.

Subsequently, placing orders in the lending country deprives developing countries of the opportunity to buy ships from yards offering the best prices. They buy at a price above world market level from non-competitive yards. As they usually have no other choice, they will accept these conditions. After all, they know or should know that if such a scheme is intended to develop their merchant marines, it also aims at assisting shipbuilding industries in the donor countries. This is why there should not be any surprise when at times, developing countries may feel obliged to buy at a high price, vessels which are cheaper in a different place.

The last group of source of finance to be mentioned deals with international financial or development institutions. Such organizations include the IBRD, the IDA and the IFC. It is believed that these organizations are not very active as far as loans to developing countries for purchasing vessels are concerned.

For the case of the IBRD for instance, although transportation was the largest sector which borrowed money from there a couple of years ago, the most important loan went to rail and road transport. Only a small part went to port improvements. In this part, it is interesting to
mention that in general, this institution finances only the foreign exchange part of the project. However, it does not lend much but offers a period of grace depending on the nature of the project. The period of repayment depends on the lifetime of the project. The interest rate which varies between 4 and 6% is rather low.

The IDA, affiliate of the IBRD, offers more liberal terms and considers a wider range of projects. The IFC, another affiliate of the IBRD encourages the growth of private enterprises. It does not invest in government owned or controlled companies. To these institutions, other affiliates of the IBRD worldwide could be added, including the ADB as far as the African continent is concerned.

After having described some of the main sources of finance for shipping, it is worth knowing factors which should influence the choice of loan finance to be used. These include the length of loan period, the costs of the money including costs other than interest, the possibility of having grace periods and the foreign exchange implications of the loan. The watchword should be the lowest cost and the maximum flexibility of repayment.

For a new owner however, raising finance is very difficult in spite of possibilities which may be arranged for him. The risks of lending to new owners are said to be higher than those of lending to the already established firms. This becomes even worse if the new entrant comes from a country having no maritime tradition. In this case, owing to the fact that difficulties are increased, government and public guarantees may be required before obtaining a loan. As it is generally believed by World Bank sources, financing as such is available on commercial
One of the major problems for developing countries is the terms and conditions of such credits. Each country will strive to fulfill the minimum requirements needed for attracting credits and loans. It should be the role of the Ministry of Transport to get familiar with the kind of required guarantee so that it may become more useful than before for possible investors who would be in need of such services. Needless to say that it will have to work in conjunction with other departments concerned including the departments of External Trade, Planning, Finance, the Central Bank and different financial institutions.

4.3. IMPROVEMENT OF THE CAPACITY OF GETTING LOANS

Developing countries are in need of many things and in particular mostly money. To get it, particularly from abroad, they have to fulfill written and non-written requirements. No financial institutions, be they private or public, local, regional or international, have money to waste. They will never lend money without being sure that they will be paid back by the debtors. This may explain why the loan documentation is so detailed and covers all the foreseeable eventualities.

Apart from that, it is important for creditors to have a legal framework in which their interests will be dealt with, with a maximum protection, an adequate degree of freedom for raising reserves. Furthermore, it is the wish of the creditors that receipts in foreign exchange be treated with a fair degree of freedom.

Regarding the non-written requirements, political
stability, consistency and continuity of adopted economic policies are very important elements all creditors take into consideration. These elements make the lenders feel more confident. If there is no political stability for instance, the stream of governments and decision makers who succeed each others may not have the time, the power or even the political will to design, adopt and apply policies capable of facilitating financing and encouraging investments. Some of them may be mostly concerned with filling up their own purses, through misappropriation of public funds, before a possible sudden change takes place after which they may be turfed out without any notice.

Another factor is that creditors want to deal with experienced and trustworthy decision makers in developing countries. This is not easy in situations of permanent changes, particularly when new appointments are not based on objective criteria, and do not take into consideration the real needs of different services when it comes to replacing some of the decision makers.

Notes:

CHAPTER 5: EFFORTS FOR THE IMPROVEMENT OF THE USE OF THE CENTRAL CORRIDOR

5.1. ACTIONS UNDER WAY
In this part, the author will talk about some of the actions which have been undertaken and others which should be undertaken for a better exploitation of the central corridor transport system.

5.1.1 GENERAL COMMENTS ON SOME OF THE ACTIONS UNDER WAY
Many studies have been carried out regarding transport in Burundi. These studies were related to road transport, air transport, water transport, and to some extent, rail transport within the KBO organization projects dealt with by Burundi, Rwanda, Tanzania and Uganda. What all those studies had in common was the aim of making each of those different means of transport contribute to solving or alleviating the thorny problem of landlockedness, at internal and external levels.

Regarding water transport, the central corridor played a very important role in the past. Until 1978, it was receiving nearly all of our imports and exports. Actions which are being undertaken do not seem to be oriented to giving the central corridor its traditional importance, but merely to transforming it into an alternative way for the diversification of the routes to or from the Indian Ocean.

Such actions have been carried out inter alia through the study related to the "Master Plan of the Port of Bujumbura". This study includes the development of the port area and wants to highlight different components to be tackled, prerequisites for a better exploitation of the
"inland sea". Among these components, there is the identification of the space reserved for building a modest shipyard or an assembling unit. It is in that shipyard that work related to maintenance and repair of the existing merchant fleet and the industrial fishing vessels will be carried out. On the other hand, it could be used to assemble new vessels which will gradually replace the old ones.

Furthermore, the master plan will define the part of the port area which will be paved, look into the project of constructing a stacking area for containers, dredge the port and separate different activities from the port area for more safety and more efficiency. The plan will also provide proposals regarding the possible solution to the narrowness of the port area and the entrance channel.

Additional projects in connection with the use of the lake included the construction of a fishing port and an alternative port to the only existing commercial port of Bujumbura. Concerning the alternative commercial port however, it was finally found that it is not needed in the short run. This is due to the fact that the existing equipment and infrastructures will be sufficient up to the year 2000 at least.

As for the project consisting of having a fishing port, the proposal was maintained. The initially proposed location of that port was Banda (Nyanza Lac) in the southern part of the country, at about 130 km from Bujumbura and 50 km from the Tanzanian port of Kigoma. In the last few years, Banda had attracted many people who started running their business there. This could be one of the ways of justifying the project.
However, owing to the then prevailing internal situation of permanent fear and mistrust towards the neighbouring countries, the newly created centre where private fishing businesses were being run was suddenly destroyed five years ago, on the pretence of illegal trade which could be otherwise contained. Development is impossible when there is no real cooperation between departments within the same government. It can not be achieved when politics wants to apply a negative interference into the social and economic development plan. Now that mutual trust with neighbours is being revived and that good neighbourliness is becoming a reality, the Ministry of Transport can successfully resume its planning of having a fishing port in Banda.

5.1.2. PRIORITY TO THE CONTAINER TRANSPORT SYSTEM

In developing countries, the identification of priorities among different projects is a serious problem. It is generally difficult to choose from their projects which ones should be given priority since they have got a good number of other priorities. They have to select the first priority from so many others. In 1984, after a long discussion as to what should be given priority between the different transport systems with regard to transport development on the lake in the short run, it was finally decided by the government after conclusive studies conducted by technical service offices concerned, that priority should be given to the container transport system.

The long reluctance before a final decision could be taken was probably due to the numerous disadvantages, various means of transport, including the container transport system itself presented. As far as the container system
is concerned, it is considered that it comprises a significant investment. A container vessel is very expensive, be it for general cargo or for specific cargo which is of course much more expensive. Moreover, to become operational, each container vessel needs three sets of containers: one set at each terminal and one on board ship. Even an ordinary container is a very expensive item of equipment. Special containers such as reefers are much more expensive. Containers have a relatively short lifetime (seven years) during which maintenance and repair work is needed.

Besides, additional expenses would be needed. Special terminals must be built and expensive high speed cranes bought. Additional machines would also be bought to move the containers around the terminal. There is also a risk of non-profit in case of an imbalanced trade in containerisable cargo in both ways.

In spite of all these disadvantages the list of which is not exhaustive, it was worth adopting the system due to the vulnerable geographical position of the country and the frequent transhipments to which its imports and exports are subject, particularly in the ports of Kigoma and Dar-es-salam. This implies that the effectiveness of the container transport system will depend on the quality of coordination of transport operations notably within services in those specific ports.

Thanks to containerisation, it is hoped that in the long run, there will be a door-to-door service. In normal working conditions, there should be speed and economy in handling operations in the transit ports. Even though the case study shown earlier regarding the use of containers
in the region was somehow disappointing. As for speed of operations and reduction of manpower, according to Professor Patrick M. Alderton, one gang of 12 or 13 men can discharge and load a container ship in 3 or 4 days instead of 100 men taking 3 or 4 weeks.

Containerisation leads to the avoidance of congestion and its litany of consequences which has become almost "normal" in many ports of the developing world. It should be pointed out however that congestion does not exist only in developing countries. At some time or another, any port from either developed or developing countries is likely to suffer from congestion. Without congestion, a port becomes reliable since goods no longer suffer from delays. The same may apply to the receivers' premises where reduction in time will lead to reduction in stocks. This positively affects the amount of capital being bound in the transporting and stocking function of the cargo delivery process.

Through containerization, the cargo is physically protected against bad weather and pilferage. However, this protection is better ensured if sweating to which some commodities like coffee may be subject, has been taken care of. The physical protection of the cargo would also normally lead to a reduction of respective insurance cost.

Normally, container services achieve faster door-to-door transit times. Nonetheless, considering the study referred to earlier in Chapter 3, Burundi has not benefited from this advantage yet. This is due to bottlenecks existing in one or two links of the transport chain. In order to be efficient, containerisation requires a non interrupted flow of traffic from a means of transport to another.
Ports should not be stockpiling areas for cargoes in transit as this has often been the case for the port of Dar-es-salam.

The three graphs (from Port Management Textbook) given in Annex 3 show advantages for the container system over the other systems to which it is compared. Nonetheless, the adoption and the continuation of the container transport system should not be considered as the panacea for all shipping and cargo handling problems. This is why such a project should be, whenever necessary, readjusted as far as investment timing is concerned, until the requirements for proper coordination along the route are met.

For this, it may be important to be informed about some investment programmes in neighbouring countries. It was important for the government to know for instance that in the port of Dar-es-salam, cargo equipment was often making the availability and the service ability below 50% of the requirements when the container system was adopted.

This was partly due to the fact that cargo handling equipment was meant for handling conventional cargo. Nowadays, things are changing with the conversion of some berths into a full container terminal. It was after that port was identified as the main bottleneck of the chain link, as far as the free flow of containerised cargo is concerned that a development programme for 89 million dollars was secured by the World Bank.

The main components of this programme are the following:
- setting up of modern facilities for container operations through the conversion of three of the existing general cargo quays;
- purchase of modern equipment for container operations;
-training and presence of technical assistance to the Tanzania Harbours Authority personnel with a view to launching the new college of Bandari dealing with port activities, improving the maintenance and control of mechanical equipment.

Although the port of Dar-es-salam is considered as the main bottleneck, it is not the only one. This is why a concerted action is needed between the port of Dar-es-salam, the railway services, the ports of Kigoma and Bujumbura and the Arnolac shipping company, to achieve a non interrupted flow of traffic, through a good communication system and a reliable transport network, so that transiting countries take more advantage of the benefits of containerisation. This could be achieved after the signing, by the four interested states, of the Central Corridor Transit Agreement, the draft of which was made available a few years ago by competent services thanks to finance from EDF.

The aim of this agreement is the replacement of the Belbase agreement, fruit of colonial cooperation between colonial powers. However, the draft which was prepared a few years ago by SITPRO in conjunction with other design offices go further in the sense that the convention extends to other variations of the corridor. It includes for instance the route Bujumbura-Isaka-Tabora-Dar-es-salam which will become operational after the completion of the construction under way of the route Kigali-Rusumo-Isaka going from Rwanda to Tanzania, and the terminal for transhipment from road to rail and vice-versa.

In the same way, the port of Tanga which could be used to some extent as an alternative to the port of Dar-es-salam
has been included in the draft agreement. It is understood that documents which would be used in the port of Dar-es-salam should also apply to the port of Tanga which, due to the limited traffic, obviously presents less difficulties. As a matter of fact, this port is so far mainly used for the export transit cargo from Uganda. However, due to the foreseeable expansion of ZBR trade, it may be useful for those countries in the future. This is why it has been included in the aforesaid draft agreement. Another reason is that it is possible that Uganda adhere in the future to this convention.

5.2. PROPOSED ACTIONS

Many things can be proposed to the government regarding the improvement of the existing projects and those which could be undertaken. As far as the lake transport is concerned, the government should look for ways and means to better exploit Lake Tanganyika for transport purposes, if need be, in conjunction with the other countries using the lake for carrying both passengers and cargo.

It is important to see for instance, how far vessels from neighbouring countries could, at times, secure Burundi’s cargo in ports if for any reason Arnolac vessels are not around. It is also important to look for appropriate ways and means so that the port of Bujumbura is visited, more than before, by vessels belonging to neighbouring countries. This may generate a non negligible source of income. Furthermore, the existing carriage of cargo should be supplemented by the carriage of tourists and passengers, including more and more Burundians for whom travelling on board ships, even on their internal lake, seems forbidden. The statistics from the Department of
Waterways are very clear on this purpose although they are not included in this paper.

The continuation of the existing projects, particularly the signing of the Central Corridor Transit Agreement which presents so many advantages for our non-coastal states should be encouraged. This agreement has been meticulously prepared with reference to many international regulations dealing with non coastal state issues. These include the 1921 Barcelona Convention and Statute on Freedom of Transit (see annex 4), the 1965 New-York Convention on Transit Trade of Landlocked States (see annex 5), the 1973 Kyoto Convention for the Simplification and the Harmonization of Customs Formalities, the 1980 Geneva International Convention on Multimodal Transport of Goods, the 1982 United Nations Convention on the Law of the Sea (see annex 6) and so forth.

That agreement should be looked into very carefully with a view to signing it and ratifying it after operating all the necessary amendments agreed upon by the contracting parties. Although some of the above mentioned conventions have not been ratified by the different parties concerned, they contain useful international rules which may help in achieving bilateral or multilateral agreements between transit and transiting states.

This step would be followed by further bilateral negotiations with Tanzania so as to have own means of transport operating along the traditional route through the Tanzanian territory. This would primarily include the tank wagons for the carriage of imported petroleum products from which so many earnings could be obtained as could be seen in the third chapter of this paper.
At this juncture, the joint technical committee on Transport and Communications created in 1977 should try to become more active once it has a basis for conducting its negotiations. In the near future, it should be the role of the Ministry of Transport to do its utmost, whenever possible, to make sure that it becomes a reality for Burundi to own and exploit, totally or partially at least, its means of transport, particularly for carrying its petroleum products.

For the other types of cargo, international transport should also be better organized. This can be done through gradual adoption of the multimodal transport system which could make containerisation more efficient. Our external trade is largely carried under traditional segmented transport arrangements in which unimodal carriers participate. Each carrier is responsible for carrying cargo on a section of the whole chain: road, lake, rail and sea.

Very often, this kind of segmented transport causes uncoordinated transport and, consequently increased total transport costs. It is segmented transport that causes the country not having adequate control over the chain. This is due to limited participation in the transport process and the remoteness of operators or decision makers from the transport sector.

Thanks to multimodal transport operations, the trade could be dominated by multimodal transport operators who would be responsible, from origin to destination, of the cargo carried under a single contract of carriage: the multimodal transport contract. In this case, individual
transport modes would become complementary rather than substitutionary. Each mode would be employed at its best. It would become easier to have control over cargo movements and to identify without much difficulty where the weaknesses are along the whole transport chain which is being taken care of by one single multimodal transport operator. The multimodal transport concept and the multimodal transport convention create an organizational and legal framework for the container transport system.

Besides, in shipping, Burundi should try to see to what extent it could take advantage of its rights of access to the sea. If shipping at sea is a natural privilege for all coastal states, it should be recalled that the landlocked countries have also got their rights, the ocean being described as free for all mankind. This implies that all people should have access to the shores of the ocean and the right to navigate all the navigable waters of the ocean.

UNCTAD recognizes that the right of each landlocked state is an essential for the expansion of international trade and economic development. For this, principle 2 of the 1965 New York Convention referred to above (Annex 5) says that "in territorial and on internal waters, vessels flying the flag of landlocked countries should have identical rights, and enjoy treatment identical to that enjoyed by vessels flying the flag of coastal states other than the territorial state"(13).

Other precautions are also suggested by this convention regarding the freedom of transit, emphasizing thus the statute on freedom of transit already pointed out by the 1921 Barcelona Convention. In article 2 for instance, the
latter specifies the necessity of facilitating free transit by rail or waterways. It adds that no distinction should be made which would be based on the nationality of persons, the flag of the vessel, the place of origin, departure, entry, exit or destination, or on any circumstances relating to the ownership of goods or vessels, coaching or goods stock or other means of transport.

In the same way, in its Part X, from article 124 to 132, the 1982 United Nations Convention on the Law of the Sea elaborates on the right of access of landlocked states to and from the sea and the freedom of transit (Annex 6). The article 125 of UNCLOS says that landlocked states shall enjoy freedom of transit through the territory of transit states by all means of transport. It adds however that the terms and modalities for exercising freedom of transit shall be agreed between the landlocked states concerned through bilateral, subregional or regional agreements.

This is a clear invitation for signing the Central Corridor Transit Agreement we have already talked about.

As for articles 129 and 130, they talk about cooperation in the construction and the improvement of means of transport, the measures to avoid or eliminate delays or other difficulties of a technical nature in transit traffic and so forth.

Both conventions imply the possibility for landlocked states to have, if need be, their own means of transport operating through neighbouring countries, for the carriage of their external trade.
5.3 NEED FOR REGIONAL AND INTERNATIONAL COOPERATION

To take advantage of those rights, as far as shipping is concerned, it has to be done through regional and/or international cooperation. This can be explained by the fact that individually, most of developing countries are very weak from different points of view: lack of capital, insufficient cargo to carry in both ways throughout the year, lack of technical expertise needed for good management and so forth.

There may be complementarity between poor countries themselves on the one hand, between rich and poor countries on the other. United, poor countries become strong. They become even stronger when they unite to cooperate with rich countries. The main problem of capital which is crucial for poor countries does not exist in the rich countries. This also applies to technology and management know-how.

On the other hand, labour which is very expensive in the developed world, at least as far as seamen are concerned, is very cheap in developing countries. This shows that a real international cooperation is needed between such groups of countries. This can be done within the framework of a joint venture between a group of countries like the PTA member states (part or the whole group) and one of the well known conferences usually calling to PTA member states' ports of the Indian Ocean.

The creation of such a multinational joint venture in shipping and to which Burundi could be an integral part would present, in the long run, many advantages. In the first place, it would ease the availability of financial
means for investments in that sector. For a group of countries which decide to work together, it becomes easier to have access to finance from different regional or international sources like the regional banks or the international institutions for development. This also applies in the case of regional groupings between developing countries themselves. When there is cooperation between a developing region and a country from the developed world, loans may be easily obtained under even more flexible conditions.

Secondly, this kind of cooperation in shipping will lead to the reduction of commercial and technical risks. The commercial risks which may result from the uncertainty of the shipping business will be borne by the different members of the group. At the individual level, the loss may become lighter.

The other advantage is the acquisition of competent workers, technical expertise and know-how at different levels. Workers can be recruited from different member states which individually could hardly have the required personnel for a specific job. Recruiting managers, officers and other members of the crew from many countries for instance, gives the new group a chance to have well selected and more competent workers.

Even when they are not available, it becomes easier to train them at a regional level following the needs of the region as a whole instead of having a country acting individually. In case of the presence of a country from the developed world, it becomes possible for workers from the group to acquire the quality of the management, the transfer of technology and experience from the other
world. This is very important for the future of developing countries's companies when for any reason, the contract comes to its end and that the former jointly owned company is taken over.

It is worth mentioning here that international cooperation does not profit only from developing countries. As mentioned earlier, if the latter suffer from lack of know-how, the developed countries suffer from very high costs of labour which become available at much lower costs in case of multilateral cooperation.

The last advantage the author would like to discuss is the possibility of having many sources of cargo. For small countries with insignificant quantity of cargo, the creation of joint ventures, preferably in liner shipping, is a very important way, if not the only one, to effectively participate in the maritime transport. This could also allow them to take advantage of the UCTAD Code of Conduct for Liner Conferences which is designed not only to regulate the practices of liner conferences throughout the world, but also to develop the 40:40:20 formula.

This formula is designed to share out liner cargo services more equitably on a 40% export state, 40% import state, 20% crosstrade basis. It may be useful for developing countries which wish to build up their national or regional fleets. The West African Economic Community has well understood the message of cooperation in shipping when during one meeting "the ministerial conference reportedly has decided that for the purposes of the convention on a code of conduct for liner conferences, West Africa should be treated as a single maritime
Such a good project initiated by West Africa, could be taken as a model for the PTA member states, whose maritime policy at the regional level does not seem clear so far. There is of course place for hope, even though those countries have got so many vital priorities. There is hope that importance will be given to a more cooperative shipping policy which will lead to negotiations and cooperation with shipping conferences, to consultations between the latter and the regional shippers' council or various chambers of commerce and industry with regard to the adequacy of shipping services, the possibility of creating or improving regional institutions for maritime training and so forth.

Notes:
(13) Report on the U.N Conference of Plenipotentiaries on Transit Trade of Landlocked Countries, TD/B/18, p.2

CONCLUSIONS AND RECOMMENDATIONS

Through this paper, it could be seen that Burundi is a small and poor country. It is classified among the least developed countries. Its non development is not only due to the many factors poor countries have in common, but also to its unfavorable geographical situation. This causes its economy much dependence on the good will of the neighbouring countries through which its external trade passes to/from the overseas markets.

In this paper, the author has tried to show that if landlockedness is added to the different factors of underdevelopment common to all poor countries, it becomes harder for a country concerned like Burundi to achieve development. Exceptional efforts are needed from different sectors which should try to work hand in hand to reach a stage towards development.

As a matter of fact, the banes the population is suffering from such as poverty, be it real or mental, illiteracy, unemployment, lack of energy, inadequacy of transport infrastructures and the like, have no miraculous cure. Neither has landlockedness. Efforts have to be made from different fields, combining endeavours from political, economic, social and environmental activities in order to try to alleviate the very heavy burden of under-development.

As far as landlockedness is concerned, it is one more important factor of under-development. It is well known that it hampers the external trade. This is why the government has been looking for ways and means of
alleviating this problem which, for the time being at least, cannot completely disappear. Some solutions have been found and applied. Others which have been proposed should not be put into the decision makers' drawers where they run the risk of being covered by dust and then forgotten. A follow-up is always needed even without being sure of success. The central corridor transport system has proved at different occasions through different studies, to be the most economical route which may allow Burundi to make palpable savings and, at the same time, provide the consumers with goods offered at reasonable prices.

Furthermore, it is of paramount importance that the Ministry of Transport be represented by an official in Dar-es-salam who should be quite familiar with international transport issues the country is faced with. Thanks to his knowledge of such problems, he should be able to take initiatives and provide the Ministry of Transport with the information needed to improve the flow of traffic and reduce the long transport delays prevailing on the central corridor.

He would have to work so as to identify and give precise information regarding the different bottlenecks for which, as could be seen in this paper, data are not readily available in the Ministry he would be representing. For more efficiency, there should not be any confusion between this official and any Burundian diplomats working in Dar-es-salam. He would work, not as a diplomat, but a technician.

The signing and ratification of the Central Corridor Transit Agreement which will hopefully take place before
long, should be followed by concrete measures for a better exploitation of that route. These could include the rational exploitation of Lake Tanganyika with vessels in good condition for the carriage of cargo and passengers, the possible cooperation between companies exploiting the lake, the possibility of having their own means of transport, particularly tank wagons in the transit country and so forth.

Efficient shipping on the lake should be encouraged and incentives granted, to make the existing equipment and infrastructure profitable. There is an obvious need for rehabilitating, modernizing, or better, replacing, little by little, the extremely timeworn fleet operating on Lake Tanganyika.

Regional cooperation within part of or all of PTA member states should allow Burundi to participate to the international transport in the Indian Ocean, through the possible creation of a jointly owned multinational shipping company. In joining such a company, it could take advantage of its rights of access to the sea in spite of its landlockedness.

For the achievement of all these objectives however, financial means are needed. These can be available under specific terms and conditions which are not insuperable, especially when countries decide to adhere to the same geographical economic area. A united group becomes stronger and improves the capacity of raising money under competitive terms. However, this union begins at home, in local institutions, in people's respect towards other people's property and the mutual confidence between all the parties involved in any kind of investment.
Then, the follow-up of any projects planned or undertaken is of paramount importance. There is no need to have projects for the sake of having them. The regular follow-up will show us how far to go on, modify or stop activities undertaken before it is too late. This requires, from the Burundian society, a change of mentality so as to avoid critique like the following regarding one of Burundi's national companies:
"Air Burundi had two international flights a week when I lived in Africa, both to Nairobi. It lost 12,000 dollars on each round trip, but Burundi, one of the world's ten poorest nations, refused to suspend the service because it wanted the prestige of being an international carrier"(15).

When designing projects particularly in shipping which is full of risks and uncertainties, it is important to know that a failure may occur. A permanent follow-up is needed. It may be carried out through the updating of information relevant to a particular study. In case of foreseeable failure, planners should be realistic and brave enough to take advantage of other people's experience so that they prevent, before it is too late, too heavy investment losses.

To conclude this paper, the following elements should be summerized and highlighted as recommendations:
- the continuation of training programmes in the transportation sector at WMU or elsewhere;
- the awareness of the need for common endeavours from all the various sectors of development activities for establishing coherent transport policies in more attractive and favourable conditions through a drastic change of mentality;
- the signing and the ratification of the central corridor Transit Agreement followed by effective implementation measures;
- the effective and non symbolic representation of the Ministry of Transport in the port of Dar-es-salam for the good identification, monitoring and control of transport bottleneck evolution;
- encouragement and support of public, semi-public and/or private investments along the central corridor;
- the effective and resolute adoption of regional and international cooperation in the transportation sector;
- the regular follow-up of the various projects undertaken by the Ministry in conjunction with other services involved in transport activities.

Note:
(15): David Lamb,
# ANNEX I

## ABBREVIATIONS

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADB</td>
<td>African Development Bank</td>
</tr>
<tr>
<td>ARNOLAC</td>
<td>Armement du Nord du Lac (Shipping Company)</td>
</tr>
<tr>
<td>BCC</td>
<td>Burundi Coffee Company</td>
</tr>
<tr>
<td>C.C</td>
<td>Central Corridor transport system</td>
</tr>
<tr>
<td>ECA</td>
<td>Economic Commission for Africa</td>
</tr>
<tr>
<td>EDF</td>
<td>European Development Fund</td>
</tr>
<tr>
<td>EEC</td>
<td>European Economic Community</td>
</tr>
<tr>
<td>GAAT</td>
<td>General Agreement on trade and Tariffs</td>
</tr>
<tr>
<td>IBRD</td>
<td>International Bank for Reconstruction and Development</td>
</tr>
<tr>
<td>IDA</td>
<td>International Development Agency</td>
</tr>
<tr>
<td>ILO</td>
<td>International Labour organization</td>
</tr>
<tr>
<td>IMF</td>
<td>International Monetary Fund</td>
</tr>
<tr>
<td>KBO</td>
<td>Kagera Bassin Organisation</td>
</tr>
<tr>
<td>N.C</td>
<td>Northern Corridor transport system</td>
</tr>
<tr>
<td>OAU</td>
<td>Organisation of African Unity</td>
</tr>
<tr>
<td>OTRABU</td>
<td>Office des Transports du Burundi (Burundi International Transport Company)</td>
</tr>
<tr>
<td>PTA</td>
<td>Preferential Trade Area for eastern and southern part of Africa</td>
</tr>
<tr>
<td>UNCTAD</td>
<td>United Nations Conference on Trade and Development</td>
</tr>
<tr>
<td>UNDP</td>
<td>United Nations Development Programme</td>
</tr>
<tr>
<td>UNO</td>
<td>United Nations Organisation</td>
</tr>
</tbody>
</table>
ANNEX 2

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Handling Sequences According to Types of Cargo

<table>
<thead>
<tr>
<th>Handling</th>
<th>Cargo</th>
<th>Break Bulk</th>
<th>Preslunrg</th>
<th>Units</th>
<th>Containers</th>
</tr>
</thead>
<tbody>
<tr>
<td>From Place of Origin</td>
<td></td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>To Warehouse</td>
<td></td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>To Unitizing</td>
<td></td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>To Ship's rail</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>To Module (Container)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sea Transport</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>From Ship</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>To Module (Container)</td>
<td></td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>To Unit</td>
<td></td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>To Warehouse</td>
<td></td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>To Module</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>To Place of Destination</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>11</td>
<td>9</td>
<td>7</td>
<td>5</td>
</tr>
<tr>
<td>Gang Type</td>
<td>Full manned handling gang</td>
<td>Reduced gang</td>
<td>Mechanized Reduced gang</td>
<td>Fully mechanized handling, Minimum manpower required</td>
<td></td>
</tr>
</tbody>
</table>

Graph 2
Suitability Determined by Types of Cargo

<table>
<thead>
<tr>
<th>Type of Vessel</th>
<th>Package Form</th>
<th>General Cargo</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Container</td>
<td>Unit</td>
</tr>
<tr>
<td>Lo-Lo</td>
<td>X X X X X</td>
<td>X X X X X X X</td>
</tr>
<tr>
<td>Ro-Ro</td>
<td>X X X X X</td>
<td>X X X X X X X</td>
</tr>
<tr>
<td>Modern Conventional</td>
<td>X X</td>
<td>X X X X X X X</td>
</tr>
<tr>
<td>Log/Bulk</td>
<td>X X X X X</td>
<td>X X</td>
</tr>
<tr>
<td>Lumber/Bulk</td>
<td>X X X X X</td>
<td>X X X X X X X</td>
</tr>
<tr>
<td>Liner Replacement</td>
<td>X X X X X X X</td>
<td>X X X X X X X</td>
</tr>
<tr>
<td>Ungeared Bulk</td>
<td>X X X X X</td>
<td>X X</td>
</tr>
</tbody>
</table>

* Practically all items can be containerized and maximum handling efficiency obtained

x x x x x Optimal
x x x x Good
x x Not advisable
### Graph 3

**General Cargo Protection against Perils**

<table>
<thead>
<tr>
<th>Type of Module</th>
<th>Protection of Cargo against Perils of</th>
<th>Port Storage Requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>General Cargo</td>
<td>Weather</td>
</tr>
<tr>
<td>Containers</td>
<td></td>
<td>XXXXXX</td>
</tr>
<tr>
<td>Units</td>
<td></td>
<td>XXXX</td>
</tr>
<tr>
<td>Palleting</td>
<td></td>
<td>XXX</td>
</tr>
<tr>
<td>Light Break Bulk</td>
<td></td>
<td>XX</td>
</tr>
</tbody>
</table>

- XXXXXX: Optimal
- XXX: Good
- XX: Acceptable
- X: Not Acceptable
- X X: Risky

*Note: Only containers can be handled in all kinds of weather.*

*Source: EAC*
A. CONVENTION

Article 1

The High Contracting Parties declare that they accept the Statute on Freedom of Transit annexed hereto, adopted by the Barcelona Conference on 14 April 1921.

This Statute will be deemed to constitute an integral part of the present Convention. Consequently, they hereby declare that they accept the obligations and undertakings of the said Statute in conformity with the terms and in accordance with the conditions set out therein.

Article 2

The present Convention does not in any way affect the rights and obligations arising out of the provisions of the Treaty of Peace signed at Versailles on 28 June 1919, or out of the provisions of the other corresponding Treaties, in so far as they concern the Powers which have signed, or which benefit by, such Treaties.

Article 3

The present Convention, of which the French and English texts are both authentic, shall bear this day's date and shall be open for signature until 1 December 1921.

Article 4

The present Convention is subject to ratification. The instruments of ratification shall be transmitted to the Secretary-General of the League of Nations, who will notify the receipt of them to the other Members of the League and to States admitted to sign the Convention. The instruments of
In order to comply with the provisions of Article 18 of the Covenant of the League of Nations, the Secretary-General will register the present Convention upon the deposit of the first ratification.

**Article 5**

Members of the League of Nations which have not signed the present Convention before 1 December 1921 may accede to it.

The same applies to States not members of the League to which the Council of the League may decide officially to communicate the present Convention.

Accession will be notified to the Secretary-General of the League, who will inform all Powers concerned of the accession and of the date on which it was notified.

**Article 6**

The present Convention will not come into force until it has been ratified by five Powers. The date of its coming into force shall be the ninetieth day after the receipt by the Secretary-General of the League of Nations of the fifth ratification. Thereafter the present Convention will take effect in the case of each Party ninety days after the receipt of its ratification or of the notification of its accession.

Upon the coming into force of the present Convention, the Secretary-General will address a certified copy of it to the Powers not Members of the League which are bound under the Treaties of Peace to accede to it.

**Article 7**

A special record shall be kept by the Secretary-General of the League of Nations, showing which of the Parties have signed, ratified, acceded to or denounced the present Convention. This record shall be open to the Members of the League at all times; it shall be published as often as possible in accordance with the directions of the Council.

**Article 8**

Subject to the provisions of Article 2 of the present Convention, the latter may be denounced by any Party thereto after the expiration of five years from the date when it came into force in respect of that Party. Denunciation shall be effected by notification in writing addressed to the Secretary-General of the League, who will inform all the other Powers of the date on which it was received.

The denunciation shall take effect one year after the date on which it was notified to the Secretary-General, and shall operate only in respect of the notifying Power.

**Article 9**

A request for the revision of the present Convention may be made at any time by one-third of the High Contracting Parties.

**B. STATUTE ON FREEDOM OF TRANSIT**

**Article 1**

Persons, baggage and goods, and also vessels, coaching and goods stock, and other means of transport, shall be deemed to be in transit across territory under the sovereignty or authority of one of the Contracting States, when the passage across such territory, with or without trans-shipment, warehousing, breaking bulk, or change in the mode of transport, is only a portion of a complete journey, beginning and terminating beyond the frontier of the State across whose territory the transit takes place.

Traffic of this nature is termed in this Statute "traffic in transit".

**Article 2**

Subject to the other provisions of this Statute, the measures taken by Contracting States for regulating and forwarding traffic across territory under their sovereignty or authority shall facilitate free transit by rail or waterway on routes in use convenient for international transit. No distinction shall be made which is based on the nationality of persons, the flag of vessels, the place of origin, departure, entry, exit or destination, or on any circumstances relating to the ownership of goods or of vessels, coaching or goods stock or other means of transport.

In order to ensure the application of the provisions of this Article, Contracting States will allow transit in accordance with the customary conditions and reserves across their territorial waters.
Traffic in transit shall not be subject to any special dues in respect of transit (including entry and exit). Nevertheless, on such traffic in transit there may be levied dues intended solely to defray expenses of supervision and administration entailed by such transit. The rate of any such dues must correspond as nearly as possible with the expenses which they are intended to cover, and the dues must be imposed under the conditions of equality laid down in the preceding article, except that on certain routes such dues may be reduced or even abolished on account of differences in the cost of supervision.

Article 4

The Contracting States undertake to apply to traffic in transit on routes operated or administered by the State or under concession, whatever may be the place of departure or destination of the traffic, tariffs which, having regard to the conditions of the traffic and to considerations of commercial competition between routes, are reasonable as regards both their rates and the method of their application. These tariffs shall be so fixed as to facilitate international traffic as much as possible. No charges, facilities or restrictions shall depend, directly or indirectly, on the nationality or ownership of the vessel or other means of transport on which any part of the complete journey has been or is to be accomplished.

Article 5

No Contracting State shall be bound by this Statute to afford transit for passengers whose admission into its territories is forbidden, or for goods of a kind of which the importation is prohibited, either on grounds of public health or security, or as a precaution against diseases of animals or plants.

Each Contracting State shall be entitled to take reasonable precautions to ensure that persons, baggage and goods, particularly goods which are the subject of a monopoly, and also vessels, coaching and goods stock and other means of transport, are really in transit, as well as to ensure that passengers in transit are in a position to complete their journey, and to prevent the safety of the routes and means of communication being endangered.

Nothing in this Statute shall affect the measures which one of the Contracting States may feel called upon to take in pursuance of national Conventions to which it is a party, or which may be concluded hereafter, particularly Conventions concluded under the auspices of the League of Nations, relating to the transit, export or import of particular kinds of articles, such as opium or other dangerous drugs, arms or the produce of fisheries, or in pursuance of general Conventions intended to prevent any infringement of industrial, literary or artistic property, or relating to false marks, false indications of origin, or other methods of unfair competition.

Any haulage service established as a monopoly on waterways used for transit must be so organized as not to hinder the transit of vessels.

Article 6

This Statute does not of itself impose on any of the Contracting States a fresh obligation to grant freedom of transit to the nationals and their baggage, or to the flag of a non-Contracting State, nor to the goods, nor to coaching and goods stock or other means of transport coming or entering from, or leaving by, or destined for a non-Contracting State, except when a valid reason is shown for such transit by one of the other Contracting States concerned. It is understood that for the purposes of this Article, goods in transit under the flag of a Contracting State shall, if no transshipment takes place, benefit by the advantages granted to that flag.

Article 7

The measures of a general or particular character which a Contracting State is obliged to take in case of an emergency affecting the safety of the State or the vital interests of the country may in exceptional cases, and for as short a period as possible, involve a deviation from the provisions of the above Articles; it being understood that the principle of freedom of transit must be observed to the utmost possible extent.

Article 8

This Statute does not prescribe the rights and duties of belligerents and neutrals in time of war. The Statute shall, however, continue in force in time of war so far as such rights and duties permit.

Article 9

This Statute does not impose upon a Contracting State any obligations conflicting with its rights and duties as a Member of the League of Nations.
Article 10

The coming into force of this Statute will not abrogate treaties, conventions, and agreements on questions of transit concluded by Contracting States before 1 May 1921.

In consideration of such agreements being kept in force, Contracting States undertake, either on the termination of the agreement or when circumstances permit, to introduce into agreements so kept in force which contravene the provisions of this Statute the modifications required to being them into harmony with such provisions, so far as the geographical, economic or technical circumstances of the countries or areas concerned allow.

Contracting States also undertake not to conclude in future treaties, conventions, or agreements which are inconsistent with the provisions of this Statute, except when geographical, economic or technical considerations justify exceptional deviations therefrom.

Furthermore, Contracting States may, in matters of transit, enter into regional understandings consistent with the principles of this Statute.

Article 11

This Statute does not entail in any way the withdrawal of facilities which are greater than those provided for in the Statute and have been granted, under conditions consistent with its principles, to traffic in transit across territory under the sovereignty or authority of a Contracting State. The Statute also entails no prohibitions of such grant of greater facilities in the future.

Article 12

In conformity with Article 23 (e) of the Covenant of the League of Nations, any Contracting State which can establish a good case against the application of any provision of this Statute in some or all of its territory, on the ground of the grave economic situation arising out of the acts of devastation perpetrated on its soil during the war 1914–1918, shall be deemed to be relieved temporarily of the obligations arising from the application of such provision, it being understood that the principle of freedom of transit must be observed to the utmost possible extent.

Article 13

Any dispute which may arise as to the interpretation or application of this Statute which is not settled directly between the parties themselves shall be brought before the Permanent Court of International Justice, unless, under a special agreement or a general arbitration provision, steps are taken for the settlement of the dispute by arbitration or some other means.

Proceedings are opened in the manner laid down in Article 40 of the Statute of the Permanent Court of International Justice.

In order to settle such disputes, however, in a friendly way as far as possible, the Contracting States undertake, before resorting to any judicial proceedings and without prejudice to the powers and right of action of the Council and of the Assembly, to submit such disputes for an opinion to any body established by the League of Nations, as the advisory and technical organization of the Members of the League in matters of communications and transit. In urgent cases, a preliminary opinion may recommend temporary measures intended, in particular, to restore the facilities for freedom of transit which existed before the act or occurrence which gave rise to the dispute.

Article 14

In view of the fact that within or immediately adjacent to the territory of some of the Contracting States there are areas or enclaves, small in extent and population in comparison with such territories, and that these areas or enclaves form detached portions or settlements of other parent States, and that it is impracticable for reasons of an administrative order to apply to them the provisions of this Statute, it is agreed that these provisions shall not apply to them.

The same stipulation applies where a colony or dependency has a very long frontier in comparison with its surface and where in consequence it is practically impossible to afford the necessary Customs and police supervision.

The States concerned, however, will apply in the cases referred to above a regime which will respect the principles of the present Statute and facilitate transit and communications as far as practicable.

Article 15

It is understood that this Statute must not be interpreted as regulating in any way rights and obligations inter se of territories forming part or placed under the protection of the same sovereign State, whether or not these territories are individually Members of the League of Nations.
CONVENTION ON TRANSIT TRADE OF LAND-LOCKED STATES

(Adopted by the United Nations Conference on Transit Trade of Land-locked Countries at its 35th plenary meeting)

PREAMBLE

The States Parties to the present Convention,

Recalling that Article 55 of its Charter requires the United Nations to promote conditions of economic progress and solutions of international economic problems,

Noting General Assembly resolution 1028 (XI) on the land-locked countries and the expansion of international trade which, "recognizing the need of land-locked countries for adequate transit facilities in promoting international trade", invited "the Governments of Member States to give full recognition to the needs of land-locked Member States in the matter of transit trade and, therefore, to accord them adequate facilities in terms of international law and practice in this regard, bearing in mind the future requirements resulting from the economic development of the land-locked countries",

Recalling article 2 of the Convention on the High Seas which states that the high seas being open to all nations, no State may validly purport to subject any part of them to its sovereignty and article 3 of the said Convention which states:

1. In order to enjoy the freedom of the seas on equal terms with coastal States, States having no sea-coast should have free access to the sea. To this end States situated between the sea and a State having no sea-coast shall by common agreement with the latter and in conformity with existing international conventions accord:
   (a) To the State having no sea-coast, on a basis of reciprocity, free transit through their territory; and
   (b) To ships flying the flag of that State treatment equal to that accorded to their own ships, or to the ships of any other States, as regards access to seaports and the use of such ports.

2. States situated between the sea and a State having no sea-coast shall settle, by mutual agreement with the latter, and taking into account the rights of the coastal State or State of transit and the special conditions of the State having no sea-coast, all matters relating to freedom of transit and equal treatment in ports, in case such States are not already parties to existing international conventions.

Reaffirming the following Principles adopted by the United Nations Conference on Trade and Development with the understanding that these Principles are interrelated and each principle should be construed in the context of the other Principles:

**Principle I**

The recognition of the right of each land-locked State of free access to the sea is an essential principle for the expansion of international trade and economic development.

**Principle II**

In territorial and on internal waters, vessels flying the flag of land-locked countries should have identical rights, and enjoy treatment identical to that enjoyed by vessels flying the flag of coastal States other than the territorial State.

**Principle III**

In order to enjoy the freedom of the seas on equal terms with coastal States, States having no sea-coast should have free access to the sea. To this end States situated between the sea and a State having no sea-coast shall, by common agreement with the latter, and in conformity with existing international conventions, accord to ships flying the flag of that State treatment equal to that accorded to their own ships or to the ships of any other State as regards access to seaports and the use of such ports.

**Principle IV**

In order to promote fully the economic development of the land-locked countries, the said countries should be afforded by all States, on the basis of reciprocity, free and unrestricted transit, in such a manner that they have free access to regional and international trade in all circumstances and for every type of goods.
Means of transport in transit should not be subject to special taxes or charges higher than those levied for the use of means of transport of the transit country.

Principle V

The State of transit, while maintaining full sovereignty over its territory, shall have the right to take all indispensable measures to ensure that the exercise of the right of free and unrestricted transit shall in no way infringe its legitimate interests of any kind.

Principle VI

In order to accelerate the evolution of a universal approach to the solution of the special and particular problems of trade and development of land-locked countries in the different geographical areas, the conclusion of regional and other international agreements in this regard should be encouraged by all States.

Principle VII

The facilities and special rights accorded to land-locked countries in view of their special geographical position are excluded from the operation of the most-favoured-nation clause.

Principle VIII

The principles which govern the right of free access to the sea of the land-locked State shall in no way abrogate existing agreements between two or more contracting parties concerning the problems, nor shall they raise an obstacle as regards the conclusions of such agreements in the future, provided that the latter do not establish a regime which is less favourable than or opposed to the above-mentioned provisions.

Have agreed as follows:

Article 1. Definitions

For the purpose of this Convention,
(a) the term “land-locked State” means any Contracting State which has no sea-coast;
(b) the term “traffic in transit” means the passage of goods including unaccompanied baggage across the territory of a Contracting State to a land-locked State and the sea when the passage is a portion of a complete journey which begins or terminates within the territory of that land-locked State and which includes sea transport directly preceding or following such passage. The trans-shipment, warehousing, breaking bulk, and change in the mode of transport of such goods as well as the assembly, disassembly or reassembly of machinery and bulky goods shall not render the passage of goods outside the definition of “traffic in transit” provided that any such operation is undertaken solely for the convenience of transportation. Nothing in this paragraph shall be construed as imposing an obligation on any Contracting State to establish or permit the establishment of permanent facilities on its territory for such assembly, disassembly or reassembly;
(c) the term “transit State” means any Contracting State with or without a sea-coast, situated between a land-locked State and the sea, through whose territory “traffic in transit” passes;
(d) the term “means of transport” includes:
(i) any railway stock, seagoing and river vessels and road vehicles;
(ii) where the local situation so requires porters and pack animals;
(iii) if agreed upon by the Contracting States concerned, other means of transport and pipelines and gas lines when they are used for traffic in transit within the meaning of this article.

Article 2. Freedom of transit

1. Freedom of transit shall be granted under the terms of this Convention for traffic in transit and means of transport. Subject to the other provisions of this Convention, the measures taken by Contracting States for regulating and forwarding traffic across their territory shall facilitate traffic in transit on routes in use mutually acceptable for transit to the Contracting States concerned. Consistent with the terms of this Convention, no discrimination shall be exercised which is based on the place of origin, departure, entry, exit or destination, or on any circumstances relating to the ownership of the goods or the ownership, place of registration or flag of vessels, land vehicles or other means of transport used.

2. The rules governing the use of means of transport, when they pass across part or the whole of the territory of another Contracting State, shall be established by common agreement among the Contracting States concerned, with due regard to the multilateral international conventions to which these States are parties.
rules and regulations, the passage across or access to its territory of persons whose movement is necessary for traffic in transit.

4. The Contracting States shall permit the passage of traffic in transit across their territorial waters in accordance with the principles of customary international law or applicable international conventions and with their internal regulations.

Article 3. Customs duties and special transit dues

Traffic in transit shall not be subjected by any authority within the transit State to customs duties or taxes chargeable by reason of importation or exportation nor to any special dues in respect of transit. Nevertheless on such traffic in transit there may be levied charges intended solely to defray expenses of supervision and administration entailed by such transit. The rate of any such charges must correspond as nearly as possible with the expenses they are intended to cover and, subject to that condition, the charges must be imposed in conformity with the requirement of non-discrimination laid down in article 2, paragraph 1.

Article 4. Means of transport and tariffs

1. The Contracting States undertake to provide, subject to availability, at the points of entry and exit, and as required at points of trans-shipment adequate means of transport and handling equipment for the movement of traffic in transit without unnecessary delay.

2. The Contracting States undertake to apply to traffic in transit, using facilities operated or administered by the State, tariffs or charges which, having regard to the conditions of the traffic and to considerations of commercial competition, are reasonable as regards both their rates and the method of their application. These tariffs or charges shall be so fixed as to facilitate traffic in transit as much as possible, and shall not be higher than the tariffs or charges applied by Contracting States for the transport through their territory of goods of countries with access to the sea. The provisions of this paragraph shall also extend to the tariffs and charges applicable to traffic in transit using facilities operated or administered by firms or individuals, in cases in which the tariffs or charges are fixed or subject to control by the Contracting State. The term “facilities” used in this paragraph shall comprise means of transport, port installations and routes for the use of which tariffs or charges are levied.

3. Any haulage service established as a monopoly on waterways used for transit must be so organized as not to hinder the free flow of traffic in transit.

4. The provisions of this article must be applied under the conditions of non-discrimination laid down in article 2, paragraph 1.

Article 5. Methods and documentation in regard to customs, transport, etc.

1. The Contracting States shall apply administrative and customs measures permitting the carrying out of free, uninterrupted and continuous traffic in transit. When necessary, they should undertake negotiations to agree on measures that ensure and facilitate the said transit.

2. The Contracting States undertake to use simplified documentation and expeditious methods in regard to customs, transport and other administrative procedures relating to traffic in transit for the whole transit journey on their territory, including any transhipment, warehousing, breaking bulk, and changes in the mode of transport as may take place in the course of such journey.

Article 6. Storage of goods in transit

1. The conditions of storage of goods in transit at the points of entry and exit, and at intermediate stages in the transit State may be established by agreement between the States concerned. The transit States shall grant conditions of storage at least as favourable as those granted to goods coming from or going to their own countries.

2. The tariffs and charges shall be established in accordance with article 4.

Article 7. Delays or difficulties in traffic in transit

1. Except in cases of force majeure all measures shall be taken by Contracting States to avoid delays in, or restrictions on, traffic in transit.

2. Should delays or other difficulties occur in traffic in transit, the competent authorities of the transit State or States and of the land-locked State shall cooperate towards their expeditious elimination.

Article 8. Free zones or other customs facilities

1. For convenience of traffic in transit, free zones or other customs facilities may be provided at the ports of entry and exit in the transit States, by agreement between those States and the land-locked States.

2. Facilities of this nature may also be provided for the benefit of land-locked states in other transit States which have no sea-coast or
Article 9. Provision of greater facilities

This Convention does not entail in any way the withdrawal of transit facilities which are greater than those provided for in the Convention and which under conditions consistent with its principles, are agreed between Contracting States or granted by a Contracting State. The Convention also does not preclude such grant of greater facilities in the future.

Article 10. Relation to most-favoured-nation clause

1. The Contracting States agree that the facilities and special rights accorded by this Convention to land-locked States in view of their special geographical position are excluded from the operation of the most-favoured-nation clause. A land-locked State which is not a Party to this Convention may claim the facilities and special rights accorded to land-locked States under this Convention only on the basis of the most-favoured-nation clause of a treaty between that land-locked State and the Contracting State granting such facilities and special rights.

2. If a Contracting State grants to a land-locked State facilities or special rights greater than those provided for in this Convention, such facilities or special rights may be limited to that land-locked State, except in so far as the withholding of such greater facilities or special rights from any other land-locked State contravenes the most-favoured-nation provision of a treaty between such other land-locked State and the Contracting State granting such facilities or special rights.

Article 11. Exceptions to convention on grounds of public health, security, and protection of intellectual property

1. No Contracting State shall be bound by this Convention to afford transit to persons whose admission into its territory is forbidden, or for goods of a kind of which the importation is prohibited, either on grounds of public morals, public health or security, or as a precaution against diseases of animals or plants or against pests.

2. Each Contracting State shall be entitled to take reasonable precautions and measures to ensure that persons and goods, particularly goods which are the subject of a monopoly, are really in transit, and that the means of transport are really used for the passage of such goods, as well as to protect the safety of the routes and means of communication.

3. Nothing in this Convention shall affect the measures which a Contracting State may be called upon to take in order to prevent

Article 12. Exceptions in case of emergency

The measures of a general or particular character which a Contracting State is obliged to take in case of an emergency endangering its political existence or its safety may, in exceptional cases and for as short a period as possible, involve a deviation from the provisions of this Convention on the understanding that the principle of freedom of transit shall be observed to the utmost possible extent during such a period.

Article 13. Application of the convention in time of war

This Convention does not prescribe the rights and duties of belligerents and neutrals in time of war. The Convention shall, however, continue in force in time of war so far as such rights and duties permit.

Article 14. Obligations under the convention and rights and duties of United Nations members

This Convention does not impose upon a Contracting State any obligation conflicting with its rights and duties as a Member of the United Nations.

Article 15. Reciprocity

The provisions of this Convention shall be applied on a basis of reciprocity.

Article 16. Settlement of disputes
application of the provisions of this Convention which is not settled by
negotiation or by other peaceful means of settlement within a period of
nine months shall, at the request of either party, be settled by arbitration.
The arbitration commission shall be composed of three members. Each
party to the dispute shall appoint one member to the commission, while
the third member, who shall be the Chairman, shall be chosen in common
agreement between the parties. If the parties fail to agree on the designa-
tion of the third member within a period of three months, the third mem-
ber shall be appointed by the President of the International Court of
Justice. In case any of the parties fail to make an appointment within a
period of three months the President of the International Court of
Justice shall fill the remaining vacancy or vacancies.

2. The arbitration commission shall decide on the matters placed
before it by simple majority and its decisions shall be binding on the
parties.

3. Arbitration commissions or other international bodies charged with
settlement of disputes under this Convention shall inform, through the
Secretary-General of the United Nations, the other Contracting States of
the existence and nature of disputes and of the terms of their settlement.

Article 17. Signature

The present Convention shall be open until 31 December 1965 for
signature by all States Members of the United Nations or of any of the
specialized agencies or Parties to the Statute of the International Court of
Justice, and by any other State invited by the General Assembly of the
United Nations to become a Party to the Convention.

Article 18. Ratification

The present Convention is subject to ratification. The instruments of
ratification shall be deposited with the Secretary-General of the United
Nations.

Article 19. Accession

The present Convention shall remain open for accession by any State
belonging to any of the four categories mentioned in Article 17. The
instruments of accession shall be deposited with the Secretary-General of
the United Nations.

Article 20. Entry into force

1. The present Convention shall enter into force on the thirtieth day
following the date of deposit of the instruments of ratification or accession
of at least two land-locked States and two transit States having a sea-

2. For each State ratifying or acceding to the Convention after the
deposit of the instruments of ratification or accession necessary for the
entry into force of this Convention in accordance with paragraph 1 of this
article, the Convention shall enter into force on the thirtieth day after the
deposit by such State of its instrument of ratification or accession.

Article 21. Revision

At the request of one-third of the Contracting States, and with the
conciliation of the majority of the Contracting States, the Secretary-
General of the United Nations shall convene a Conference with a view
to the revision of this Convention.

Article 22. Notifications by the Secretary-General

The Secretary-General of the United Nations shall inform all States
belonging to any of the four categories mentioned in article 17:
(a) of signatures to the present Convention and of the deposit of
instruments of ratification or accession, in accordance with articles 17, 18
and 19;
(b) of the date on which the present Convention will enter into force,
in accordance with article 20;
(c) of requests for revision, in accordance with article 21.

Article 23. Authentic texts

The original of the present Convention, of which the Chinese, English,
French, Russian and Spanish texts are equally authentic, shall be de-
posited with the Secretary-General of the United Nations, who shall send
certified copies thereof to all States belonging to any of the four cate-
gories mentioned in article 17.

IN WITNESS WHEREOF the undersigned Plenipotentiaries, being
duly authorized thereto by their respective Governments, have signed the
present Convention.

DONE at the Headquarters of the United Nations, New York, this
eighth day of July, one thousand nine hundred and sixty-five.
Article 124
Use of terms

1. For the purposes of this Convention:
(a) "land-locked State" means a State which has no sea-coast;
(b) "transit State" means a State, with or without a sea-coast, situated between a land-locked State and the sea, through whose territory traffic in transit passes;
(c) "traffic in transit" means transit of persons, baggage, goods and means of transport across the territory of one or more transit States, when the passage across such territory, with or without trans-shipment, warehousing, breaking bulk or change in the mode of transport, is only a portion of a complete journey which begins or terminates within the territory of the land-locked State;
(d) "means of transport" means:
(i) railway rolling stock, sea, lake and river craft and road vehicles;
(ii) where local conditions so require, porters and pack animals.
2. Land-locked States and transit States may, by agreement between them, include as means of transport pipelines and gas lines and means of transport other than those included in paragraph 1.

Article 125
Right of access to and from the sea and freedom of transit

1. Land-locked States shall have the right of access to and from the sea for the purpose of exercising the rights provided for in this Convention including those relating to the freedom of the high seas and the common heritage of mankind. To this end, land-locked States shall enjoy freedom of transit through the territory of transit States by all means of transport.
2. The terms and modalities for exercising freedom of transit shall be agreed between the land-locked States and transit States concerned through bilateral, subregional or regional agreements.
3. Transit States, in the exercise of their full sovereignty over their territory, shall have the right to take all measures necessary to ensure that the rights and facilities provided for in this Part for land-locked States shall in no way infringe their legitimate interests.

Article 126
Exclusion of application of the most-favoured-nation clause

The provisions of this Convention, as well as special agreements relating to the exercise of the right of access to and from the sea, establishing rights and facilities on account of the special geographical position of land-locked States, are excluded from the application of the most-favoured-nation clause.

Article 127
Free zones and other customs facilities

For the convenience of traffic in transit, free zones or other customs facilities may be provided at the ports of entry and exit in the transit States, by agreement between those States and the land-locked States.

Article 129
Co-operation in the construction and improvement of means of transport

Where there are no means of transport in transit States to give effect to the freedom of transit or where the existing means, including the port installations and equipment, are inadequate in any respect, the transit States and land-locked States concerned may co-operate in constructing or improving them.

Article 130
Measures to avoid or eliminate delays or other difficulties of a technical nature in traffic in transit

1. Transit States shall take all appropriate measures to avoid delays or other difficulties of a technical nature in traffic in transit.
2. Should such delays or difficulties occur, the competent authorities of the transit States and land-locked States concerned shall co-operate towards their expeditious elimination.

Article 131
Equal treatment in maritime ports

Ships flying the flag of land-locked States shall enjoy treatment equal to that accorded to other foreign ships in maritime ports.

Article 132
Grant of greater transit facilities

This Convention does not entail in any way the withdrawal of transit facilities which are greater than those provided for in this Convention and which are agreed between States Parties to this Convention or granted by a State Party. This Convention also does not preclude such grant of greater facilities in the future.
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