Seaport competitiveness in Africa

Soteri Gatera
Chief, Industrialization & Infrastructure Section
Regional Integration and Trade Division, ECA

United Nations Economic Commission for Africa
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Introduction

• Significant increase of world seaborne shipments over the past decades:
  1985:  3.33 billion tons
  2015:  9.84 billion tons

• Sea port in Africa: over 90% of the continent’s trade flows

• Port traffic flow in Africa: expected growth from 265 million tons in 2009 to more than 2 billion tons in 2040.
Seaports performance in Africa: recent trends

Africa generally lags behind, except for few countries: Egypt, South Africa

Source: based on data from World Bank database
Seaports performance in Africa: recent trends

Where does Africa stand in terms trade facilitation?

Costs to export and import (in US$ per container) in selected regions across the world in 2014

Times to export and import (in days) in selected regions across the world in 2014

Source: based on data from World Bank database
Note: Rest of Africa = Africa excluding North Africa
Seaports performance in Africa: recent trends

Where does Africa stand in terms of trade facilitation?

**Quality of port infrastructure in selected regions across the world in 2014**
(from 1 = extremely underdeveloped to 7 = well developed)

**Logistic Performance Index in selected regions across the world in 2014**
(1 = high 5 = low)

Source: based on data from World Bank database

Note: Rest of Africa = Africa excluding North Africa
Ongoing ECA Study: determinants of Port performance in Africa

Objective of the study: Evaluate how some key determinants of ports activities are associated with seaport competitiveness in Africa.

- **Port performance variable**: throughput per unit of time
- **Explanatory variables**: Cost per container; Quality of Port Infrastructure (QPI); Logistic Performance Index (LPI); GDP; Effect of Piracy attacks

- **Sample**: 12 African countries over the period 1995 – 2014 are considered based on data availability
- **The selected countries per region, are**:
  - Eastern Africa (Djibouti, Kenya, and Tanzania);
  - Northern Africa (Algeria, Egypt, and Morocco);
  - Southern Africa (Mauritius, Mozambique, and South Africa);
  - West Africa (Côte d’Ivoire; Ghana; Nigeria).
Preliminary findings

Relationship between port performance and QPI:
A priori, positive

Relationship between port performance and LPI:
A priori, positive
Relationship between port performance and real GDP
A priori, positive

Relationship between port performance and cost
A priori, not clear
Summary of the preliminary modeling results

• Effect of the determinants of port competitiveness in Africa
  – Quality of port infrastructure (+);
  – Logistics performance environment (+);
  – Piracy attacks (-);
  – Regional gap (Yes);
  – Shipping costs (?) : negative but limited impact.
Preliminary conclusions

- Enhancing the quality of port infrastructure and their logistics environment in Africa remain critical.
- Continued collaborative efforts needed to combat maritime piracy, through constructive and coordinated partnership (e.g. recently adopted Charter on maritime security);
- Experience sharing is critical to break regional gaps in maritime transport.
Way forward

• Expanding the study including more countries, regional corridors and intermodal transport

• Ongoing research project ECA: Achieving Regional Integration in Africa: the role of Transport Corridors and Seaports in Trade Facilitation.
  – Analyze the role of transport corridors and seaports as enablers to intra-African trade and, ultimately to a sustainable and inclusive economic development of Africa
  – Contribute to designing evidence based policies based on countries cases studies to support efforts towards boosting intra African trade
THANK YOU!