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**AFRICA**  
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Creating value for Eastern and Southern Africa ports:  
Roles of hinterland countries



Ms. Nozipho Mdawe - Secretary General

**PMAESA**

# Agenda

- Global context
- Introduction to PMAESA
- East and Southern Africa Context
- Hinterland/Landlock Countries
- Successes and Challenges
- Bilateral Agreements
- Proposed Model



# Pan-African Association for Port Cooperation (PAPC)

## UAPNA Members = 8

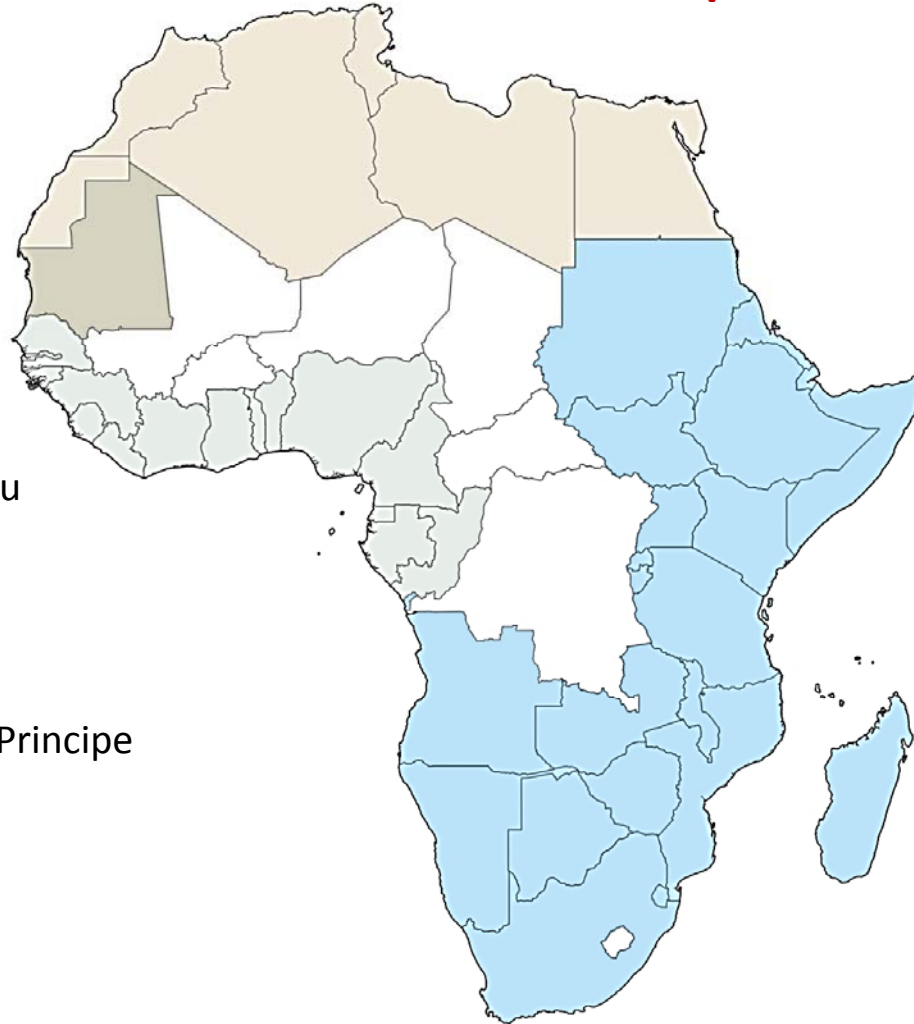
- Algeria
- Morocco
- Egypt
- Sudan
- Libya
- Tunisia
- Mauritania
- Western Sahara

## PMAWCA Members = 18

- Angola
- Guinea Bissau
- Benin
- Ivory Coast
- Cameroon
- Liberia
- Cape Verde
- Mauritania
- Congo
- Nigeria
- Equatorial Guinea
- Sao Tome & Principe
- Gabon
- Senegal
- Gambia
- Sierra Leone
- Ghana
- Togo
- Guinea (Conakry)

## PMAESA Members = 25

- Angola
- Namibia
- Botswana**
- Rwanda
- Burundi
- Seychelles
- Djibouti
- Somalia
- Eritrea
- South Africa
- Ethiopia
- South Sudan
- Kenya
- Sudan
- Lesotho**
- Swaziland**
- Madagascar
- Tanzania
- Malawi
- Uganda
- Mauritius
- Zambia
- Mozambique
- Zanzibar
- Zimbabwe



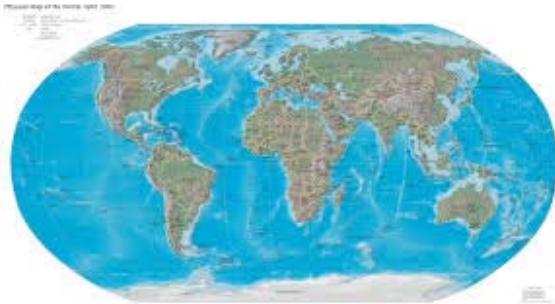
### Legend:

- PMAESA Region
- PMAWCA Region
- UAPNA Region

Darkened shaded areas imply membership to 2 associations



# Growth in Population and Urbanisation



**Population in Africa  
expected to double  
by 2050**

Area =	2015	2030	2050	2100	=%growth
World =	7.432	8.501	9.725	11.213	= 1.13%
Africa =	1.216	1.679	2.478	4.387	= 2.25%
Asia =	4.436	4.923	5.267	4.889	= 1%
Europe =	0.738	0.734	0.707	0.646	= 0.06%

Area	2015	2016
World	3.2	3.5
Developed Markets	2.2	2.0
Developing Countries	4.4	4.9
China	6.9	6.3, then 4.8 in 2020



Source: worldometers; 2016 and Goldman Sachs Investment Research, 2016

**PMAESA**

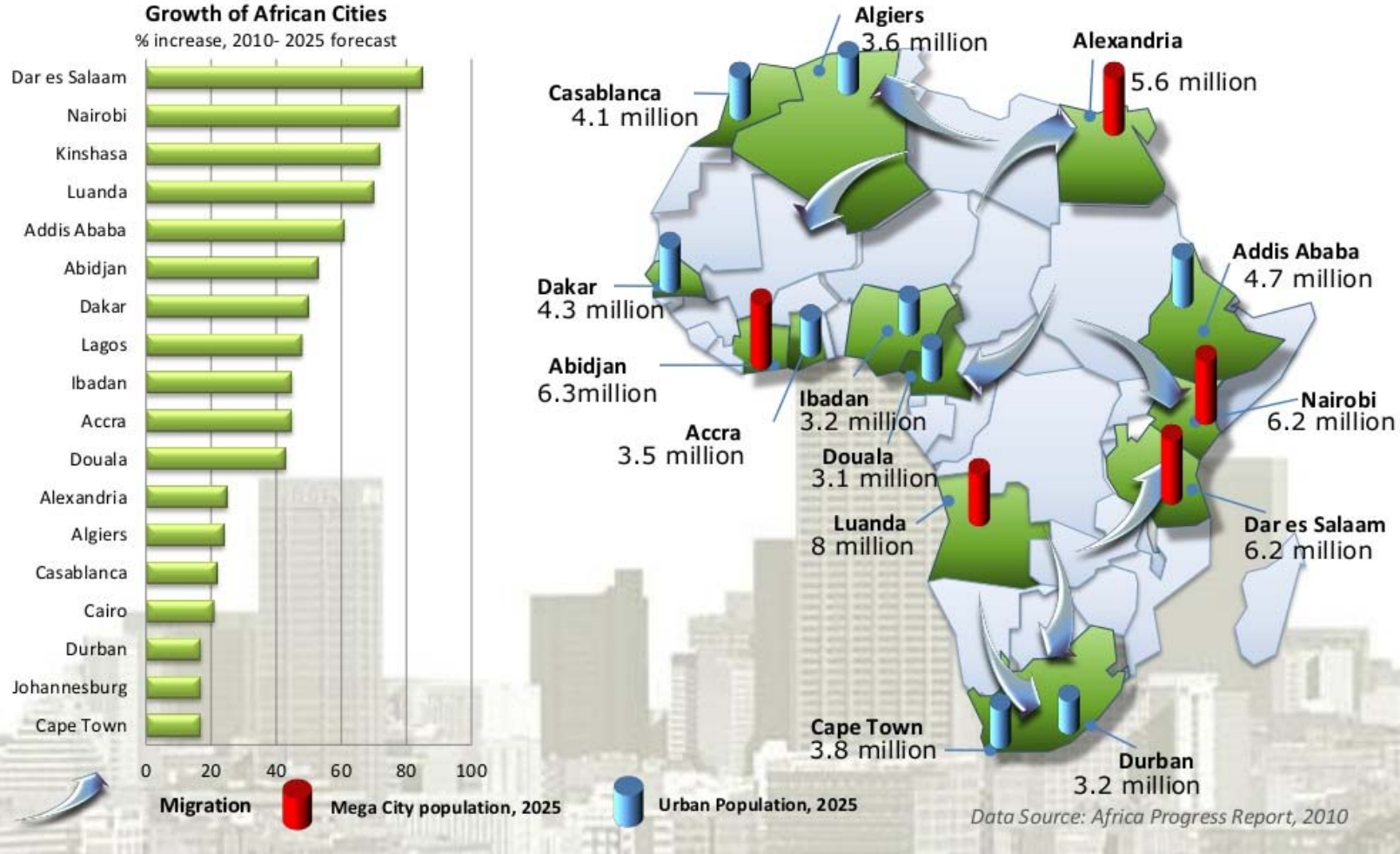
# Africa's Population and Urbanization Growth

Year	Population	Yearly % Change	Median Age	Urban Population %
2016	1,216,129,815	2.53 %	19.5	40.2 %
2015	1,186,178,282	2.58 %	19	39.8 %
2010	1,044,106,862	2.56 %	19	37.8 %
2005	920,238,945	2.48 %	19	35.9 %
2000	814,063,149	2.47 %	18	34.2 %

**64.3% = urban (55,436 people in 2017) – 0,83% - 25 years**  
**49.99 % = urban (191,835 people in 2017) – 2,59% - 18 years**



# Mega Cities will increase by 25% by 2025; at an average growth rate of 3.4%, 1.2 billion people, 60% of Africa's population, will be urbanised by 2050



# Logistic cost components

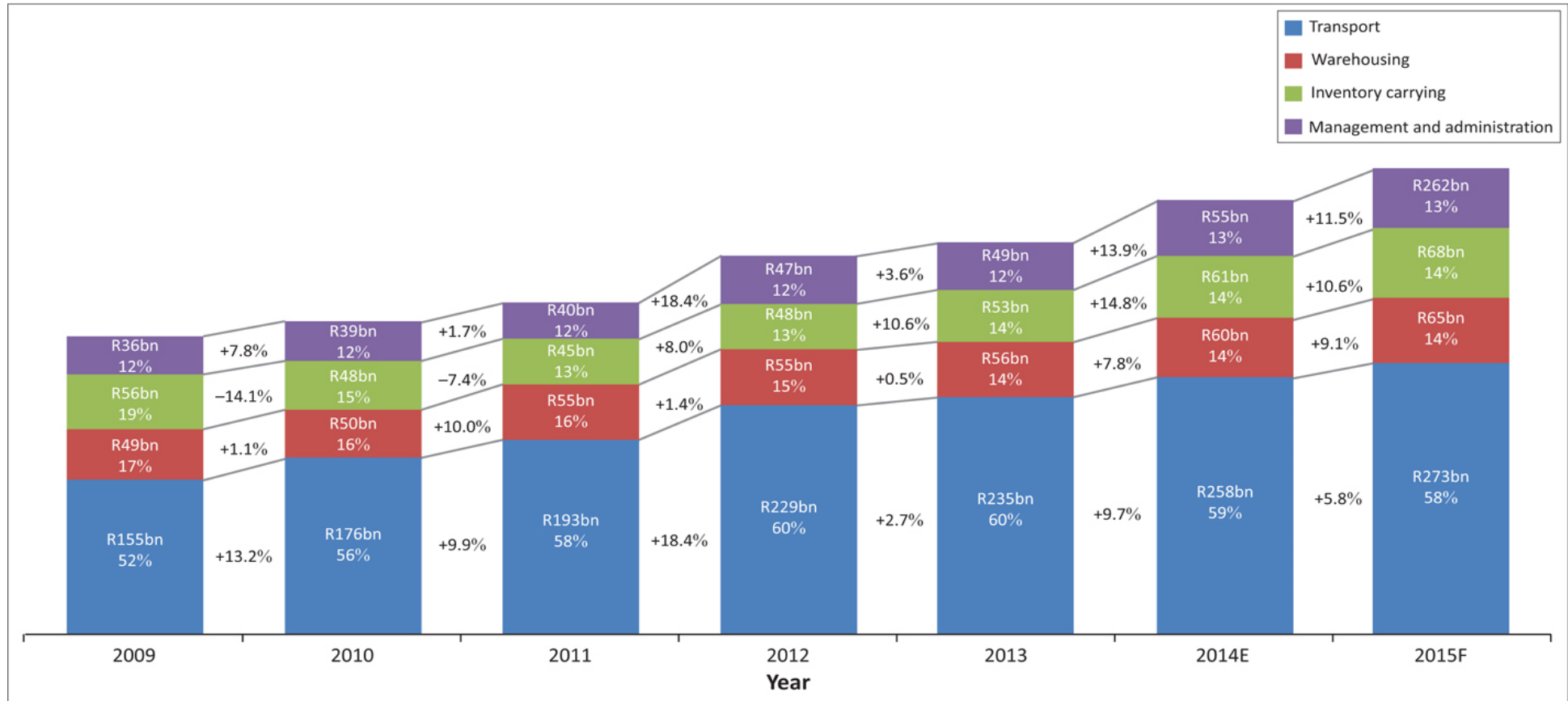
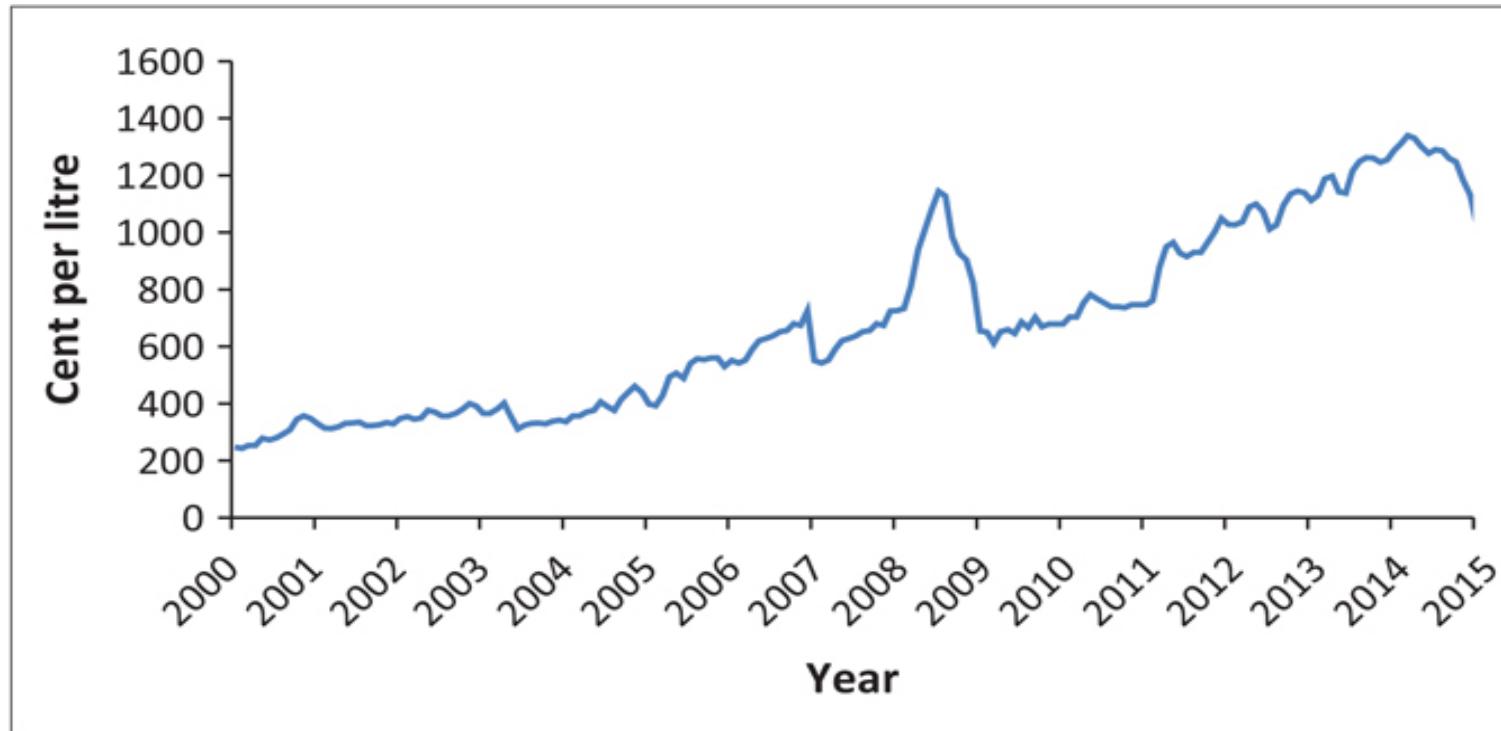


FIGURE 4: Logistics cost components tracked over time.



## Fuel – Logistics Cost Driver



Source: SAPIA, 2015, *Industry overview – Fuel prices archive*, viewed 10 September 2015, from [http://www.sapia.co.za/industry-overview/old\\_price.html](http://www.sapia.co.za/industry-overview/old_price.html)

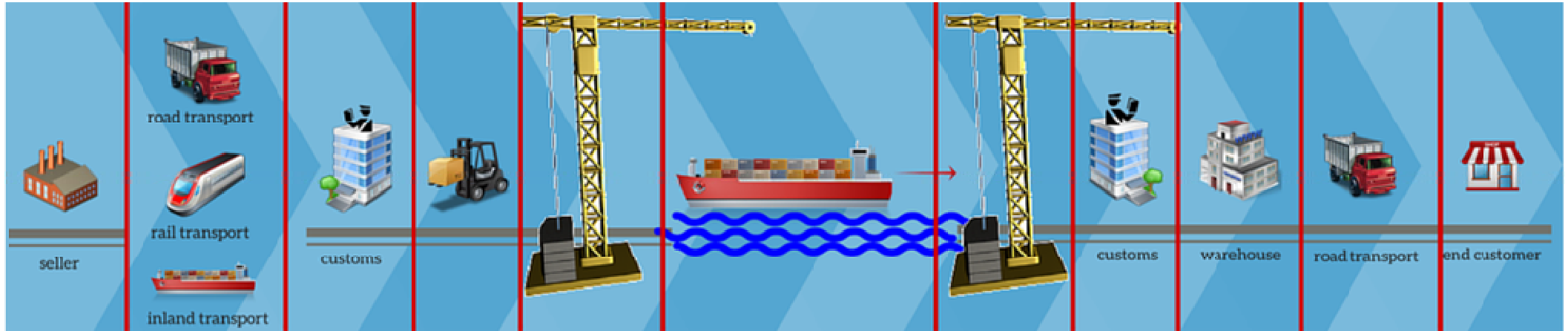
**FIGURE 5:** South Africa's diesel price trend.





# Value Chain Competition

- Feeder principles both land and sea side
- Integration of corridor network (road and rail) and ports (sea ports, waterways and dry ports)
- Developing trade transit corridors (e.g. Corridor Agencies)
- Awareness of cause and effect of value chain relationship



# Container Trade

- Container volumes have grown = 9% CAGR since 2010
- China's exports to East Africa is expected to increase by 91 percent by 2020
- The area is experiencing strong growth, rising incomes, falling poverty and economic diversification
- Transit cargo from Mombasa is growing at an average of seven percent; current share is 30 percent
- Inland transportation costs are reaching 77 percent of export value
- Sub Saharan Africa's largest port is Durban, South Africa
- Somali-attributed pirate attacks back from 2010's 220 to 10



# East and Southern African Ports

Port	Country	Area	2014 TEU	2013 TEU	2012 TEU	2011 TEU	2010 TEU
Dar es Salaam	Tanzania	Africa East	612,600	553,900	507,200	439,500	359,000
Mombasa	Kenya	Africa East	1,012,000	894,000	903,400	771,000	695,600
Port Louis	Mauritius	Indian Ocean	403,000	385,300	417,500	350,600	332,700
Port Reunion	Reunion	Indian Ocean	241,000	213,000	221,400	220,300	216,200
Toamasina	Madagascar	Indian Ocean	139,200	137,800	131,600	146,200	141,100
Beira	Mozambique	Africa South	218,700	184,000	170,000	160,000	105,700
Maputo	Mozambique	Africa South	134,000	120,000	101,200	174,300	130,100
Cape Town	South Africa	Africa South	892,600	920,600	848,300	755,300	708,500
Durban	South Africa	Africa South	2,664,300	2,632,500	2,568,900	2,713,000	2,523,100
Ngqura	South Africa	Africa South	705,400	774,800	574,900	523,600	360,500
Port Elizabeth	South Africa	Africa South	259,900	290,000	288,200	326,300	325,200
Walvis Bay	Namibia	Africa South	359,500	334,400	334,400	220,200	247,700

Source: "East and Southern Africa worldwide Container Trades" report published by [Dynamar B.V.](#)



# Successes of Landlock Countries in the Region

- Role change of transport corridors logistics infrastructure engines of growth
- Government led investments
- Good progress – political stability
- Quality and capacity of hinterland modalities, roads and relays are essential to any expansion of trade
- Volume growth generated by Imports
- Slow visible recovery from strife and turmoil



# Waterways and Inland Ports

- Zambia
  - Lake Tanganyika – Mpulungu Harbour
  - Chipata
- Tanzania
  - Lake Victoria – Mwanza
  - Lake Tanganyika – Kigoma
- Kenya
  - Kisumu
  - Eldoret
  - Embakasen
- South Sudan
  - White Nile - Juba
- Uganda
  - Tororo
  - Port Bell
- Swaziland
  - Matshapa



# Swaziland

- Export Commodities: soft drink concentrates, sugar, wood pulp, cotton yarn, citrus and canned fruit
- Export locations: South Africa, USA, China, Mozambique, Zimbabwe, New Zealand, Australia, Kenya, UK, Tanzania
- Import commodities: motor vehicles, machinery, transport equipment, foodstuffs, petroleum products, chemicals
- How imports are received: Maputo Development Corridor and Manzini-Durban Corridor
- 89% of exports and 77% of imports are destined to or sourced from SADC respectively



# Malawi

- Export Commodities: tobacco, tea, sugar, cotton, coffee, peanuts, wood products, apparel
- Export locations: USA, South Africa, Kenya, UK., Germany, Netherlands, Japan, Egypt, France, Belgium.
- Import commodities: foodstuffs, petroleum products, semi-manufactures, consumer goods, transportation equipment
- How imports are received: North South Corridor (Port of Durban)
- Dar es Salaam Corr, Mtwara Development & Nacala Development Corridors
- Malawi exports within the SADC (excluding RSA) are quite negligible and yet Malawi imports significantly from the region.



# Zambia

- Export Commodities: copper, cobalt, electricity, tobacco, flowers, cotton
- Export locations: UK, South Africa, Tanzania, Switzerland, DR Congo, India, Belgium, Netherlands, Malawi, Zimbabwe
- Import commodities: machinery, transportation equipment, petroleum products, electricity, fertilizer, foodstuffs, clothing
- How imports are received: Dar es Salaam Corridor, Mtwara Development & Nacala Development Corridors, North South Corridor (Port of Durban), Lobito Corridor (port of Lobito) and Trans Caprivi (Walvis Bay Port)





# Landlock Neighbours

## Uganda

- Population growth = 36% in the last 10 years to 41.5 million persons
- Macroeconomic stability
- GDP growth at 4.5% in 2013/2014 against projected growth of 5.7%, expected to be 5.9% in 2014/2015
- CPI Inflation at 5% in the same period, expected to be in 2014/2015
- Exported \$2.66 billion
- Imported \$5.76 billion, resulting in a negative trade balance of \$3.1 billion
- Depressed exports and under execution of externally financed public investments
- Poverty levels reduced by 4.8% from 24.5%, i.e. 6.7 million persons

## Rwanda - “Land of a Thousand Hills”

- Population growth at 31% in the last 10 years to 31 million persons
- Recovering from ethnic strife
- 156th largest export economy in the world
- GDP growth at 7% in 2014/2015 from 4.7% in 2013/2014 against projected growth of 5.7%
- CPI Inflation at 2% in 2014/2015
- Exported \$934 million
- Imported \$1.85 billion, resulting in a negative trade balance of \$919 million
- Slow downturn in mining, manufacturing and construction
- 83% of the population is rural



Source: Data from domestic authorities; estimates (e) and projections (p) based on authors' calculations.

# Challenges

- Landlocked countries depend on goodwill of neighbouring countries to fully engage in international maritime trade.
- Additional border crossings and long distances from their markets substantially increase the cost of transport.
- Landlocked countries also are hampered by isolation from major markets and the coast, poor infrastructure and inadequate policies, legal instruments or institutions.
- Furthermore these countries pay almost three times more for transport services.



# UN Almaty Programme of Action

- Designed to develop efficient transport systems among landlocked and transit developing countries.
- Benchmarks to check on progress made in implementation:
  - Strengthening partnerships between landlocked and transit countries and their development partners at national, bilateral, subregional, regional and global levels, to promote efficient transit systems
  - Strengthening partnerships between public and private sectors
  - Promoting supportive administrative, legal and macro-economic environment in landlocked and transit countries at the national and subregional level to set policy and mobilize resources
  - Establishing mechanisms to ensure that the interests of landlocked and transit countries are fully addressed when establishing transit transport systems and transport corridors
  - Strengthening mechanisms for economic cooperation and integration that protect the interests of all members
  - Ensuring financial and technical support of international community, including financial and development institutions and donor countries.



## Benefits of the TRIPARTITE - Landlock Trade Facilitation

- Increase in intra-regional trade by 29%
- Trading partners have reduced tariff barriers
- Increased intra-regional trade especially in East Africa
- Reducing logistics costs is top priority for governments in the Region



# Review of Corridors

- Corridors are important for addressing special needs of landlocked countries
- Corridor management arrangements are designed to advocate modernization of border agencies, equipment, operations, customs agents & infrastructure development
- Corridors focus on efficiency & trade facilitation through measures such as institutional reform, simplifying procedures, building capacity and mobilizing investment to upgrade infrastructure and facilities
- All stakeholders, private and public, involved in facilitation of trade must be encouraged to participate in corridor development
- Corridor secretariats may form working groups comprising all stakeholders to meet on an ad-hoc basis to address specific issues
- Corridor issues should be addressed through the interactions between private and public groups
- A corridor's organizational structure should ensure full public-private interactions



# Developing trade transit corridors

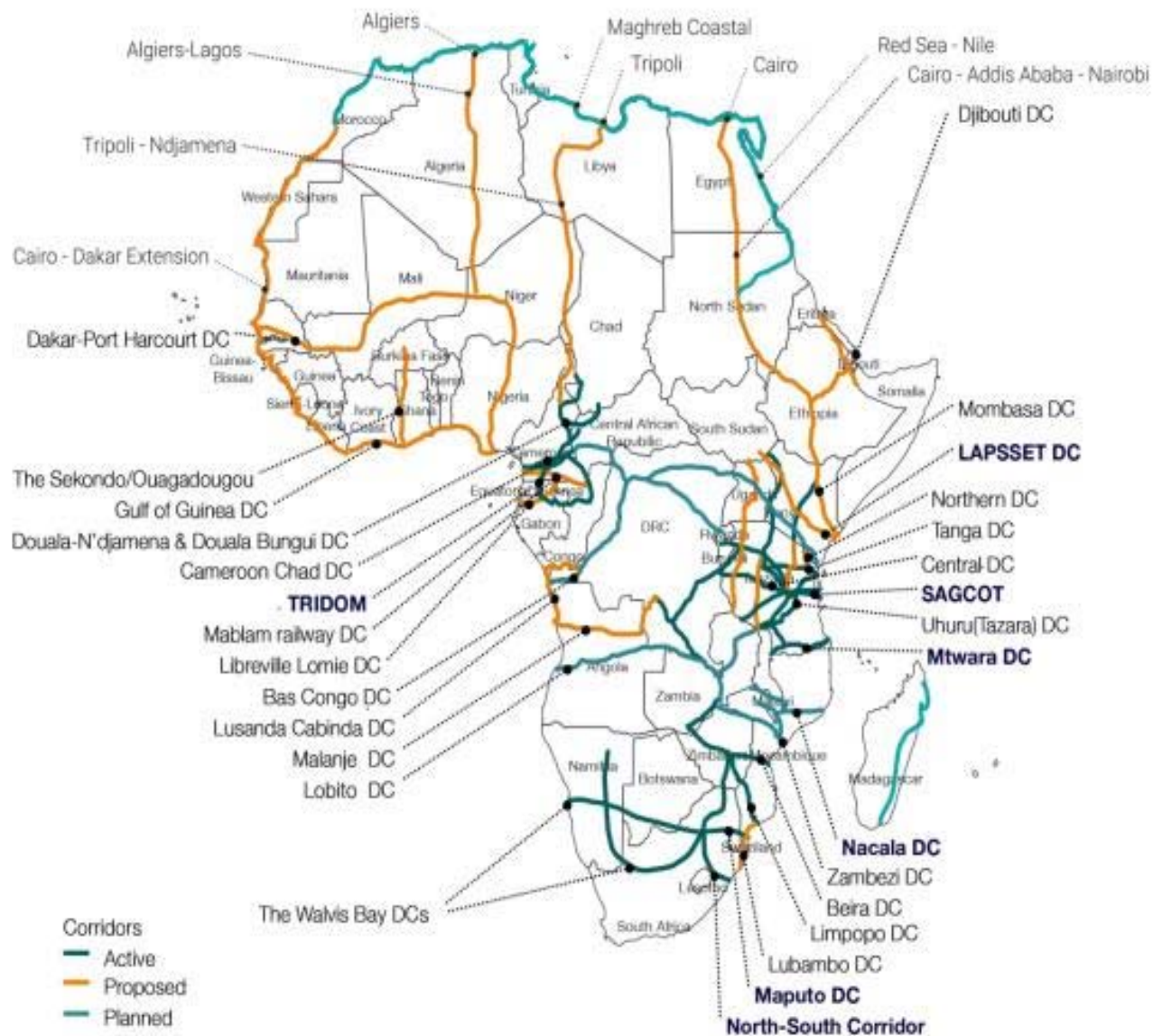
- Corridors are routes linking several economic centres, countries & ports.
- Corridors, networks of transport facilities & infrastructure, have been established either through existing routes accepted by customs authorities, RECs protocols or protocols involving concerned landlocked and transit countries.
- They promote internal & external trade using efficient transport and logistics services. Corridors also focus attention on improving not only routes but also the quality of transport & other logistic services therein.
- A corridor's reliability is measured in terms of transit time & flexibility and the diversity of services offered on multimodal routes.



## CENTRALITY OF ACMA

- Centrality of ACMA is Expressed in its Ability to Create Network of Initiatives to Transform the Continent
- It Calls for Sustained Political Commitment on the Part of African Leaders





## African Corridors of Development

- Need for Efficient Transport Facilitation
- Explore Joint Cross Border Initiatives





## Northern Corridor Characteristics

- It links the 8 countries of which 5 are EAC and 5 are landlock countries
- Created to link landlocked countries of Burundi, DR Congo, Rwanda and Uganda to Kenyan seaport of Mombasa. Also serves northern Tanzania, southern Sudan and Ethiopia.
- Governed by multilateral agreement, the Northern Corridor Transit Agreement (NCTA), signed by Burundi, Kenya, Rwanda and Uganda (1985) and by DR Congo (1987)
- Managed by the Northern Corridor Transit Transport Coordination Authority (NCTTCA) based in Mombasa. It is headed by a council of ministers responsible for transportation in the member



# Walvis Bay Corridor

- Links landlocked nations of Botswana, Zambia and Zimbabwe to the Walvis Bay Port in Namibia and to markets in the hinterland of the DRC & South Africa (Gauteng).
- It is made up of three trade-and-transit corridors linking the Port of Walvis Bay to neighbouring countries: Trans-Kalahari, Trans-Caprivi corridor and Trans-Cunene corridors.
- Secretariat of the Walvis Bay Corridor is the Walvis Bay Corridor Group (WBCG), established in 2000 as a public-private partnership to coordinate & integrate the various stakeholders along the WB Corridor.



# Maputo Corridor

- Maputo development corridor (MDC) was established in 1996.
- Links the Port of Maputo to Gauteng, South Africa.
- MDC, which is one of the successful examples of the NEPAD Spatial Development Initiatives (SDI), is a multimodal transport system comprising a toll road, a railway line and a gas pipeline.
- It is managed by the MCLI which was established as a public–private sector partnership to create greater awareness on and improved use of the corridor.
- The membership of the MCLI is drawn from stakeholders across South Africa, Mozambique and Swaziland.

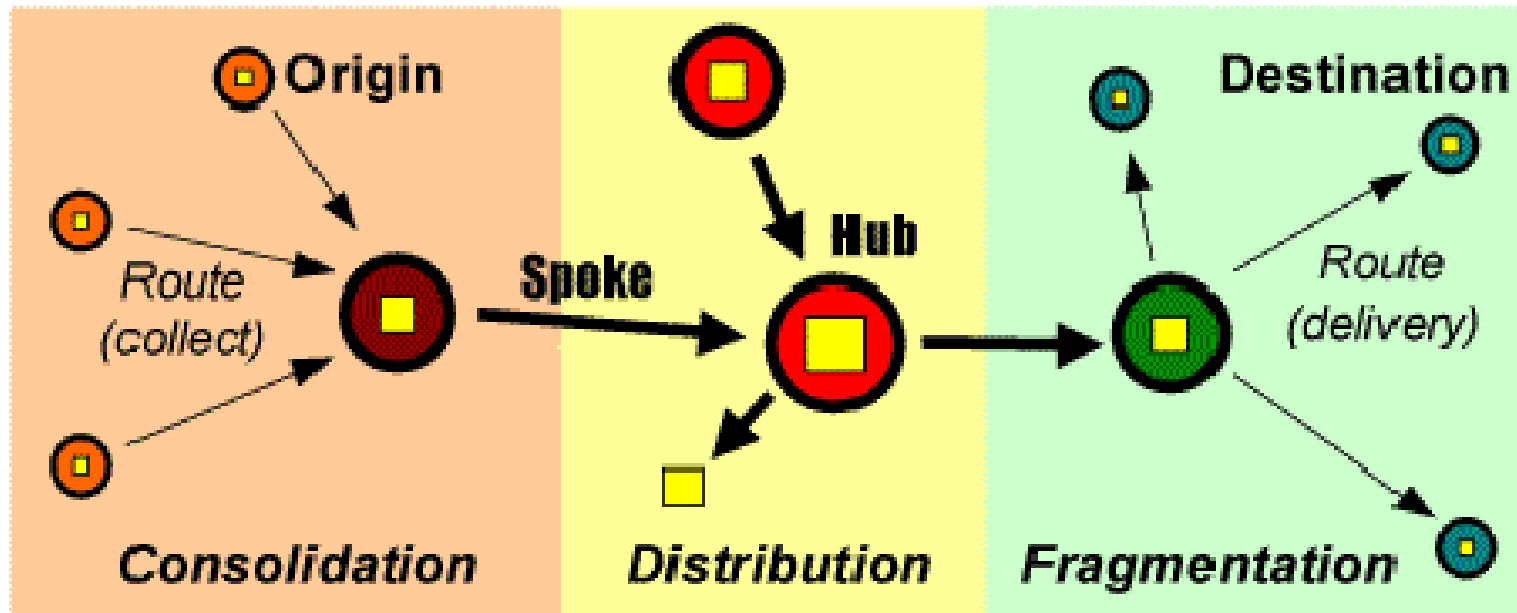


# North South Corridor



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# The Hub and Spoke Model



# CONCLUSION

