

WEST AFRICA'S ECONOMIC GROWTH PROSPECTS - POSITIONING THE PORTS AS KEY ENABLERS



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OUTLINE OF PRESENTATION

- OVERVIEW OF WEST AFRICA'S ECONOMIC GROWTH
- ROLE OF PORTS AS KEY ENABLERS
- POSITIONING THE PORTS STRATEGICALLY
- CHALLENGES
- WAYFORWARD
- CONCLUSION

OVERVIEW OF WEST AFRICA'S ECONOMIC GROWTH

15 States (12 Coastal, 3 landlocked)

GDP growth rates;2017
(2.5%) projected to rise to
(3.8 %) in 2018 and (3.9 %) in 2019

385 million people as at November 2018, estimated to reach 800 million by 2050 (UN)

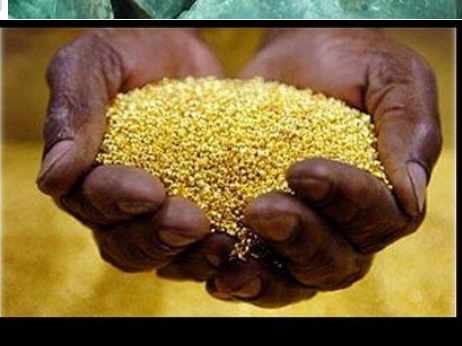
Resource base for industries worldwide either in raw or processed form.

All sectors; Agricultural, mineral mining, offshore exploration, processing and manufacturing depend on seaports for inbound or outbound transport of components and products

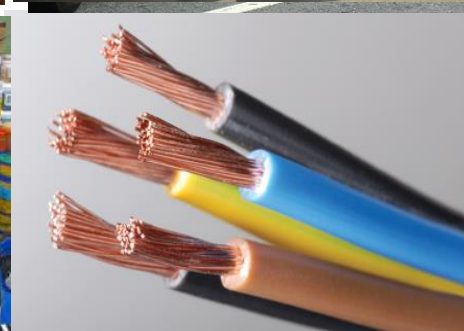
Fast-expanding regional markets, which now account for about 16% of total trade in Africa

Resources are significant drivers of international trade and development worldwide.

Natural resources and products needed by different countries are located in different parts of the world separated by the sea.



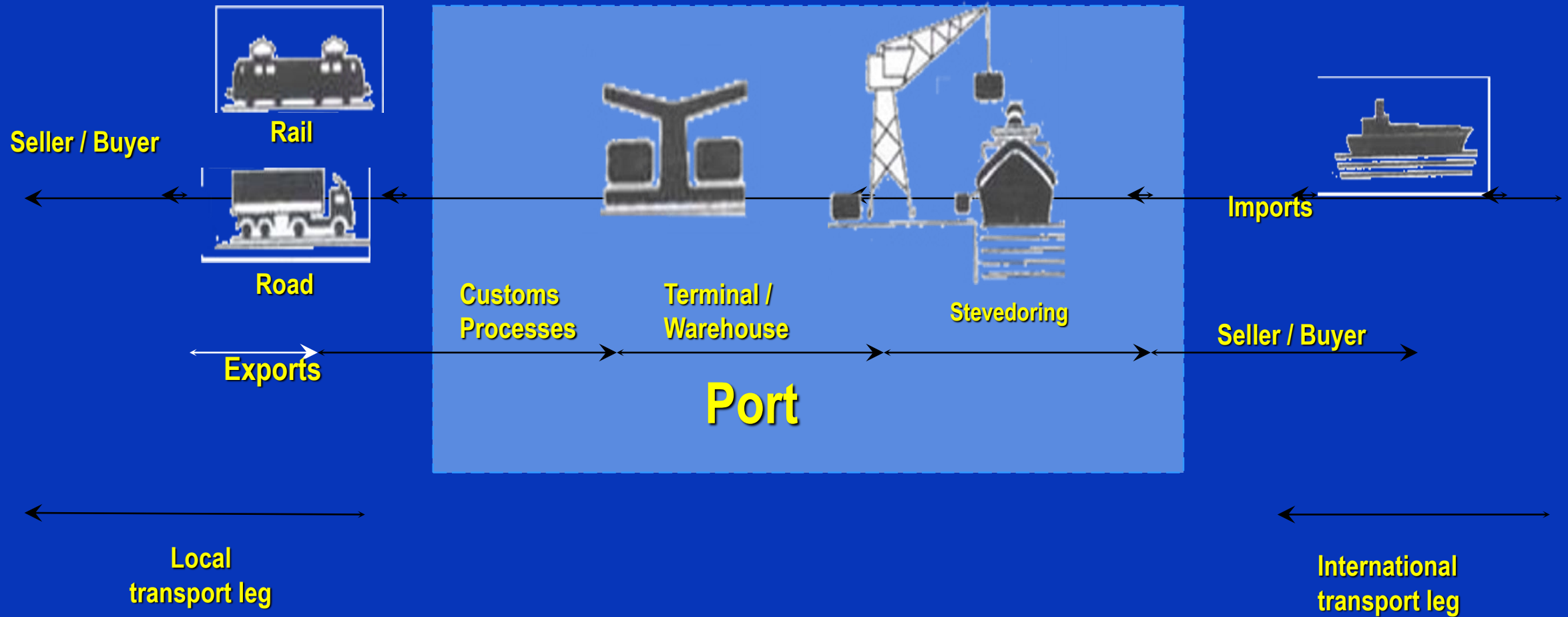
Countries specialize in producing goods and services they are competent and efficient in producing at competitive cost and trade in other goods and services with other countries.



This stimulates the exchange and movement of large volumes of goods between countries leading to increase in trade among countries.



About 90% of the world's trade is carried by sea and handled by ports worldwide. Ports are the interface between sea and land transport.



ROLE OF PORTS AS KEY ENABLERS

- FACILITATE THE MOVEMENT OF MARITIME TRADE (SIMPLIFICATION, HARMONIZATION AND STANDARDIZATION)
- FACILITATING THE DEVELOPMENT OF LANDLOCKED COUNTRIES (TRANSIT TRADE)
- EFFICIENT PORTS MINIMIZE THE COST OF LOGISTICS IN THE PRODUCTION AND MOVEMENT OF GOODS AND SERVICES AND THEREBY ENHANCE THE COMPETITIVENESS OF A COUNTRY'S EXPORT COMMODITIES AND REDUCE THE COST OF IMPORTED GOODS.
- THE PORT PROVIDES THE LOGISTICAL SUPPORT FOR ADDING VALUE TO TRADABLE GOODS AND SERVICES . BAGGING, PACKAGING, ETC
- PORT ENCLAVES SERVE AS EXPORT PROCESSING ZONES FROM WHERE GOODS AND SERVICES ARE PRODUCED MAINLY FOR EXPORT WITH LIMITED TAXATION – PURPOSELY FOR JOB CREATION

ROLE OF PORTS AS KEY ENABLERS

- MARITIME SECTOR CONTRIBUTES ABOUT 60% OF NATIONAL REVENUE (ABOUT 70% OF GHANA CUSTOMS REVENUE IS DERIVED FROM THE TWO SEAPORTS)
- PROVIDE TRADE INFORMATION AND STATISTICAL SUPPORT FOR PLANNING AND INVESTMENT
- THE PORTS PROVIDE SUPPORT FOR THE DEVELOPMENT OF NEW INDUSTRIES. (E.G GHANA'S OIL AND GAS INDUSTRY)
- THE PORTS HELP TO PROTECT NATIONAL SECURITY INTERESTS (NARCOTIC DRUGS, ARMS AND AMMUNITIONS, POTENTIAL TERRORIST ATTACKS)

100M OF DEDICATED BERTHING AREA FOR OIL AND GAS SUPPLY VESSEL SERVICES



A DRY DOCK FACILITY FOR VESSEL REPAIR SERVICES



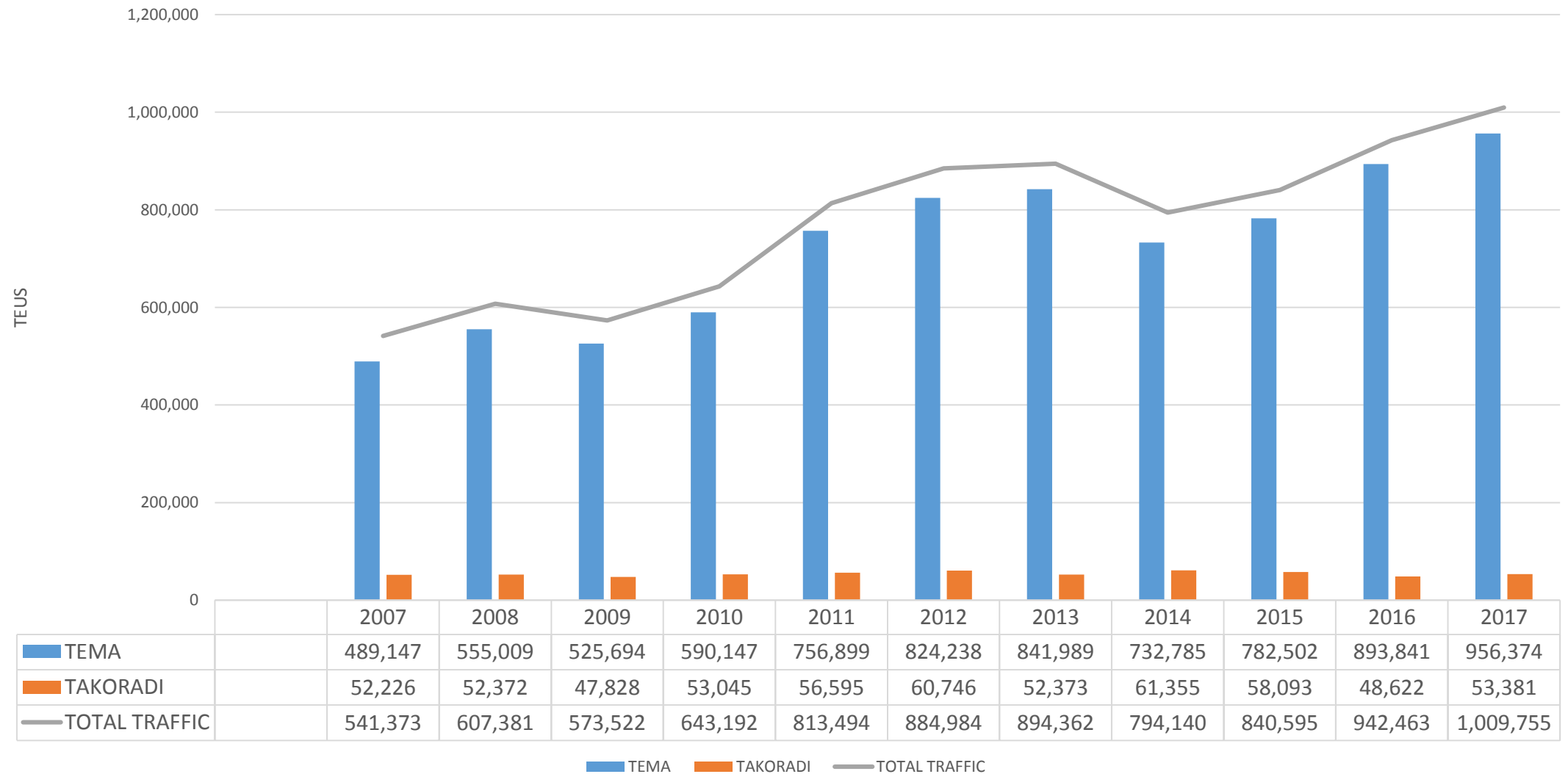
MARITIME TRADE/PORT TRAFFIC IN THE ECOWAS REGION

5-year throughput of West African ports handling minimum 100,000 TEU:

Port	Country	2017	2016	2015	2014	2013
North Atlantic						
Conakry	Guinea	<i>171,900</i>	166,000	168,000	150,000	147,300
Dakar	Senegal	<i>570,500</i>	540,000	529,700	456,000	454,100
Gulf of Guinea						
Cotonou	Benin	<i>333,000</i>	330,000	346,000	314,000	336,000
Douala	Cameroon	<i>386,400</i>	370,000	379,900	333,600	339,300
Libreville	Gabon	<i>156,000</i>	146,000	145,700	145,300	130,700
Tema	Ghana	<i>956,400</i>	893,800	782,500	732,400	842,000
Abidjan	Ivory Coast	<i>663,600</i>	635,600	640,900	655,000	649,900
San Pedro	Ivory Coast	<i>244,000</i>	250,100	286,500	336,800	333,300
Lagos	Nigeria	<i>1,050,000</i>	<i>1,150,000</i>	1,294,200	<i>1,600,000</i>	<i>1,480,000</i>
Onne/Port Harcourt	Nigeria	<i>160,000</i>	170,000	250,000	267,400	216,000
Lomé	Togo	<i>1,193,800</i>	821,600	905,700	380,800	311,500
South Atlantic						
Luanda	Angola	<i>570,200</i>	541,300	753,300	1,055,200	913,000
Pointe Noire	Congo, Rep	<i>579,000</i>	562,900	571,900	619,900	574,200

NOTE: Figures in *italics* are estimates.

GHANA PORTS-CONTAINER TRAFFIC GROWTH IN TEUs 2007-2017



POSITIONING THE PORTS STRATEGICALLY -IMPROVEMENTS IN TERMINAL INFRASTRUCTURE

COUNTRY	PORT	TYPE OF DEVELOPMENT	DEVELOPER	TIMELINE	AMOUNT-USD\$
NIGERIA	LEKKI DEAP SEAPORT	3 CONTAINER BERTHS EQUIPPED TO HANDLE MORE THAN 1.8 MILLION TEUS,1 BERTH FOR DRY BULK AND 2 BERTHS FOR LIQUID CARGO.	TOLARAM GROUP OF SINGAPORE	COMPLETION IN 2019	\$1.5 BILLION SPENT
	BADAGRY MEGA PORT	THE DEEPWATER FULL SERVICE PORT WILL BE ONE OF THE LARGEST IN AFRICA WITH 7 KILOMETRES OF QUAY AND 1,000 HECTARES (2,470 ACRES) OF DEDICATED YARD,	CONSORTIUM LED BY APM TERMINALS	ON-GOING	MULTI-BILLION
COTE D'IVOIRE	SAN PEDRO	UPGRADE-CONTAINER TERMINAL/GENERAL CARGO	MSC & EMIRATI BILAL GROUP		€1.5 BILLION
TOGO	LOME	MODERNISATIO/EXPANSION-CONTAINER TERMINAL	BOLLORE AFRICA LOGISTICS	COMPLETED	€26M
GHANA	TEMA	EXPANSION	MPS	PHASE I-JUNE 2019	\$1.5B
	TAKORADI	EXPANSION-CONTAINER MULTI-PURPOSE BULK JETTY	GPHA/IBISTEK	ONGOING 80% COMPLETE	\$197 million

POSITIONING THE PORTS STRATEGICALLY-IMPROVEMENTS IN CRANE AND TERMINAL INFRASTRUCTURE

- New port developments use superior cargo handling equipment in keeping with international best practice to ensure smooth and efficient port operations.
- APMT recently spent -\$125m modernizing its operations at Nigerian ports of Apapa & Onne and comprehensively upgrading the terminals logistical infrastructure & ICT systems
- Tema Port Expansion Project is preparing to receive 27 cranes valued at US\$ 82 million.
 - Super Post Panamax with 65 meter outreach capable of handling containers on board vessels up to 23 rows and 10 on deck
 - eRTGs are capable of stacking containers 7 wide and 1 over 5 high in the container yards.

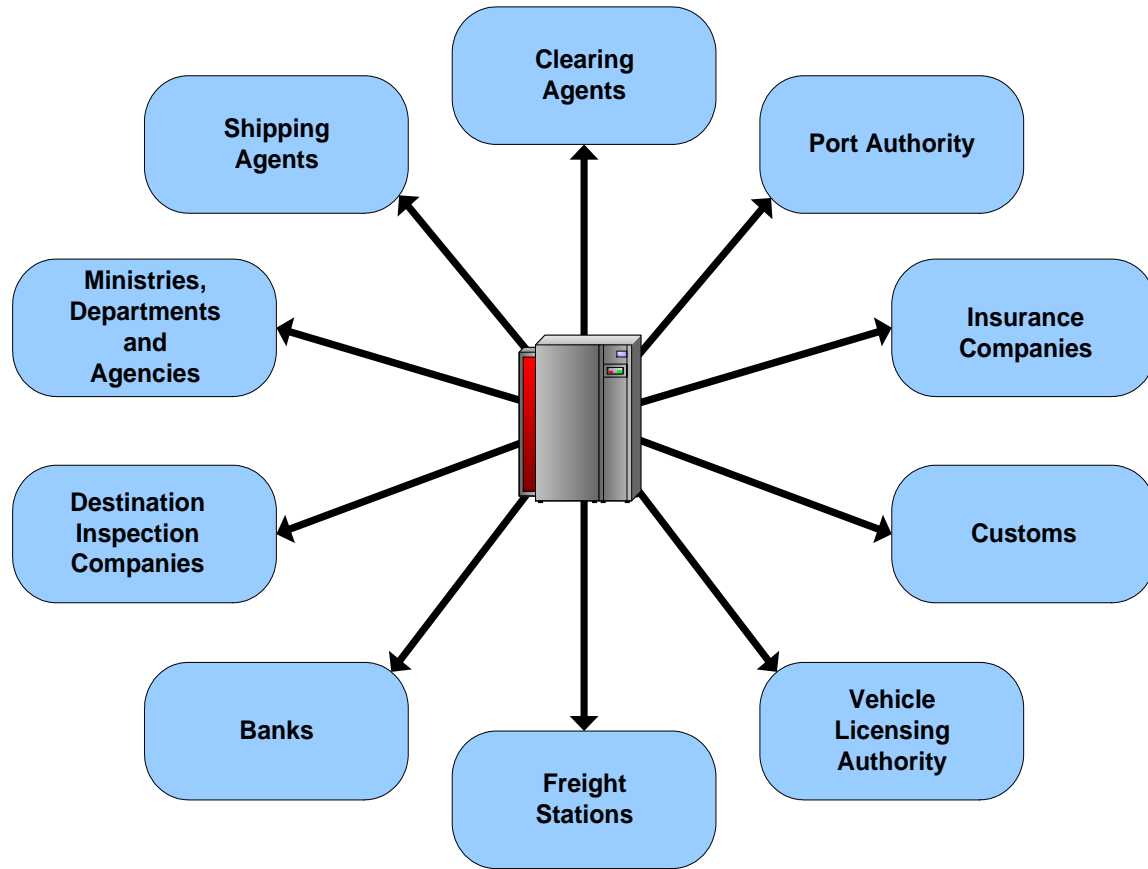
POSITIONING THE PORTS STRATEGICALLY-OTHER FACILITIES

As West African ports expand to meet growing demands, there's the need to focus on intermodal facilities to improve hinterland connections and develop dry port facilities.

➤ Construction of Dry Ports;

- Ouaga Inter and Bobo Dioulasso Dry Ports (Burkina Faso Chamber of Commerce and Industry)
- The government of Niger in partnership with IFC have constructed two dry port facilities, Dosso (corridor of Benin) and Niamey Rive Droite (corridors of Ghana and Togo) to handle transit imports at a cost of 77 million USD under a concession to Bollore Africa logistics.
- Boankra Inland Port and Eastern Railway Line -Ghana

POSITIONING THE PORTS STRATEGICALLY- AUTOMATION



ELECTRONIC DATA INTER-CHANGE SYSTEM IN THE PORTS

- The Single Window System
- The Port Community Integrated Management System
- GCNET/WESTBLUE



Automating our Ports is Not an Option but a Necessity

E-Gate
OCR/Turnstile/Boom Barrier/
E-Card

AIS/CCTV/VTS/IMT

Business
Intelligence

Jade Terminal Operating System
(TOS)
From Ship to Shipper &
Vice Versa

ERP
Microsoft Dynamics AX 2012 R3

Based on Reliable IT Physical Infrastructure (Data Recovery Site as Backups)

POSITIONING THE PORTS STRATEGICALLY-AUTOMATION

➤ Productivity gains of up to 30%

Eg. Paperless port implemented in Ghana in September, 2017

- Improved efficiency in the cargo clearance system
 - 16 port inspection agencies reduced to 3
 - 60% of goods cleared within 48 hours
 - 100% mandatory inspection reduced to 59%
- Reduced port user cost (Demurrage cost decreased by 17.5%)
- Enhanced collection of government revenues (increase by 55% year-on-year)
- Reduction of extortion and fraudulent activities
- Improved local and international business reputation

POSITIONING THE PORTS STRATEGICALLY-INTERMODAL CONSTRUCTION

- Creating better transport links to and from ports themselves are equally important for total efficiency and growth.
- Logistics cost accounts for 40% consumer prices
- \$1.5 billion Tema Port expansion includes port access roads to the motorway
- Investment in greater transport infrastructure , stronger intra-Africa transport links and subsequently greater economic growth over time.

POSITIONING THE PORTS STRATEGICALLY-INTERMODAL CONSTRUCTION_{CONT.}

- RAIL DEVELOPMENT: Rail links are key to improving intermodal logistic opportunities (free movement of goods, harassment free, reduction in road injury 7 fatality)
- COTE D'IVOIRE-2700km West Africa Rail Corridor;Cote D'ivoire-Burkina Faso-Niger-Benin
- GHANA-BURKINA FASO railway 1,000 kilometres standard gauge rail line from Tema to Ouagadougou on Build, Operate and Transfer (BOT) basis.



CHALLENGES

- HUGE COST OF PORT DEVELOPMENT; EACH MEGA-PORT PROJECT IN THE REGION OF \$1BILLION OR MORE
- IN BALANCE OF EXPORT/IMPORT TRADE RATIO
- LACK OF MULTI-MODAL TRANSPORTATION
- CUMBERSOME CLEARANCE/BOARDER PROCEDURES
- POLITICAL INTERFERANCE IN PORT DEVELOPMENT/MANAGEMENT

WAYFORWARD

- Ports and shipping Sector-developing in tandem to cater for expected growth
- Positive response from governments towards Port Management Reforms
- PPP in port capacity development.
- Strategic partnerships
- Improving port access by developing multi—modal transport Systems
- Development of knowledge sharing & collaboration between ports & countries (Strengthen PMAWCA and others)

WAYFORWARD

- Multi stakeholder engagement
- Continuous process improvement and innovation
- Countries with common boundaries must also collaborate on cross-border infrastructural development to facilitate transportation of products across borders.
- Human Capital development
- Developing a more reliable and sustainable scheme for Port Financing
- Existence of the political will to implement trade commitments

CONCLUSION

- The ports are the main drivers of international trade and industrialization.
- Efficient ports can make countries and regions more competitive and thus improve their growth prospects.
- To move Africa forward, the ports, shipping and all stakeholders must work together to facilitate trade in tandem with commercial, environmental and social sustainability.
- The ports and shipping sector in West Africa are poised to capably handle the growth in trade volumes in the region.

