Supporting Port Transformation in Africa

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AfDB Missions and Achievements in Supporting Transport Systems
The AfDB is the 1st Multilateral Development Institution in Africa (in volume lending)

AfDB committed USD **81 billion** of loans and grants in the last 20 years, 7.2 billion in 2015

1995 – 2015 Bank’s group loans and grants distribution (USD)

- **Transport**: 17,846 M (22%)
- **Communications**: 676 M (1%)
- **Energy**: 14,931 M (18%)
- **Other**: 42,052 M, (52%)
- **Water Supply and Sanitation**: 5,576 M (7%)
Transport & ICT – Active project Portfolio (1st Jan. 2017)

- USD 12 billions
- 118 projects
- 45 countries
Transport & ICT – Active project portfolio (1st Jan. 2017)

- **ROAD**
  - USD 8.5 billion
  - The active portfolio represents 16,000km of road, it's more than the distance from Tunis to Cape Town.
  - 100M people benefiting from better roads through Bank’s interventions

- **RAIL**
  - USD 521M
  - In Morocco, transport capacity will double for both freight & passengers

- **ITC**
  - USD 304M
  - 3000km of optical fiber installed in Central Africa. Innovative projects in Cape Verde, Senegal and Lake Victoria region.

- **URBAN**
  - USD 934M
  - 8 major African cities supported, impacting the daily life of 10M of commuters.

- **AIR TRANSPORT**
  - USD 625M
  - More than 69 airports concerned by air safety projects.
  - 5 terminals built or extended, a potential of 20M passengers per year.

- **PORTS & SEA TRANSPORT**
  - USD 562M
  - 3 major terminals built or extended, a capacity growth from 1M TEU* /year to 4.5M

*Twenty foot equivalent unit*
AfDB role in supporting ports
AfDB role in supporting ports

Positioning ports in the supply chain to facilitate multi-modal

The Bank is involved:

- Port studies (e.g. master plan, feasibility, planning, engineering, transaction preparation etc.)
- Port side infrastructure
- Land side infrastructure
- Facilitation (e.g. OSBP, IT, regulation, agreements)
- Road (corridor)
- Rail (corridor)
- Waterways (engaging)
AfDB role in supporting ports

USD 920M invested in the past 10 years

Port sub-sector has been strongly supported by the Bank, in particular through PPP.

During the past decade the Bank supported investments in new container terminals in Djibouti, Togo and Namibia, as well as equipment modernization in Senegal.

In northern Morocco, Nador West Med port will become a leader of shipping, and will host a new performing logistic platform.

In Mozambique, Nacala’s new coal terminal takes part in a global integrated project combined with rail transport.

Road corridors improvement and urban road projects also facilitate port accessibility, like in Mombasa (Kenya), Kribi (Cameroon) or Lomé (Togo).

AfDB financed also various studies, like in Mauritius, for the Port-Louis port extension.

+ 9 millions containers
per years in port capacity
(in TEU: Twenty-foot equivalent container units)
AfDB role in supporting ports

Dakar Port (Senegal) USD 64M loan 2007

Dakar port handles 90% of the total value of Senegal’s foreign trade. The recent extension of the container terminal, through public-private partnerships improved efficiency and lowered the delivery cost of both imported and exported goods.

Outputs: Extension of port capacity
14,500 TEU s >> 31,735 TEUs

Waiting time for trucks
Several hours > 30min
AfDB role in supporting ports

Lomé Container Terminal (Togo)  EUR 60M loan
2011

The project pertains to the construction, development and operation of a new transhipment container handling terminal.

In 2012, the AfDB also financed access road and expressways through a separate road project, seeking to facilitate movement of people and goods between the Lome’s ports and the hinterland.

Outputs:
Extension of port capacity + 1.5 million TEUs
AfDB role in supporting ports

**Walvis Bay (Namibia)** USD 338M loan 2013

The project scope comprises the construction of a **new container terminal** on reclaimed land from the Walvis Bay channel supported by complementary initiatives on logistics and capacity building.

**Outputs:**
- **Extension of port capacity**: 355,000 TEUs >> 1M TEUs

**Namibia aims to maximize its potential and strategic location to become a trade hub for the region thereby enhancing trade and regional integration.**

- **Anchorage**: 14 days >> 8 days
- **Berthing moves per hour (BMPH)**: 20 >> 60
Lekki is a **greenfield port** 60 km east of Lagos (in the Lagos Free Trade Zone). The project includes construction of all port infrastructures such as breakwaters, quays, approach channels, dredging of the basin as well as all captive utilities such as water and power.

**Outputs:**
- 3 container berths: 2.5M TEUs capacity
- 3 liquid berths: 16.7 MT of liquid cargo
- Bulk berth: + 4.5 MT of dry bulk

AfDB role in supporting ports

**Lekki Port (Nigeria)**  USD 150M loan 2014
AfDB role in supporting ports

Nador Port USD 127M loan 2015

The building of a new terminals (2 containers / 1 hydrocarbons) seeks to:

(i) take advantage of Morocco’s geostrategic position on the Strait of Gibraltar to attract part of global shipping activities;
(ii) firmly establish Moroccan value chains in the global economy and develop the hinterland; and
(iii) secure the supply of energy commodities to Morocco.

Outputs:

- Extension of port capacity 700,000 TEUs >> 3M TEUs
- Various goods treated 8M tons >> 33M tons
The economical sector work: vision and challenges

The 66 selected ports captured in a port databook
The economical sector work: vision and challenges

The Bigger Picture – An Overview of the African Maritime and Port Sector Trends
Several elements have substantially impacted and will have a substantial impact on, the African maritime and port sectors. Among the most influential of these trends are:

- Strong predicted population growth in Africa in the 21st Century;
- Continuous strong economic growth in the region;
- Varying economic structures of African countries; and
- Continuous increase in cargo volumes and cargo vessel sizes.
Population Growth

The African population is predicted to quadruple in the 21st century, spurring maritime trade.

Predicted population by continent, in millions

Africa is the world’s fastest urbanizing region. From 2015 to 2045, African cities will gain 24 million more people each year, topping 1.2 billion urban dwellers by 2045.

Additional people living in urban areas per year, 2015-45

<table>
<thead>
<tr>
<th>Continent</th>
<th>Million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Africa</td>
<td>24</td>
</tr>
<tr>
<td>China</td>
<td>9</td>
</tr>
<tr>
<td>India</td>
<td>11</td>
</tr>
<tr>
<td>Latin America</td>
<td>1</td>
</tr>
<tr>
<td>Europe</td>
<td>5</td>
</tr>
<tr>
<td>North America</td>
<td>3</td>
</tr>
</tbody>
</table>

Economic Growth

The trade volumes in African ports have grown by Compound Annual Growth Rates (CAGR) of almost 10%, whereas the GDP for Gross Domestic Product was roughly 5%.

In Sub-Saharan Africa the average GDP Growth was 5% during the last decade, generating a TEU growth rate of 10%.

Now the economies matured and growth slowing down: the GDP growth decreased to 3% and the TEU growth rate declined to 3.6%
Growth of the Maritime Sector

Larger cargo volumes and cargo vessels entail construction of larger port facilities.
Forecasting Port Investments

African containerized cargo demand is forecast to grow to 140 million TEU by 2050, resulting in a wave of port expansion projects.

- As the graph shows, the implications of these economic assumptions are that the TEU forecast shows an increase of annual throughput from 22 million TEU (2013 est.) to 140 million TEU in 2050 for the African continent.

- Consequently, numerous port expansion plans have recently been announced, resulting in an investment wave. However, as the following TEU supply & demand graph demonstrates, the “first wave” of port capacity expansion projects is necessary to provide the continent with sufficient port capacity to meet demand.
The economical sector work: vision and challenges

Zooming In – Regional and Country Level Port Sector Analysis
Regional Port Sector Analysis – Northern Africa

- North African seaborne trade is expected to increase to more than 500 million tons in 2019.

<table>
<thead>
<tr>
<th>#</th>
<th>Port</th>
<th>Country</th>
<th>TEU</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Port Said</td>
<td>Egypt</td>
<td>4,653,694</td>
<td>2013</td>
</tr>
<tr>
<td>2</td>
<td>Tangier Med</td>
<td>Morocco</td>
<td>2,558,426</td>
<td>2013</td>
</tr>
<tr>
<td>3</td>
<td>Alexandria</td>
<td>Egypt</td>
<td>1,679,367</td>
<td>2013</td>
</tr>
<tr>
<td>4</td>
<td>Casablanca</td>
<td>Morocco</td>
<td>825,189</td>
<td>2013</td>
</tr>
<tr>
<td>5</td>
<td>Algiers</td>
<td>Algeria</td>
<td>737,000</td>
<td>2013</td>
</tr>
<tr>
<td>6</td>
<td>Damietta</td>
<td>Egypt</td>
<td>576,036</td>
<td>2013</td>
</tr>
<tr>
<td>7</td>
<td>Alexandria</td>
<td>Egypt</td>
<td>591,656</td>
<td>2013</td>
</tr>
<tr>
<td>8</td>
<td>Sokhna</td>
<td>Egypt</td>
<td>470,109</td>
<td>2013</td>
</tr>
<tr>
<td>9</td>
<td>Racca</td>
<td>Tunisia</td>
<td>354,644</td>
<td>2013</td>
</tr>
<tr>
<td>10</td>
<td>Beljava</td>
<td>Algeria</td>
<td>248,964</td>
<td>2013</td>
</tr>
</tbody>
</table>

- Liquid Bulk: North African ports are also used to export large quantities of liquid bulk: oil and refined products, as well as natural gas are substantial cargo flows.

- Dry Bulk: North African region is known to be a relatively large producer of iron ore and phosphates. Additionally, the North African region is characterized by its large grain imports, as a result of the region’s limited agricultural production capacity.
• Total seaborne trade in West Africa is expected to increase from approximately 300 million tons in 2012 to just under 500 million tons in 2019.

• Liquid bulk primarily consists of the export of crude oil from Nigeria and Ghana.

• West Africa’s dry bulk trade mainly takes place in Guinea, Sierra Leone, Liberia and Cote d’Ivoire, where substantial reserves of iron ore and bauxite have been found.
Regional Port Sector Analysis – Central Africa

- Total seaborne trade in Central Africa is expected to increase from approximately 150 million tons in 2012 to just under 200 million tons in 2019.

- Liquid Bulk: crude oil exports from Cameroon, Gabon, and the Republic of Congo form the most important liquid bulk cargo flows.

- Dry Bulk: cargo flows are limited compared to the crude oil exports; however, in recent years there has been an increase in mining activities, resulting in a growth of dry bulk exports.

### Notable Seaborne Trade Data

<table>
<thead>
<tr>
<th>#</th>
<th>Port</th>
<th>Country</th>
<th>TEU</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Pointe Noire</td>
<td>Republic of Congo</td>
<td>575,000</td>
<td>2013</td>
</tr>
<tr>
<td>2</td>
<td>Douala</td>
<td>Cameroon</td>
<td>365,000</td>
<td>2013</td>
</tr>
<tr>
<td>3</td>
<td>Libreville</td>
<td>Gabon</td>
<td>306,450</td>
<td>2013</td>
</tr>
</tbody>
</table>

Source: Consultant based on various sources
Regional Port Sector Analysis – Southern Africa

- Exports in the Southern African region are expected to increase from approximately 170 million tons in 2012 to approximately 230 million tons in 2019.

- Liquid Bulk: In Durban, Africa’s largest port, almost 70% of total throughput consists of crude oil imports, while 25% of exports are also crude oil. In Angola, recent oil finds have also boosted liquid bulk exports.

- Dry Bulk: Southern Africa has an abundant supply of natural resources, with large deposits of iron ore, coal, diamonds, and uranium. As not all of the resources are currently being exploited, only a few regional ports handle substantial amount of dry bulk cargo; the main dry bulk are in South Africa, and Mozambique (Maputo).
Regional Port Sector Analysis – East Africa

- In the East African region, seaborne trade is expected to grow from just over 90 million tons in 2012 to just over 160 million tons in 2019.

- Liquid Bulk: in all major ports, dedicated facilities are in place to import crude oil and refined oil products.

- Dry Bulk: The East African region has substantial deposits of fuels, metallic elements, and minerals. However, when it comes to the dry bulk export of these natural resources, the East African region is underdeveloped. Import of clinker and cement is another important cargo flow, as well as grain.

<table>
<thead>
<tr>
<th>#</th>
<th>Port</th>
<th>Country</th>
<th>TEU</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Mombasa</td>
<td>Kenya</td>
<td>894,000</td>
<td>2013</td>
</tr>
<tr>
<td>2</td>
<td>Djibouti</td>
<td>Djibouti</td>
<td>794,731</td>
<td>2013</td>
</tr>
<tr>
<td>3</td>
<td>Dar es Salaam</td>
<td>Tanzania</td>
<td>553,052</td>
<td>2013</td>
</tr>
<tr>
<td>4</td>
<td>Port Sudan</td>
<td>Sudan</td>
<td>465,000</td>
<td>2013</td>
</tr>
</tbody>
</table>

Source: Consultant based on various sources
The way forward

Working together with countries to find what port management model is best suited (case by case approach).

- Disseminate best practices and bring reform assistance to improve regulatory frameworks, securing the existing projects and attracting new investors.

- Work closely with Port authorities and investors to rise up the bare for project preparation and identify fair and bankable opportunities.
Thank you

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