
**SPEAKING NOTES
FOR
HIS EXCELLENCY WAMKELE MENE
SECRETARY-GENERAL, AfCFTA SECRETARIAT**

ON OCCASION OF THE 7TH PIDA WEEK

VIP SESSION

PANEL TITLED "PORTS, MARITIME TRANSPORT AND CORRIDOR
CONNECTIVITY: CHALLENGES AND PERSPECTIVES FOR THE AFRICAN
CONTINENT DURING AND AFTER THE COVID-19 PANDEMIC AND
THE ROLE OF AFCFTA"

Africa Trade House

2 March, 2022

PROTOCOLS

- **Honourable James Macharia**, Minister of Transport, Kenya
- **H.E Raila Odinga**, High Representative for Infrastructure, Kenya
- **H.E Dr Ngozi Okonjo-Iweala**, Director General WTO, Geneva
- **H.E. Dr Amani Abou-Zeid**, Commissioner for Infrastructure and Energy, **AUC, Ethiopia**
- **H.E Dr Assane Mayaki**, CEO, AUDA-NEPAD, South Africa
- **Dr Young Tae-Kim** ITF-OECD, Secretary General, France
- **Kitack Lim**, Secretary General, IMO, UK
- **Madam Rebeca Grynspen**, Secretary General, UNCTAD, Geneva
- **Mr Solomom Quaynor**, AfDB, Cote-D'Ivoire, Vice President for Private Sector, Infrastructure and Industrialization
- **Madam Carla Montesi**, Director, European Commission
- Distinguished Guests
- Ladies and Gentlemen

1. Good morning to you all.

2. I am delighted to participate in this important event, the 7th edition of PIDA week and I thank the organisers for the invitation to share some thoughts which will, hopefully, be

useful for the purpose of today's panel session on "Ports, Maritime Transport and Corridor Connectivity: Challenges and Perspectives for the Africa Continent during and after the Covid-19 Pandemic and the Role of AfCFTA".

3. Permit me to pay tribute to the efforts made by our Heads of State and Government, within the framework of the African Union, to promote regional infrastructural development projects, through the Programme for Infrastructure Development in Africa (PIDA), now in its second phase (2021-2030).
4. And as expected, the establishment of the Presidential Infrastructure Champions Initiative (PICI), under the PIDA, has contributed to the progress in the implementation of most of the PICI projects.

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5. With the official launch of trading under the AfCFTA preferences in January last year, infrastructure development, at the national, regional and continental levels, has become pivotal to the success of the trade pact.
6. As you may well know, intra-African trade flows have remained low, accounting for not more than 18% of total trade volumes, compared to about 70% in Europe and 59% in Asia.
7. Moreover, most of our countries are largely oriented towards exports of commodities and raw materials to countries in Europe (and Asia) rather than with our immediate neighbours.
8. Colonization created a situation whereby the infrastructure of colonies was purpose-built for the export of raw materials to

Europe. This infrastructure deficit continues to influence most African countries' trade outward rather than inward.

9. One of the key objectives of the AfCFTA is, therefore, to resolve the longstanding challenges to intra-Africa trade and reverse the worrying situation.
10. And one of the key challenges to the relatively low intra-Africa trade, mentioned earlier, is the dearth of infrastructure which increases production and trade costs, reduces competitiveness of businesses and negatively impacts on foreign direct investment flows to the continent.
11. Experience from other free trade areas, such as East Asia, shows that increased cooperation on infrastructure development between participating countries, has been a major factor in decreasing trade costs and stimulating intra-regional trade.
12. And, indeed, infrastructure is also key to the achievement of the AU's Agenda 2063, Africa's blueprint for transforming the continent into the global powerhouse of the future. In this regard, Agenda 2063 rightly calls for the development of "world class infrastructure crisscrossing the continent."
13. You may recall that, one of the defining features of China's rapid transformation into an industrial powerhouse has been investment-led growth. Also, the post-war reconstruction of Germany and its economic success are due in part to substantial investment into ports, high-speed railways, schools and universities, among others.
14. For Africa to achieve a rapid transformation of the continent and make it an economic powerhouse, we must begin building the future we want now. Closing the

Infrastructure gaps is, therefore, one of the key priorities in this regard.

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15. The success of the AfCFTA and AU's Agenda 2063, therefore, demands that the infrastructure gap in Africa, must be urgently addressed in order not to restrict increased trade integration and economic growth.
16. It is imperative to have quality infrastructure, particularly transport, energy and digitisation.
17. With regard to transport infrastructure, the AfCFTA will significantly increase traffic flows on all the modes of transport, including road, maritime, rail and air.
18. However, given Africa's large coastline, our member states have an opportunity to use sea routes for faster and more economical intra-continental trade.
19. This calls for urgent measures and policies to address the challenges that continue to weigh on the maritime sector, including insufficient port capacity, storage deficit, inefficient handling time, congestion, delays in checkpoints, delayed ship dwell time, poor security and corruption.
20. The Covid-19 pandemic has also had direct impact on port traffic and all shipping industries and economies and on the supply and foreign trade of countries, including landlocked countries and finally on customs resources and, therefore, on countries' economic performance.
21. These issues combined with inefficient or missing inland connectivity through rail and road networks increase transportation costs within the continent.

22. Furthermore, considering the fact that 16 countries in Africa are landlocked, seaports competitiveness across the continent remains strategic. This will contribute to improving access of the landlocked countries, which depend on their neighboring transit seaports, to global markets. It will also ensure that small and less developed African economies benefit from shared sea port gateways to the rest of the world, leaving no one behind.

Distinguished Ladies and Gentlemen

23. Indeed, Port authorities in Africa have embarked on port expansion initiatives to address these issues and ensure the development and maintenance of physical port infrastructure for the provision of necessary capacity to cater for both coastal and landlocked countries.

24. However, there is no better time and opportunity for Africa to remove the systemic barriers to growth than now with the operationalisation of the AfCFTA.

25. A study by the UN Economic Commission for Africa (UNECA) with a time horizon of 2030 indicates that cargo transported by vessels would increase from 58 million to 132 million tons with the successful implementation of AfCFTA. And a number of countries are expected to experience a surge in traffic through their ports by 2030 as a result of AfCFTA.

26. If the necessary infrastructure projects are implemented, Africa's maritime fleet is projected to increase by 188% for bulk and 180% for container cargoes.

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27. In conclusion, Africa needs to make use of the economic potential of its ports and maritime sector if it is to achieve the objectives of the AfCFTA to boost economic growth and development of the member countries.
28. Research has shown that upgrades in port efficiency might increase growth, demonstrating the close relationship between port effectiveness and trade competitiveness.
29. By improving existing port infrastructure and using new technology, our countries will gain a comparative advantage which will position them to become key players in the global shipping industry. Developing freight technology as well as using artificial intelligence to monitor shipping activities, will help in reducing delays in shipment of goods and the costs associated with poor port management and infrastructure.
30. Thankfully, as part of the AfCFTA phase I negotiations, transport and logistics are being negotiated in the current round of services negotiations. Specific commitments in transport services undertaken by State Parties would go a long way to address infrastructure bottlenecks among African countries.
31. The AfCFTA provides the much-needed stimulus and predictability for trade and investment on the continent, and there is no better time to invest in unlocking the infrastructure development potentials of the continent than now.
32. The AfCFTA, along with the African Union's 2050 Integrated Maritime Strategy, can bring an array of opportunities and benefits for maritime sector.
33. My expectation, therefore, is that this 7th PIDA Week will both broaden stakeholders' appreciation of the issues around infrastructure, especially maritime infrastructure and also

sharpen the focus on the key areas that need attention in our quest for enhanced intra-African trade, and inclusive and sustained development; the Africa we want.

34. I wish this 7th PIDA Week great success.

Thank you