

Transport Corridors Have Improved Trade in Sub-Saharan Africa, but Issues Remain

Joann Peterson, Office of Industries, Joann.Peterson@usitc.gov, (202) 205-3032

Infrastructure improvements in the transport corridors of sub-Saharan Africa (SSA) have led to growth in the region's international trade; however, these gains are partially offset by corruption and lack of regulatory oversight at customs checkpoints. For transport corridors to successfully foster trade in the region, SSA countries should continue to reform customs procedures. In fact, some researchers suggest that customs reform is just as important to facilitating trade and corridor performance in SSA as is the continued improvement of the region's transport infrastructure.

What are transport corridors?

Developed over the past few decades, SSA's transport corridors are a collection of routes that link the region's seaports to major inland markets as well as offer connections to its many landlocked countries, or LLCs¹¹ (15 out of the 48 SSA countries). Roughly \$200 billion in goods are transported each year along the more than 10,000 km of routes, chiefly roadways that make up the main geographic corridors in SSA (table 1). These shipments include goods that are traded between SSA and foreign countries, making transport corridors an important conduit for the region's international commerce. Many transport corridors in SSA are developed through public-private partnerships (PPPs) between national governments and private entities; these PPPs focus on improving the physical infrastructure of roads and railways, enhancing customs efficiency at border crossings, and lowering overall transport costs to promote trade and development in the region.

Table 1: Selected transport corridors in SSA, routed from major port cities to inland destinations		
Corridor	Distance	Transport mode(s)
Central Africa		
<i>Douala Corridor:</i> Port of Douala, Cameroon, to the Central African Republic to Chad	1,800 km	Road, some rail
<i>Lobito Corridor:</i> Port of Lobito, Angola, to Lubumbashi, Democratic Republic of the Congo (DRC), to Lusaka, Zambia	1,345 km	Road, some rail
South Africa		
<i>Walvis Bay Corridors:</i> (1) Port of Walvis Bay, Namibia, to Lusaka, Zambia, to DRC; and (2) Port of Walvis Bay to Botswana to DRC	(1) 2,100 km to Lusaka (2) 1,800 km	Road
West Africa		
Port of Abidjan, Côte d'Ivoire, to Burkina Faso to Mali	1,200 km	Road, some rail
Lagos to Niger	1,500 km	Road
East Africa		
<i>Central Corridor:</i> Port of Dar-es-Salaam, Tanzania, to Rwanda to Burundi to Uganda to DRC	1,600 km to Kampala, Uganda	Road, rail, inland waterways
<i>Northern Corridor:</i> Port of Mombasa, Kenya, to Rwanda to DRC	2,000 km	Road, rail, inland waterways
Source: Economic Commission for Africa, "The Development of Trade Transit Corridors in Africa's Landlocked Countries," in <i>Assessing Regional Integration in Africa (ARIA IV)</i> , 2014, 248, Table 7.1: Main Corridors in Africa.		

Transport corridors include both physical infrastructure (i.e., roads, railways, warehouses, border posts, seaports, and intermodal facilities) and institutional frameworks built on agreements between governments of SSA countries. These agreements establish policies to lessen transit and border delays and integrate regional road and rail networks. Over time, transport corridors in SSA have become a way to foster regional integration as well as economic development.

SSA's major corridors are roughly divided among its four geographic regions (central, south, east, and west). Each corridor is composed of several smaller transport routes that connect inland destinations to coastal ports.² Although these corridors largely remain unconnected to one another, the African Development Bank, the African Union, and the UN Economic Commission for Africa (UNECA) are working together to plan the development of a trans-African highway network. The network would connect each of SSA's major corridors by filling in infrastructure gaps within the region's transport network. Planners estimate that about 7,000 km of added roadways and 10,000 km of added railways will be needed to complete the highway network, at a total cost of roughly \$32 billion.

Much like a port authority, public-private entities manage the infrastructure needs and daily operation of SSA corridors. These entities also partner with service providers to supply a range of transport-related services, such as warehousing and

¹ The 15 LLCs in SSA are Botswana, Burkina Faso, Burundi, the Central African Republic, Chad, Ethiopia, Lesotho, Malawi, Mali, Niger, Rwanda, Swaziland, Zambia, Zimbabwe, and Uganda. Most of these are classified as least-developed countries; only Botswana, Uganda, and Swaziland are classified as middle income.

² See also USITC Inv. 332-530, *Trade Facilitation in the East African Community: Recent Developments and Potential Benefits*, Publication 4335, July 2012, available at <http://www.usitc.gov/publications/332/pub4335.pdf>.

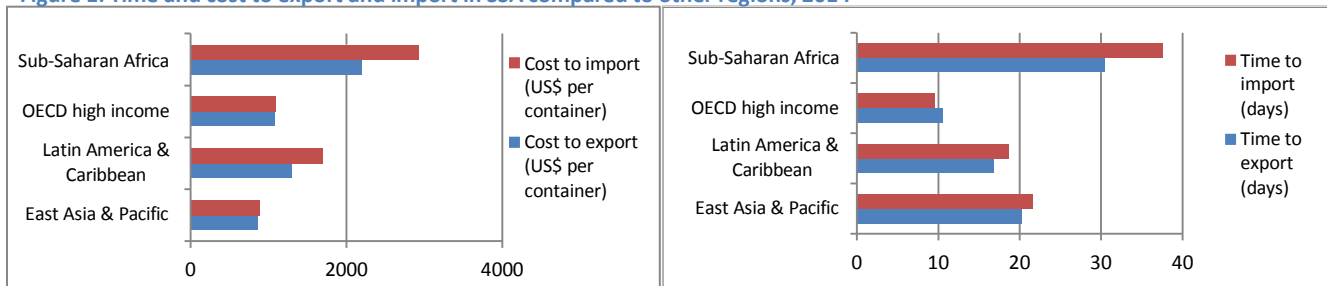
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logistics. The Walvis Bay corridor, for example, is composed of several transit routes that connect LLCs in southern Africa to seaports in Namibia. The corridor is overseen by a management team and board of directors that set corridor policies, determine infrastructure needs, and seek investment from public and private partners. The Walvis Bay Corridor Group (which includes, for example, the Namibia Logistics Association, the Walvis Bay Port Users' Association, and the Namibia Chamber of Commerce and Industry) also conducts outreach to attract trade and investment in southern Africa and to promote the corridor and accompanying ports in Namibia as viable entry points for African merchandise trade.

Why are transport corridors important to SSA, and what is hampering their development?

UNECA estimates that for the 12 LLCs in SSA which are classified as least-developed countries, transport costs account for an average of 77% of the value of goods exports. For these countries, improved corridors may reduce longer-than-average transit times for the export and import of cargo and lessen the costs of freight transport between remote inland markets and coastal hubs (figure 1). Nonetheless, SSA countries must establish effective corridor management policies to realize these benefits. One problem is that many transit countries (countries that provide coastal access to their landlocked neighbors) compete with neighboring LLCs for international trade and, therefore, have little incentive to offer LLCs ready access to their maritime ports. In addition, corruption and inefficiency at SSA customs checkpoints hinders the movement of goods along many of the region's corridors. Further, the potential benefits of transport corridors in SSA are dampened by the poor condition of SSA's road and rail networks. Unpaved secondary roads make up about 80% of all roads in the region (2009 data).

Figure 1: Time and cost to export and import in SSA compared to other regions, 2014



Source: World Bank, *Doing Business*, June 2014.

What is being done to improve SSA transport corridors, and what are the results of these improvements?

Improvement efforts have focused on upgrading road and rail infrastructure and reducing border delays. In Kenya, plans are underway to build a new rail link between the Port of Mombasa and inland container depots. The country also recently introduced a single customs window, aimed at consolidating and integrating customs-related procedures previously overseen by 24 separate government agencies. The single window permits customs documentation to be filed electronically, increasing transparency and decreasing the time, costs, and potential for corruption associated with customs processing. In the Democratic Republic of the Congo (DRC), rehabilitation of roadways along the country's main corridors—partially funded by Chinese investment—continues to improve freight transport. SSA countries have also cooperated to improve corridor performance. For example, Angola, the DRC, and Zambia have worked to upgrade rail links that connect these three countries along the Lobito Corridor.

Overall, according to the World Bank's Logistics Performance Index, the quality and quantity of SSA's transport infrastructure improved by 8% during 2007–14 (with a 5% increase recorded among the region's LLCs). In addition, the number of days to export and import goods from SSA fell by about 20% during 2006–12. Such improvements have had a positive effect on the LLCs' trade performance; they experienced a 3.2% average annual increase in their share of global merchandise trade during 2006–12, although this share remained less than 1% in 2012.

Sources: Sub-Saharan Africa Transport Policy (SSTAP), "Institutional Arrangements for Transport Corridor Management in Africa," SSTAP Working Paper No. 86, October 2007; Walvis Bay Corridor Group website, <http://www.wbcg.com.na/> (accessed June 3, 2015); PricewaterhouseCoopers, *Africa Gearing Up*, 2013; Arvis et al., *Connecting Landlocked Countries to Developing Markets: Trade Corridors in the 21st Century*, Washington, DC: World Bank, 2011; *Journal of Commerce*, "Kenya's Single Window Customs System Begins July 1," June 22, 2015; and World Bank, *World Development Indicators*, 2012, 2012; *Doing Business*, June 2014; *Improving Trade and Transport in LLDC: A Ten-Year Review*, November 2014; Logistics Performance Index database, <http://lpi.worldbank.org/> (accessed June 15, 2015).

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