

FOREWORD

This *African Development Report 2010* focuses on trade logistics in Africa, in particular maritime ports, with the objective of exploring ways to unblock bottlenecks to trade, increase competitiveness, and create sustainable economic growth for African countries. Ports are gateways for 80 percent of global merchandise trade and yet these crucial infrastructure hubs often fail to receive the attention they deserve. This report aims at bridging the existing information gap, providing detailed information on port development, institutional and regulatory aspects, and issues of managing the supply chains in general.

The report recognizes that Africa has significantly increased its trade both with emerging “new” Asian partners, such as China, and the traditional markets, i.e. the European Union and the United States. However, opportunities for enhanced market access in new as well as traditional markets continue to be hampered by trade capacity, severe supply-side constraints, and high transport costs, which severely affect the competitiveness of African economies. Maritime and dry ports are one of the critical elements in the transport logistics chain, which has a major impact on transport costs.

The remarkable growth in African trade over the last decade has put pressure on existing port capacity. As a result, many countries are challenged to transform and modernize their ports by equipping them with appropriate infrastructure to meet this

growing demand, including the rise in containerized traffic.

A number of key generic messages emerge from this report, which can help to shape African port development going forward. First, “hard” physical infrastructure is of poor quality and investment in this area is very low, leading to low port efficiency and chronic congestion. Second, the connecting infrastructure networks in Africa are either dilapidated or under pressure of increased traffic, and this delays and hinders the movement of goods. Third, “soft” infrastructure is weak and African countries experience institutional and regulatory constraints in the port sector that create inefficiencies, hinder competition, and raise transaction costs. Lastly, there is the specific challenge of the 15 landlocked countries that are not only handicapped by poor logistics to the hinterland, but also by cumbersome and lengthy customs regulations and delays at borders. For these countries, median transport costs are almost 50 percent higher than the equivalent costs for coastal economies.

The *African Development Report 2010* challenges all of us and highlights the importance of strengthening private/public partnerships, exploring future cofinancing opportunities, as well as putting in place a strong policy framework to facilitate new partnerships.

At a time when the world economy is showing tentative signs of recovery from

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the global financial and economic crisis, boosting competitiveness will be crucial to Africa's economic growth.

I recommend this report to the readers.



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