



United Nations
Economic Commission for Africa

Implications of the African Continental Free Trade Area for demand of Transport Infrastructure and Services

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40%

AfCFTA to boost intra-African trade by around 40 percent, with substantial benefits to all main sectors

Percentage change in intra-African trade, by main sectors with AfCFTA implemented in 2045 as compared to baseline (i.e. without AfCFTA)

41.1%
Agrifood

39.2%
Services

39.0%
Industry

16.1%
Energy/Mining

At sub-sectoral level, the most notable increases in intra-African trade, with positive output variations are to be found in:

Cereals and crops, milk and dairy products, sugar, processed food



Tourism and transport

Wood and paper, chemicals, rubber, plastic and pharmaceutical products, vehicles and transport equipment, metals, other manufactured products



Refined oil



Expected benefits in refined oil need to be analyzed carefully, in light of environmental concerns associated with CO2 emissions from fossil fuels

**ECA's research
unpacks AfCFTA
investment
opportunities in
the transport
sector by
answering the
following
questions**

- How will implementation of AfCFTA affect demand for transport infrastructure and services?
- What would be the demand for different modes of transport, and what are the implications for investment in infrastructure development?
- What would be the infrastructure and equipment needs for different transport modes?



The Impact of AfCFTA on Road Transport

TRUCKS by 2030

1,844,000

bulk cargo

248,000

container cargo

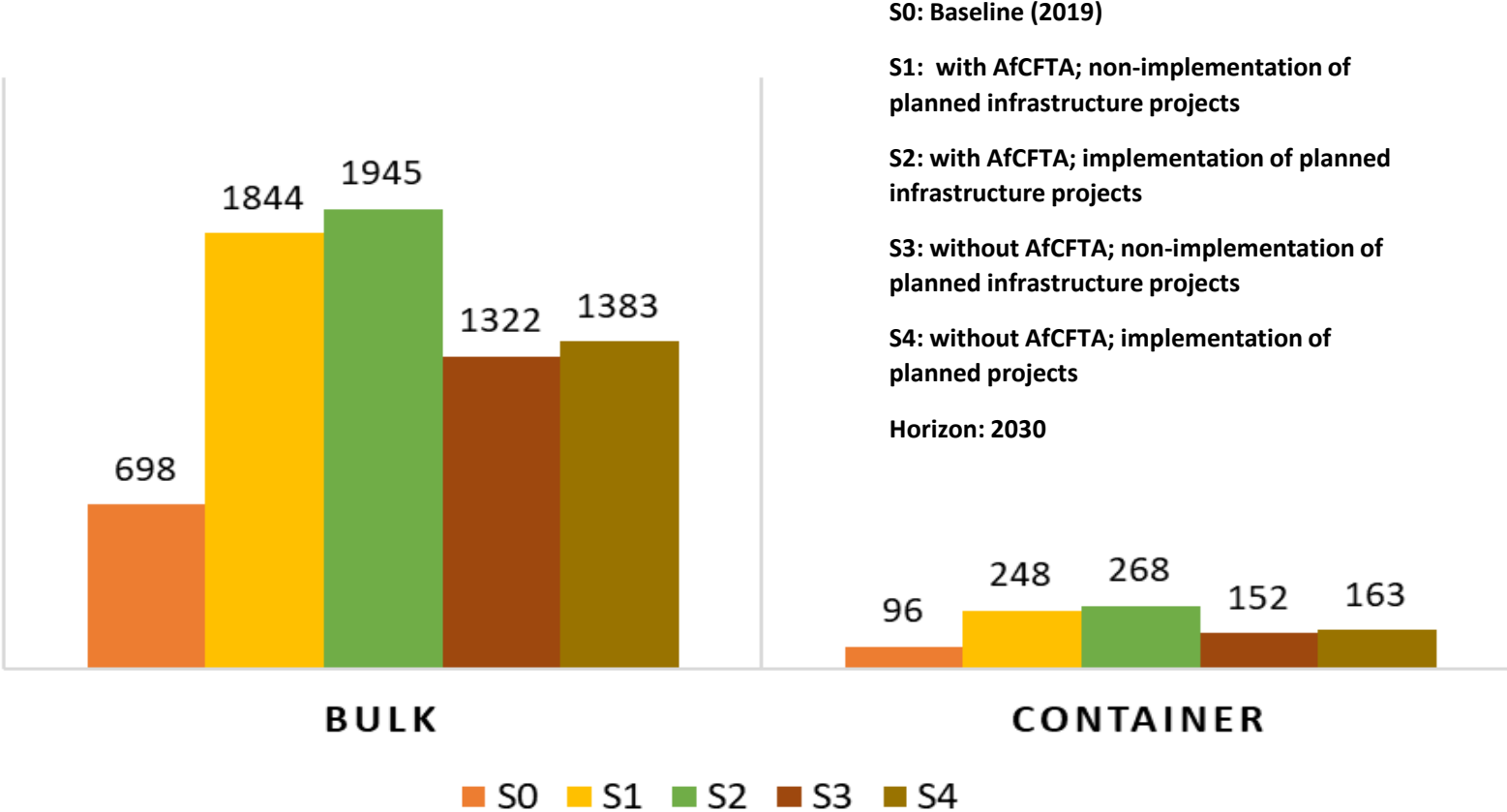
If planned infrastructure projects are also implemented, this increases to

1,945,000

bulk cargo

268,000

container cargo



Number of trucks in thousands according to the scenario by type of load

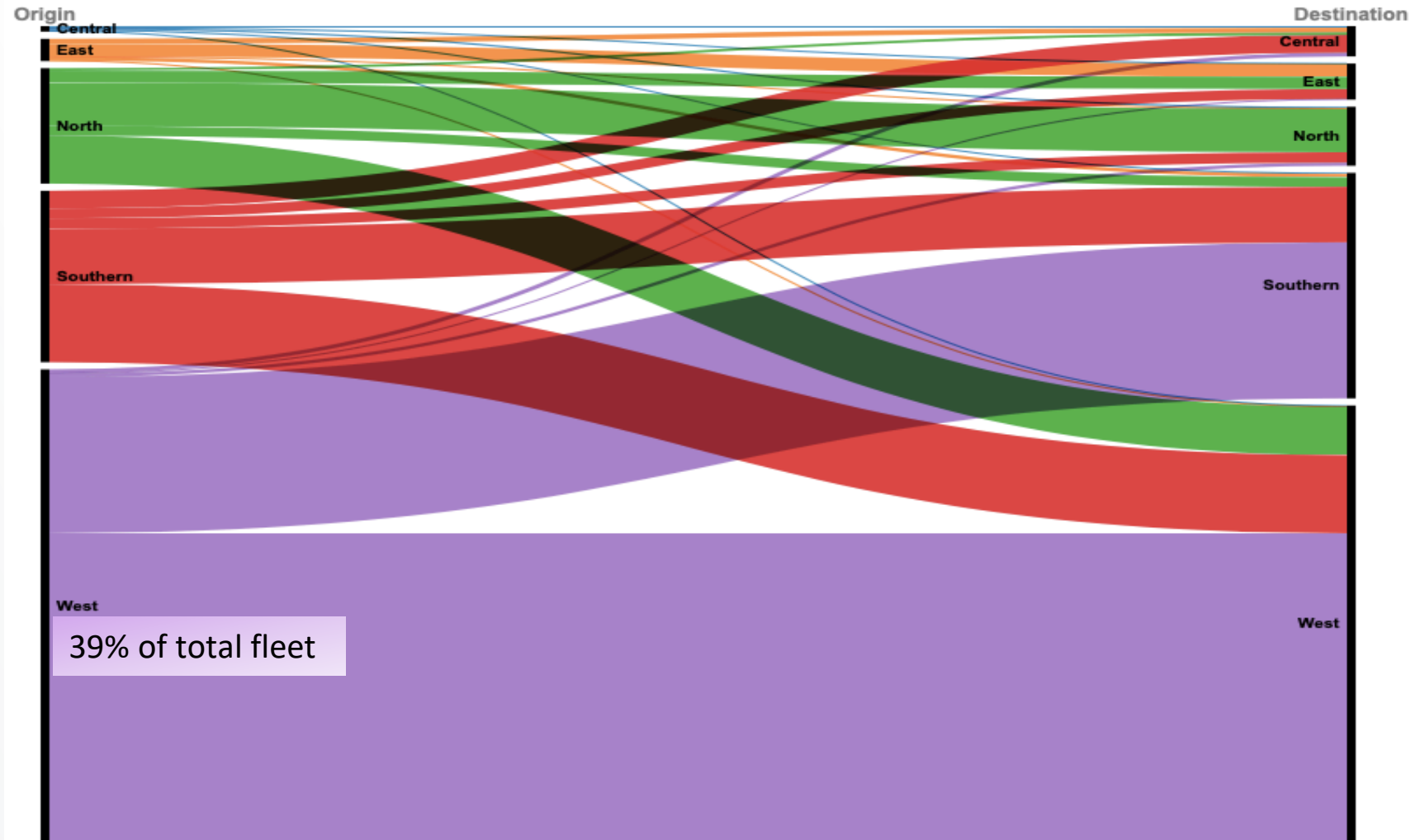


Demand for Trucks to Support AfCFTA

within West Africa **39%**

from West to Southern Africa **19.8%**

from Southern Africa to Western Africa **9.9%**



Scenario Do-everything, With FTA (S2)



WAGONS by 2030

97,614

bulk cargo

20,668

container cargo

If planned infrastructure projects are also implemented, this increases to

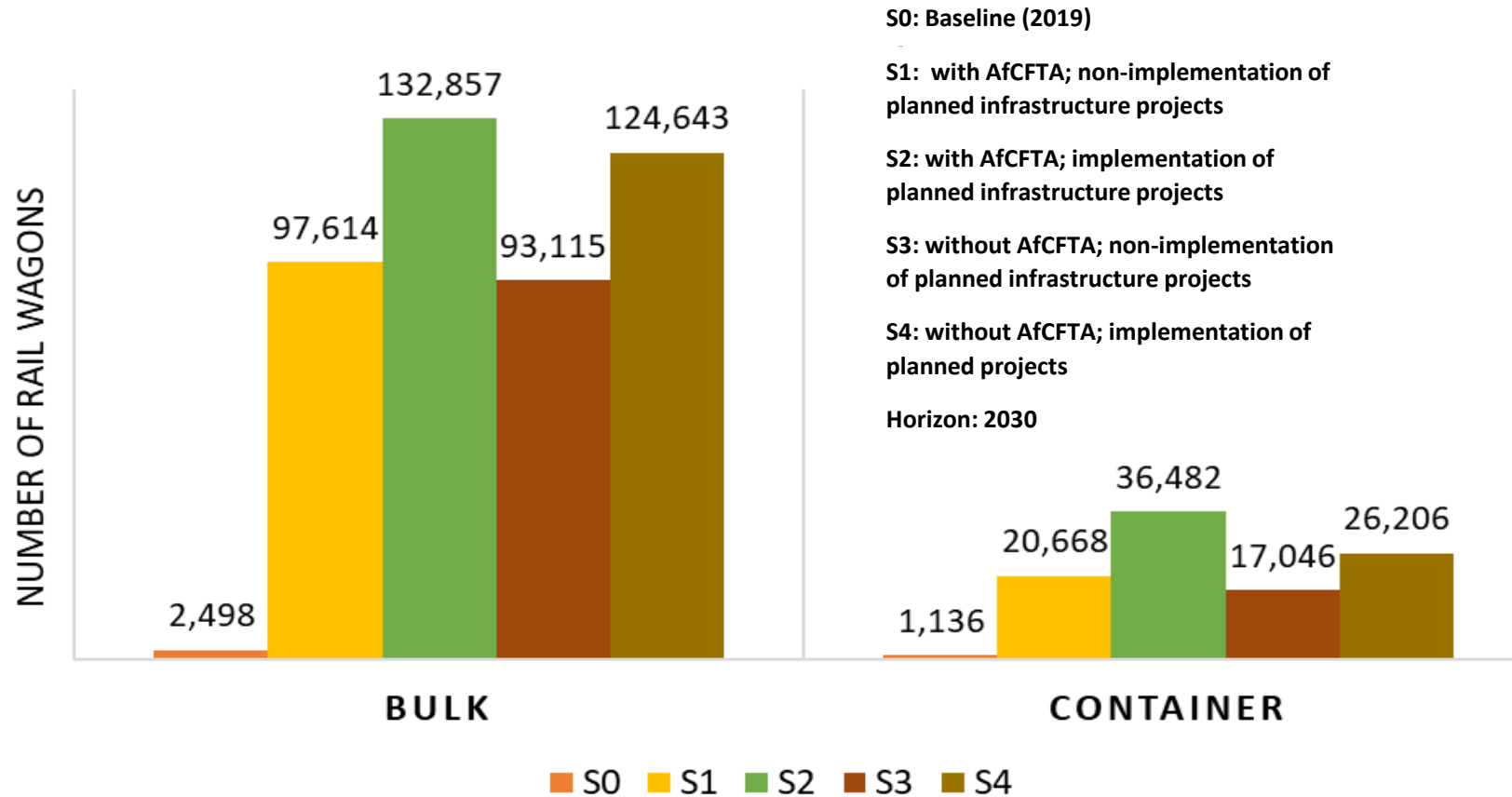
132,857

bulk cargo

36,482

container cargo

The impact of AfCFTA on Rail Transport



Number of rail wagons in thousands according to the scenario by type of load

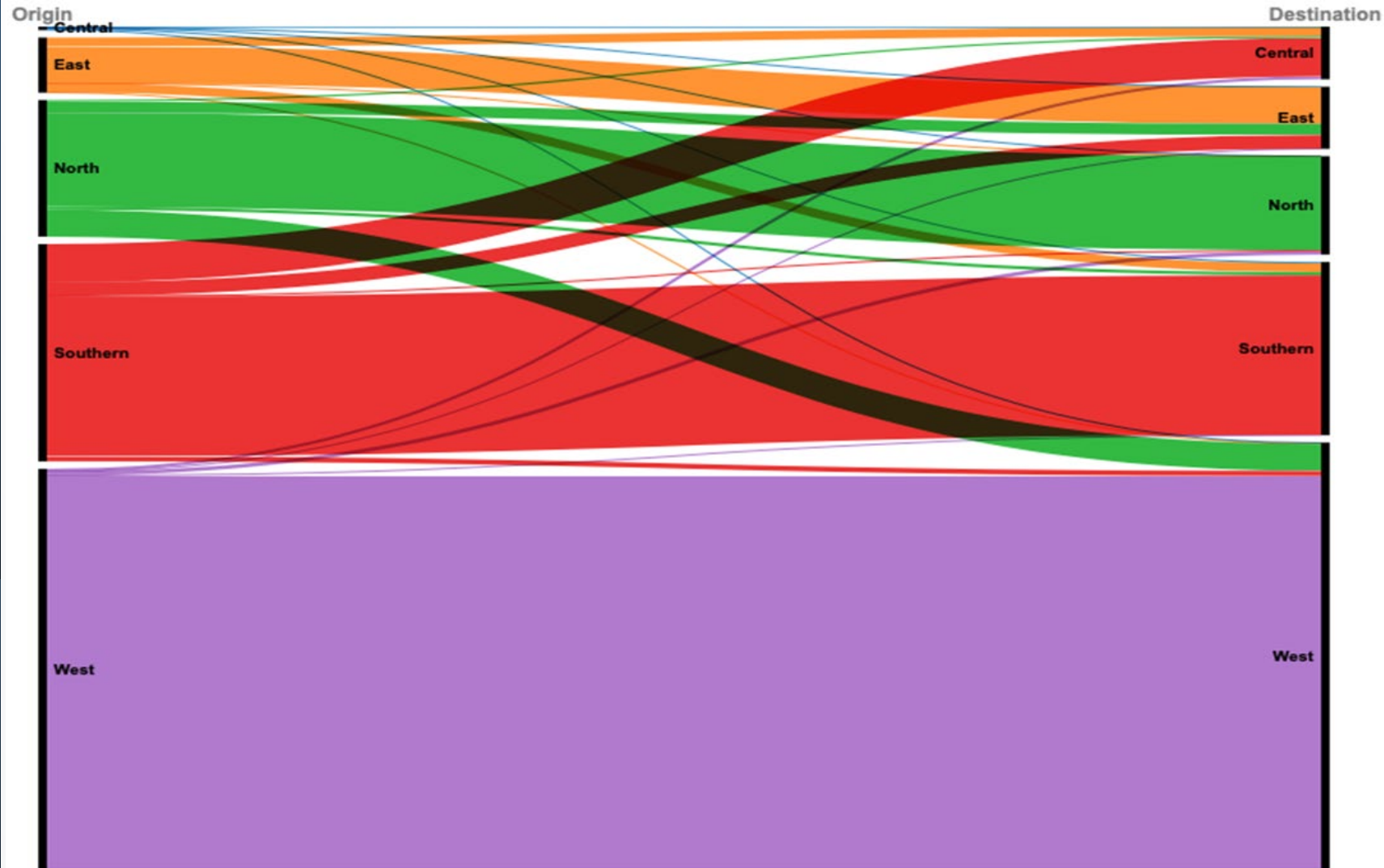


Demand for Rolling Stock to Support AfCFTA

within West Africa **48.8%**

within Southern Africa **19.6%**

Within Northern Africa **11.5%**



VESSELS by 2030

126

bulk cargo

15

container cargo

If planned infrastructure projects are also implemented, this decreases to

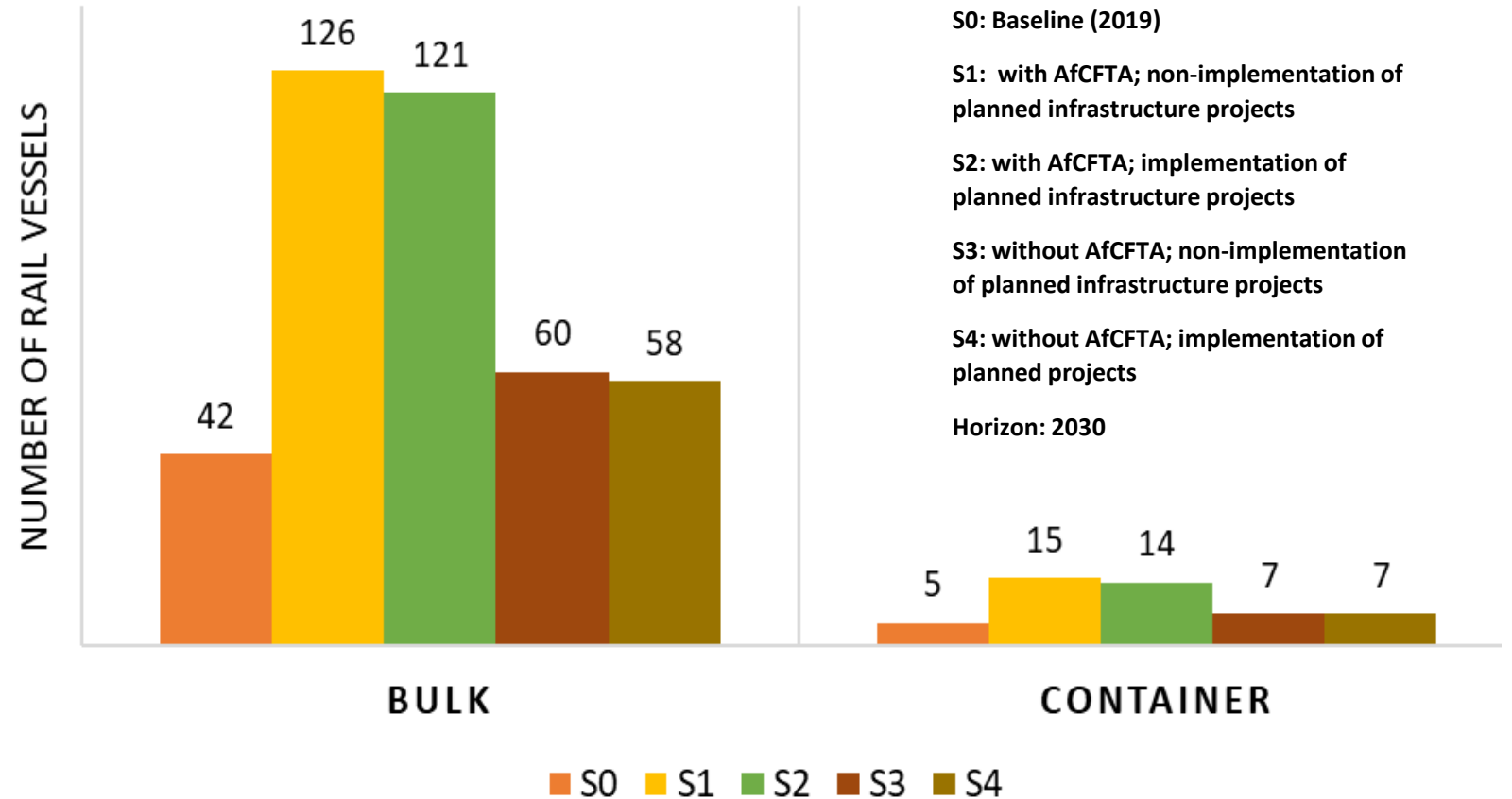
212

bulk cargo

14

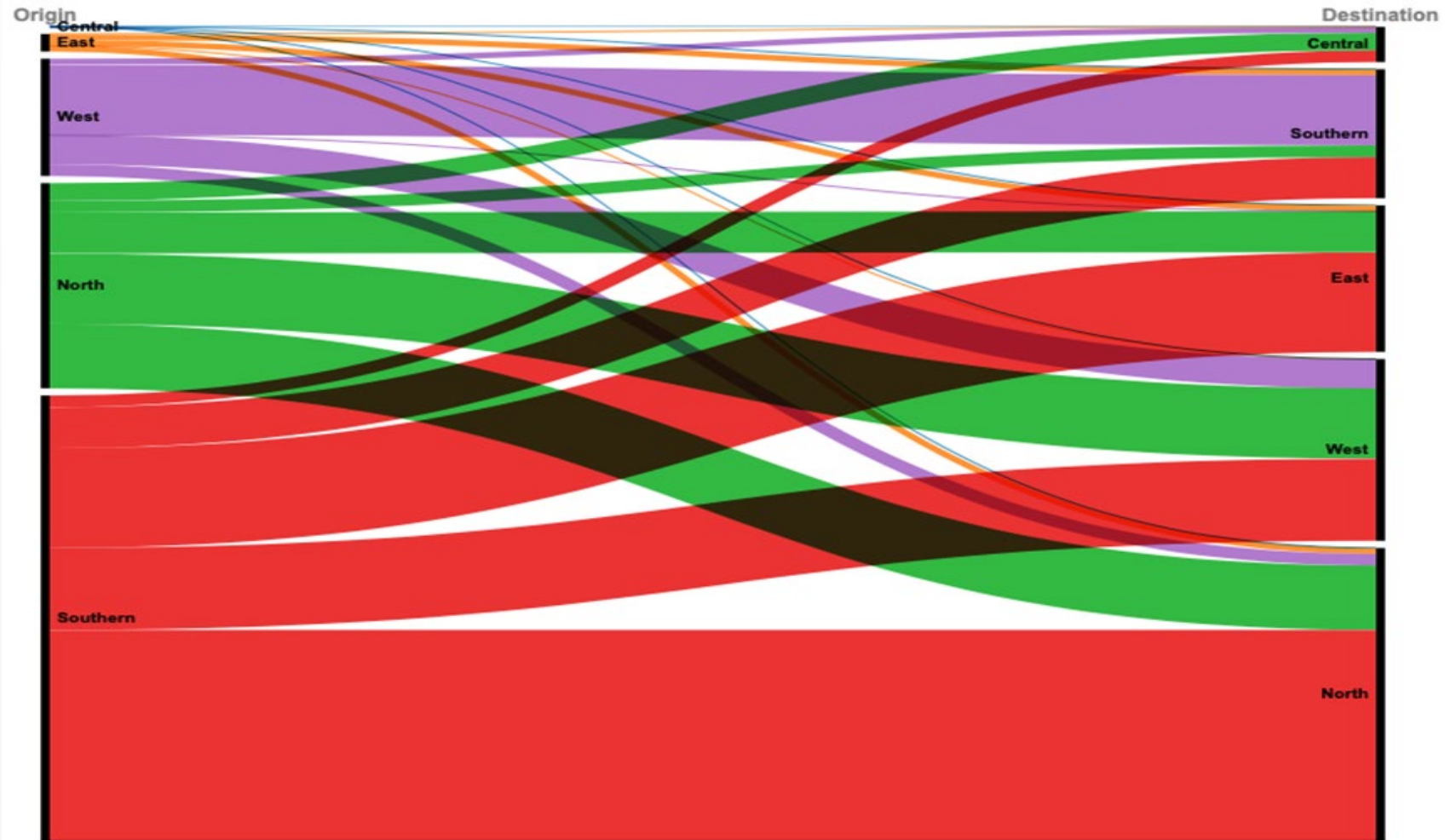
container cargo

The impact of AfCFTA on Maritime Transport



Number of vessels according to the scenario by type of load.

Demand for Vessels to Support AfCFTA



within North Africa **35%**

from North to East Africa **15.2%**

From North to West Africa **11.4%**



CARGO PLANES by 2030

254
aircrafts

If planned infrastructure projects are also implemented, this decreases to

243
aircrafts

The impact of AfCFTA on Air Transport

S0: Baseline (2019)

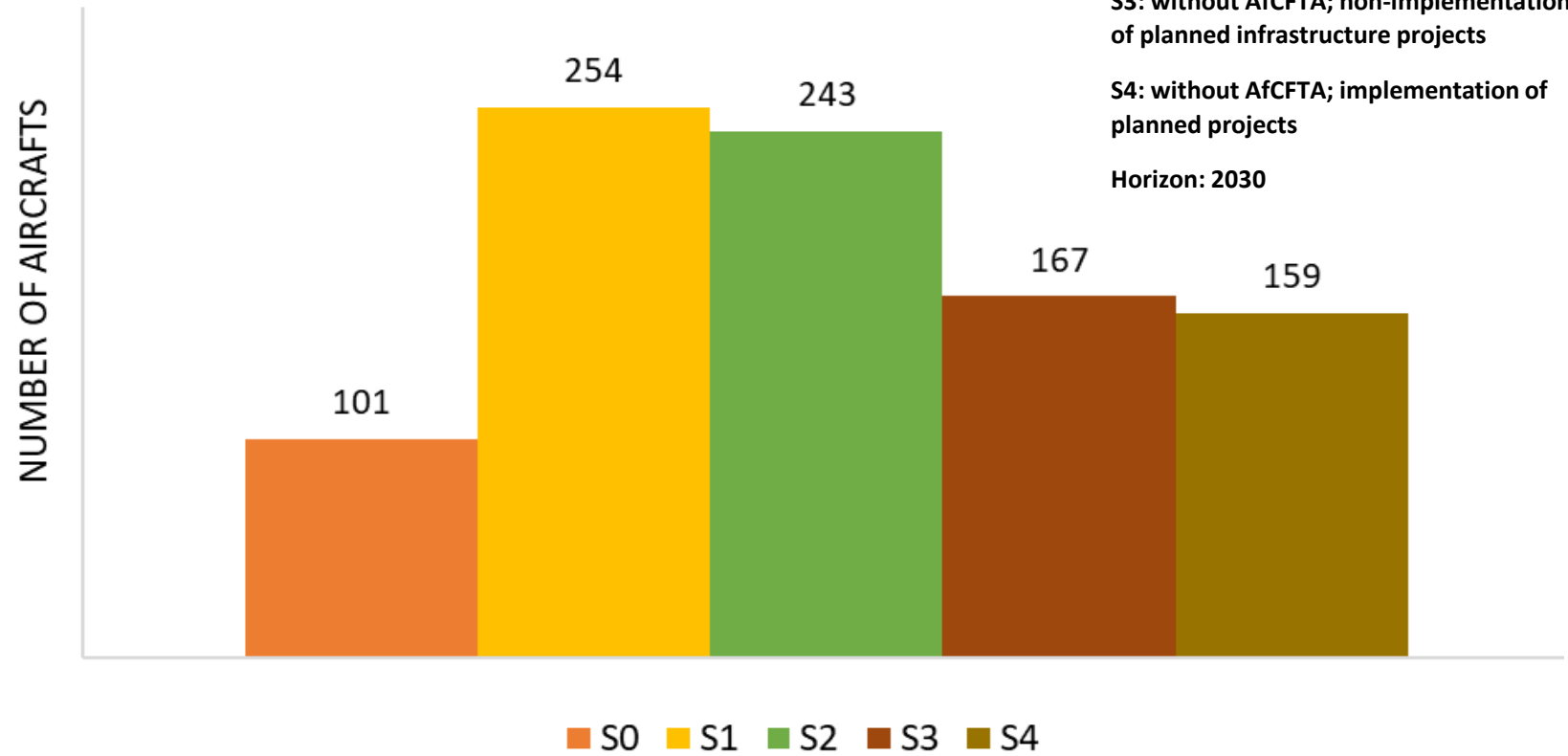
S1: with AfCFTA; non-implementation of planned infrastructure projects

S2: with AfCFTA; implementation of planned infrastructure projects

S3: without AfCFTA; non-implementation of planned infrastructure projects

S4: without AfCFTA; implementation of planned projects

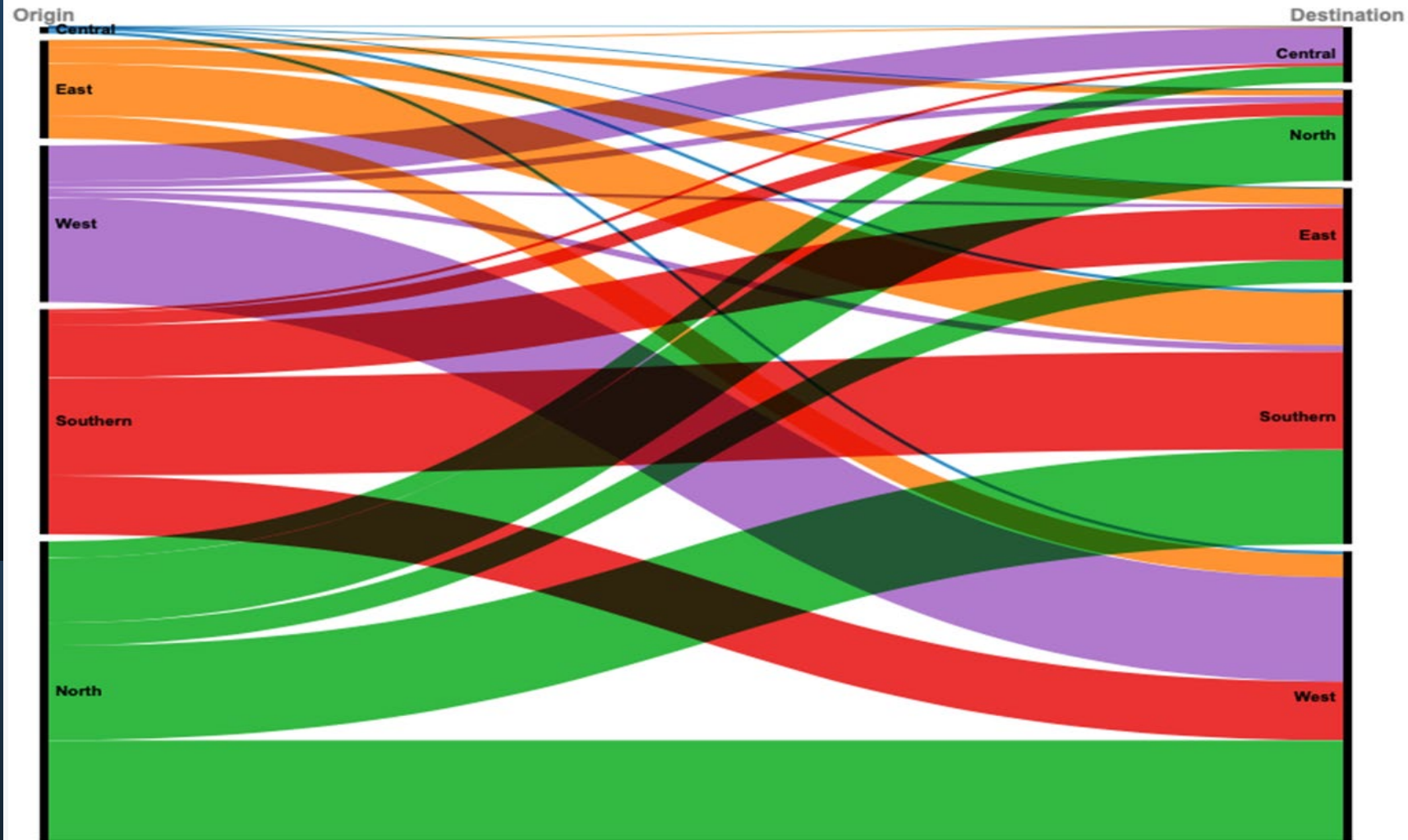
Horizon: 2030



Number of aircrafts according to the scenario by type of load.



Demand for Aircraft to Support AfCFTA



within West Africa **13.2%**

from North to West Africa **15.2%**

Within Southern Africa **12.2%**

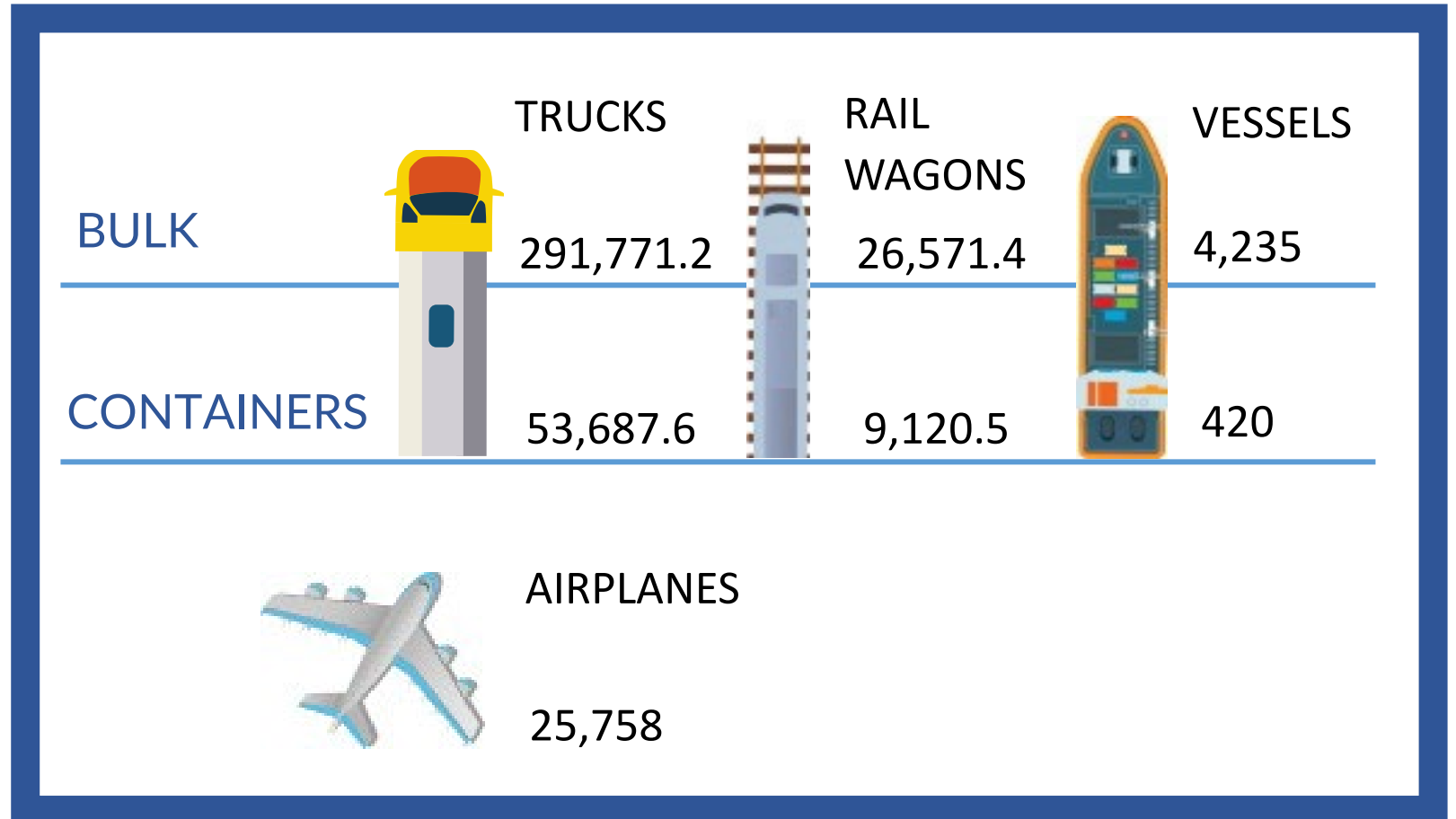




Million USD

ESTIMATED COSTS FOR EQUIPMENT REQUIRED

by transport mode (million USD)



+ Roads currently carry the lion's share of freight in Africa

+ AfCFTA provides an opportunity to build Africa's railway network

Baseline

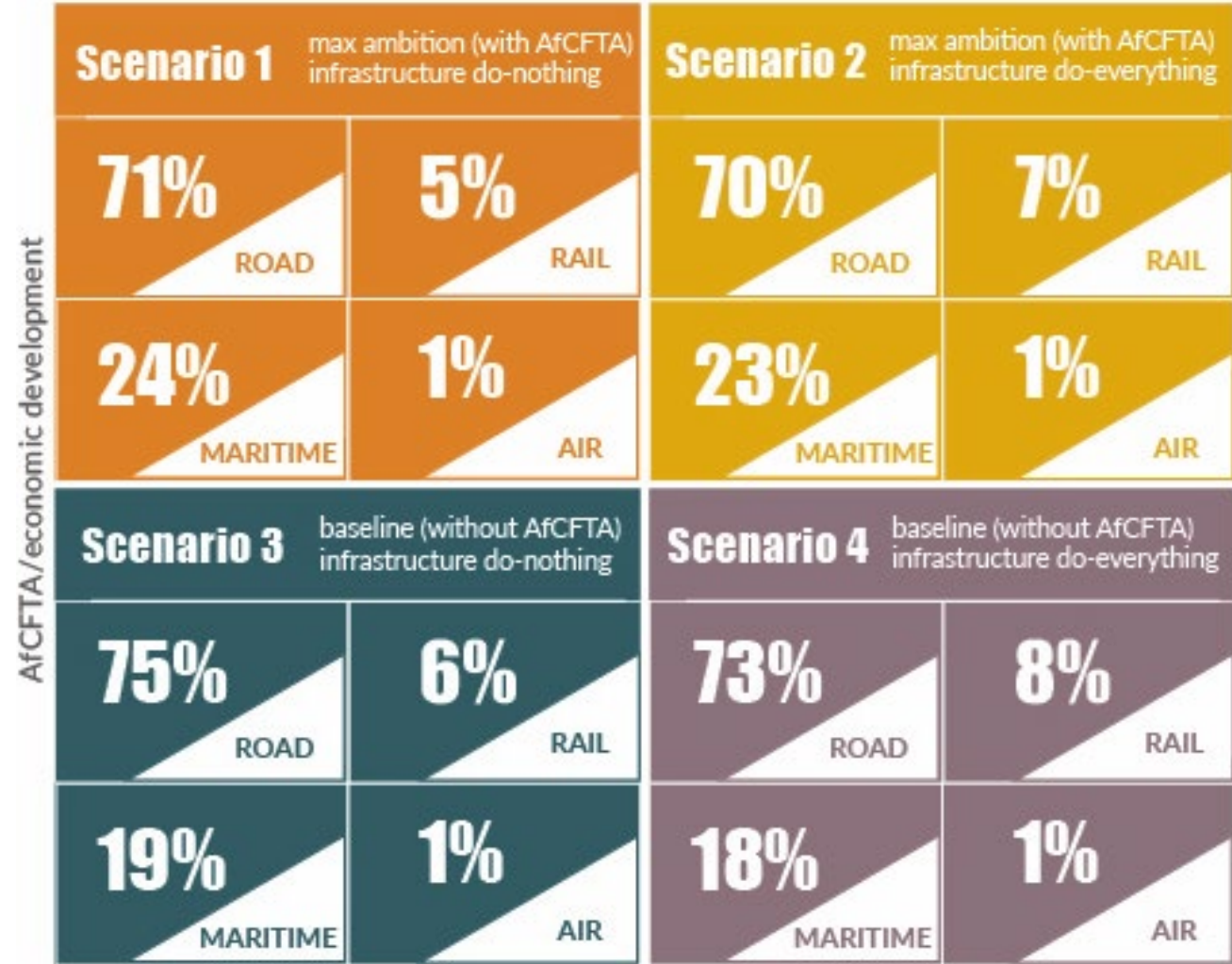
77%
Road

0.3%
Rail

22%
Maritime

1%
Air

Four scenarios for AfCFTA implementation and socio-economic development



Transport services and infrastructure

Implications of increased transport demand

- Investment in transport enhances intra-African trade
 - Boosts trade in processed goods
- Huge Investment opportunities
 - Infrastructure development
 - Manufacturing of trucks and rail wagons
 - Maritime industry
- Investment opportunities in the battery industry
 - Electric vehicles
- Safety and environmental concerns



THANK YOU!