Transport links in Africa to boost trade

LONDON, UK: Trade routes across Africa could soon be revolutionised as a result of an ambitious transport initiative set out by International Development Minister Gareth Thomas on 19 February, 2009.

The project plan to free up bottlenecks that lie on the main trading routes across eight African countries with faster border crossing, improved railways and new super highways.

Speaking to UK leaders from blue chip companies trading and investing in Africa, Gareth Thomas said that freeing up the transport blockages that lie on the main trading route could be worth tens of millions of pounds a year to the African economy and generate strong investment opportunities.

Poor infrastructure is a major barrier in Africa and restricts countries' ability to trade with the rest of the world.

Trading is currently crippled along Africa's main trade route, which runs from the Copper belt of the Democratic Republic of Congo and Zambia down to the ports of southern Africa. The poor quality transport infrastructure of roads and railways and long waiting times at borders and ports are hampering the transportation of essential goods.

Transporting a single cargo of copper from the Copper belt to the sea currently takes, on average, two to three weeks. In Europe, the same distance would take 48 hours.

Gareth Thomas announced a partnership between the Department for International Development, the Regional Economic Organisations of COMESA, SADC and EAC and the Government of Zambia that will work together with businesses on a programme to reduce transport time and costs along the North-South Corridor. The initiative is seeking to improve 8,650 km of road and maintain it in good order. This distance is more than six times the road length from Land's End to John O'Groats. Travelling times by road from Lusaka to Durban will fall by 10% after improvements are made along the North-South Corridor. Transit times at the Chirundu border post (between Zimbabwe and Zambia) will fall by at least 20%.

In addition to surface transport programmes, the initiative addresses how to improve the generation and transmission of electricity in the region. The area has great potential for increasing hydro-electric generation and to boost the trading in power.

Gareth Thomas said: “Africa's share of global trade fell from 6% to 2% between 1960 and 2002 and high transport costs are a major reason for this. Africa has a wealth of fantastic produce to offer UK consumers and the rest of the world, from tropical fruits and vegetables to minerals and gemstones but is held back from being able to compete and deliver by this poor trading route.

“Farmers and businesses operating in landlocked countries such as Zambia, Malawi, and the Democratic Republic of Congo face transport costs up to 50% higher than coastal countries. As a consequence, their trade volume is 60% smaller. Without a better route out, supermarkets and traders are missing out on quality produce and African communities are missing the chance to trade, create more jobs and, in turn, feed themselves and school their children.

“The Department for International Development is working with Africa's Regional Organisations to clear a path for improved prospects for the lives for Africans and provide better choice for consumers.”

The Government of Zambia will host a major gathering in Lusaka on 6-7 April with African Regional Organisations and the Department for International Development to brief businesses about how investing in the trade corridor will bring down their overall costs and push up profit margins.