

During the 5th Africa Business Forum organized on 7 February 2022 by the United Nations Economic Commission for Africa (UNECA) as a side-event of the 35th ordinary session of the African Union Assembly of Heads of State and Government, the findings of a recent UNECA report on the implications of the AfCFTA for the transport industry were presented.

The Africa Business Forum is an initiative that aims to promote dialogue between the African private and public sectors on matters of strategic importance to the continent. This event is organised every year during the month of February in conjunction with the ordinary session of the Assembly of Heads of State and Government of the African Union, to benefit from the presence of Heads of State and other officials attending the session, so that they can be involved actively in the ongoing discussions.

The Africa Business Forum is dedicated each year to a specific topic. The 2022 edition had as a theme “Investing in multimodal transport infrastructure to optimize the benefits of the African Continental Free Trade Area: a focus on air transport and tourism”.

The main conclusions of the 5th Africa Business Forum are summarized hereunder:

- Currently, transport costs in Africa are among the highest in the world, being 53 percent higher than in developed countries.
 - The AfCFTA implementation is expected to boost intra-African trade by about 33%. This means that the volume of cargo that will be moved between the various countries and regions of the Continent in the next years is expected to grow considerably, which will generate an increasing demand for transport services, estimated to grow by about 50%. In order to arrive prepared to this moment, it will be necessary to upgrade and expand infrastructures in Africa, not only roads, but also ports, airports, inland ports and railway lines.
 - To accommodate the growing volumes of goods expected from the AfCFTA implementation, it will be necessary to invest in new trucks, vessels, railway wagons and aircrafts. As currently **76,6% of intra-African trade moves via road**, UNECA estimates that more than **two million additional trucks** will be necessary to move goods around the continent in the next years, with the largest demand for trucks in West Africa (39%), where the truck fleet is particularly old, compared to other regions in Africa.
 - The other prevailing modes of transport, in order of importance, are the **maritime and air transport, that currently move respectively 22.1 and 0.9% of African trade**.
- . Regional and continental cabotage activities (i.e; the carriage of goods by sea or air from one

coastal or inland point in an African country to other points located in other African countries or regions) are also expected to grow with the AfCFTA implementation (it has to be noted that with respect to sea transport of goods, art. 15 of the

[AU Revised Maritime Transport Charter](#)

encourages African States to promote cabotage at regional and continental level to favour intra-Africa trade). This, according to UNECA, will generate the need to procure

135 additional vessels and 243 aircrafts

in the continent to support the new trade flows. In this regard, a recent

[press release](#)

issued by the United Nations Conference on Trade and Development (UNCTAD), estimates that the most significant vessel demand resulting from AfCFTA implementation will be in North Africa, while the African countries that will experience a major surge in traffic through their ports by 2030 will be Gabon, Ghana, Gambia, Somalia, Comoros, Mauritius, Mozambique, Madagascar and Namibia. Concerning air transport, during the Forum it was noted that to date about 80% of aircrafts are owned by foreign carriers, that therefore currently dominate air transport in Africa.

- **The great absent in African trade remains the railway transport.** Currently this mode of transport moves a minimal share of African trade, equal to

0.3 percent

. Just to give an idea of how little railway transport is used in Africa, it is possible to compare the situation with

[Europe](#)

, where although road is the dominant transport mode (like in Africa), this modality moves more than 17 per cent of trade. Railway transport is however estimated to grow, in percentage, more than the other modes of transport in the next years (+6.8%). To accommodate the increasing trade volumes generated from AfCFTA, UNECA estimates that about

170,000 additional rail wagons

will be needed.

The recordings of the 5th Africa Business Forum are available [here](#) .