

The Essential Evolution of Containerisation & its Impact on African Economies

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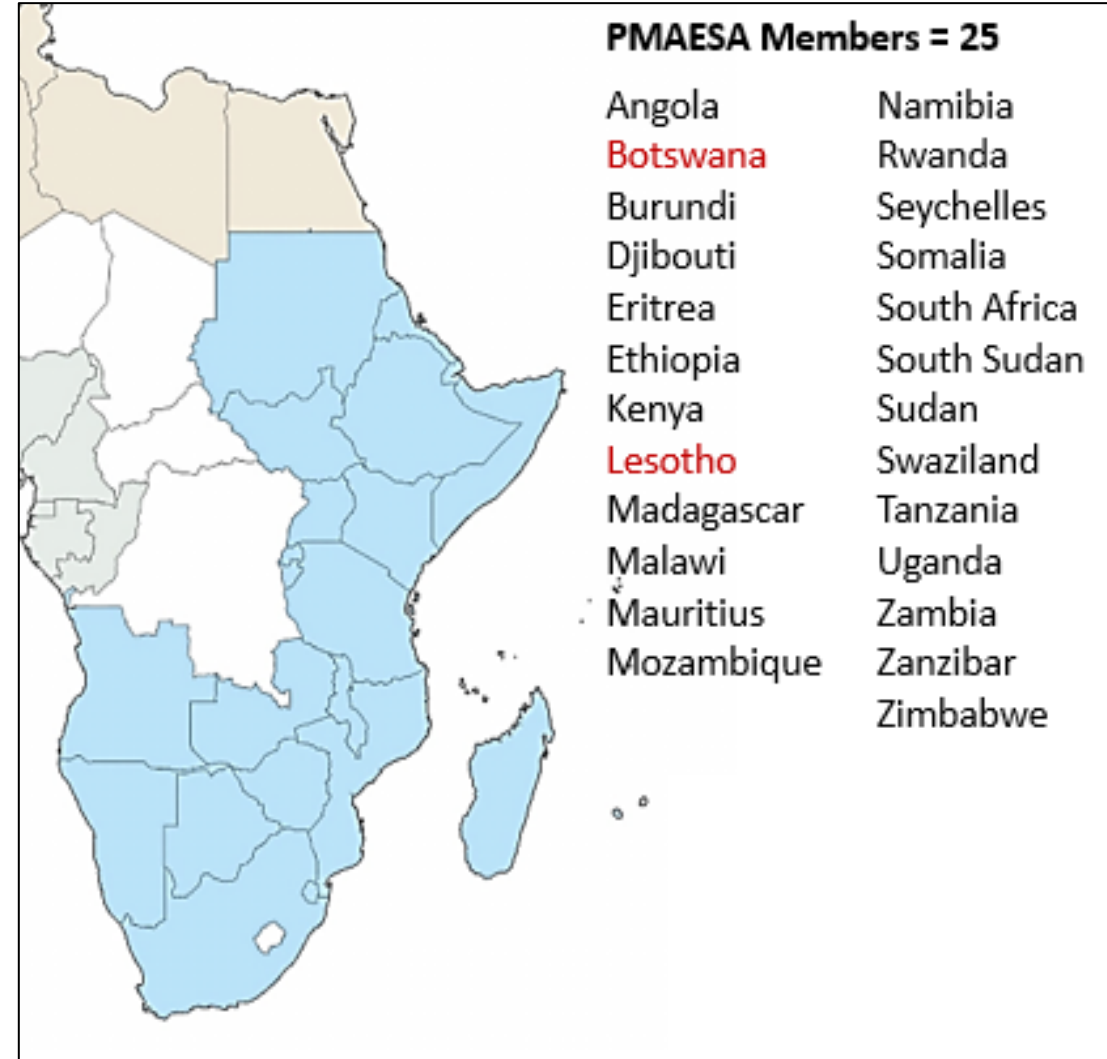
PMAESA Introduction



Established in 1973 under the auspices of the United Nations Economic Commission for Africa (ECA)

A non-profit, inter-governmental organization made up of Port Authorities, Port Operators, Government Line Ministries, Logistics and Maritime Service Providers and other port and shipping stakeholders from the Eastern, Western and Southern African and Indian Ocean regions

Membership: 25 countries



Objectives

Build consensus amongst member ports with a view to promoting regional co-operation and subsequently regional integration

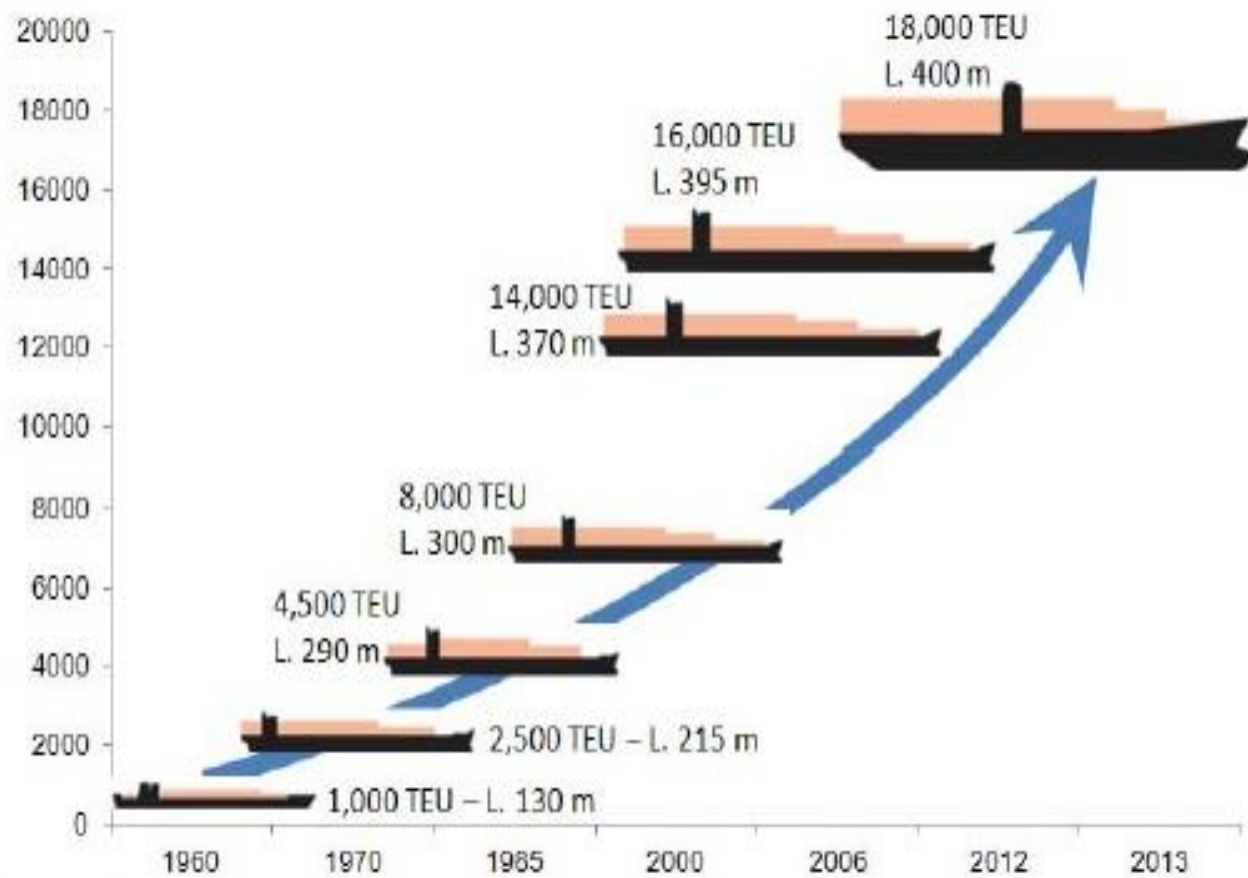
Framework for exchange of information and ideas among members and to enable members to interface with one another from the port, transport and trade spaces to exchange benchmarks and best-practices

Working towards improving conditions of operation and management of ports (coastal and inland) in its region of coverage with a view to increase their efficiencies.





Today, over 80% of the cargo traded internationally is carried by sea, with over 60% of this being transported in containers.





Source: Deutsche Bank and sector data

GROWTH IN CONTAINER VESSEL SIZES



Largest mega container ships in 2022

	Ever Ace	23,992 TEUs
	HMM Algeciras	23,964 TEUs
	HMM Oslo	23,792 TEUs
	MSC Gulsun	23,756 TEUs
	MSC Mina	23,656 TEUs
	CMA CGM Jacques Saadé	23,000 TEUs
	OOCL Hong Kong	21,413 TEUs
	COSCO Shipping Universe	21,237 TEUs
	CMA CGM Antoine De Saint Exupery	20,954 TEUs
	Madrid Maersk	20,000+ TEUs

Scene setting

Since 2000, at least half of the world's fastest-growing economies have been in Africa.

And by 2030, Africa will be home to 1.7 billion people, whose combined consumer and business spending will total US\$ 6.7 trillion.

Nigeria, Ethiopia, the Democratic Republic of Congo, Egypt, Tanzania, Kenya, and South Africa will soon hold half of the continent's population



POPULATION GROWTH

In 2022, the population of Africa was projected to grow by 2.37 percent compared to the previous year.

The population growth rate on the continent has been constantly over 2.45 percent from 2000 onwards, and it peaked at 2.59 percent between 2012 and 2013



Heavy reliance on maritime gateways & shipping as most international trade is sea-borne

In 2021, Africa's maritime trade amounted to 1.3 billion tons, a 5.6% increase over 2020. Africa accounted for 6.9% of total goods loaded and 5% of total goods discharged (UNCTAD)



Capacity ahead of demand

However with the exception of a few countries, the continent lags in building capacity ahead of demand.

Most African ports do not have harbour capacity to handle large container vessels. And if they do - ports would still need the equipment necessary to offload cargo from such vessels.

Poor hinterland connectivity still plagues most regions of Africa.



Justification?



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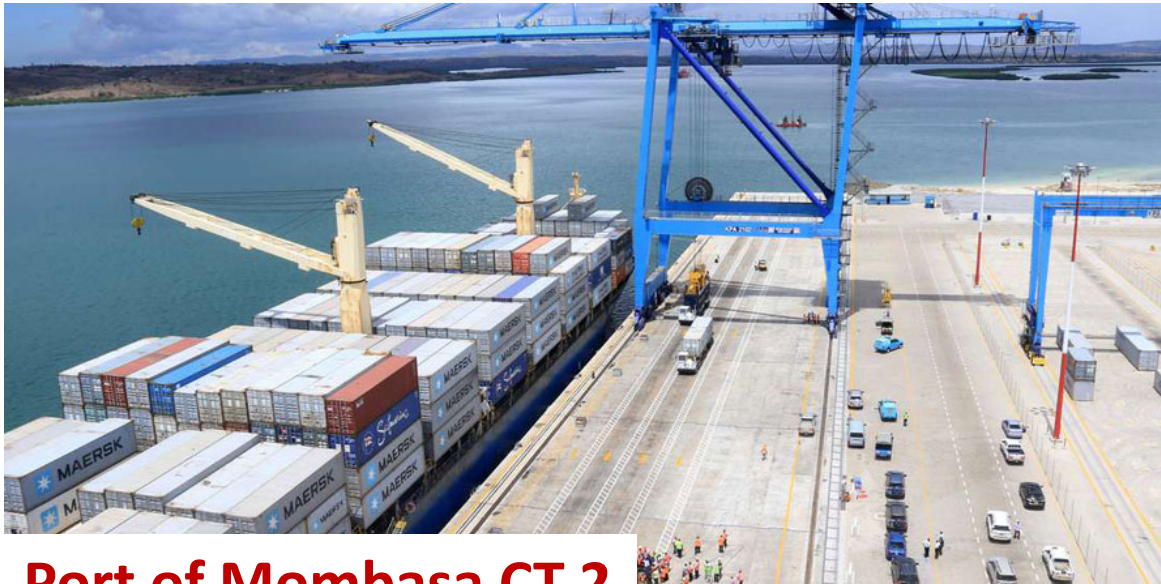
However doe the African market have sufficient demand & supply of cargo to be accommodated by larger ships?

Are there enough additional trade opportunities for imports and exports to make it worth the cost?



Stuck in the Suez





Port of Mombasa CT 2



Walvis Bay CT



Port of Lobito CT

A few African countries allow for significant investments in port and hinterland infrastructure to accommodate increased volumes & perform on international standards.

Key trends post COVID 19

Digitalization has been recognized as one solution to ensure business continuity.

Emergence of regional value chains

Economic diversification



Thank you

