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SOME ECONOMIC ASPECTS OF THE TRANS-AFRICAN HIGHWAY

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* N.B. Please correct the inside page symbols to read "E/CN.14/TRANS/44"
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I. Introduction

1. "Geography, politics, and even history have directed the economies, transport networks and trade patterns of African countries into various economic blocks".^{1/} In effect, there is very little intra-African trade among the countries. Studies made on the structures of trade among country members of the Commission's sub-regions have revealed that very little trade goes on among the members of the same sub-region. Moreover, all existing studies connected with economic development and transport needs have emphasized the national and sometimes sub-regional needs almost to the exclusion of continental interest. To a certain extent, this situation may be justified. But there is also the need to take into account continental interests. It is in the light of this that the proposed project must be seen as part of the efforts to modify politics and even history to meet the aspirations of developing Africa.

2. But, "Transport means require heavy investments. They are slow to conceive, justify, plan, finance, build and operate. To modify, their organization is slow if deemed necessary. They are slow in paying off. They do not allow improvisations nor adventures"^{2/}. In other words, any transport project requires many and varied studies - economic, social, technical, financial, etc. in order to justify, plan and operate it. Obviously such studies cannot at present be available for the Trans-African Highway. In fact, they are things to be commissioned or requested by the "Committee".

3. As indicated in the note on the status of the project, the whole length of the proposed Highway already forms parts of the national transport networks of the countries through which it passes. This means that for various reasons, mainly economic and political, these countries have considered these segments essential for national needs.

^{1/} Draft Final Report: Middle Africa Transportation Survey (MATS) Stanford Research Institute Project No.6594 and Contract No. AID/Afr.-503, page 51.

^{2/} Survey mission on international surface transports in the Central African sub-region (Lagouge Report). Vol. I p.8. Office de la Cooperation au Développement, Brussels 6, Belgium.

In this paper an attempt is made to provide an inventory of the areas of prospective economic development relevant to the highway project using existing studies on the development potentials and the implied transport networks of these countries.

II. Development "poles" and the Trans-African Highway

4. The best approach for this inventory is to discuss in terms of "growth poles". Basically, the following areas which are connected with the project can be described as "growth poles" on the continent - East African Community, North-eastern and north-western parts of the Democratic Republic of Congo, South-western part of Central African Republic, the Lake Chad Basin area and Nigeria. Of course, these are apart from the fact that the Trans-African Highway will link up East Africa with the whole of West Africa and north and north-west Africa at Kano through the Trans-West African Highway and the Trans-Saharan route respectively.

A. The East African Community

5. The existing prosperity and the future prospects of the East African Community are already attested by the number of countries (including the Democratic Republic of Congo) which have declared their interest for closer association. However, even if other countries have not declared their interest, it is inconceivable that the countries of the Community can ignore potential markets available to them not only in the neighbouring country, the Democratic Republic of Congo but also beyond. Hence, it will be in the interest of both the countries of the Community and others that may profit from trading with them to support any communications projects that will make possible meaningful economic contacts.

6. Indeed, the realization of the proposed highway is bound to increase the volume of agricultural crops and minerals that are now being transported to Mombasa via Uganda through the Kisangani-Mambasa-Beni road (Democratic Republic of Congo). In fact, already "imports of fuels and lubricants from Uganda (into Congo Democratic Republic), are increasing in volume, an import that before 1960 was largely met by fuel and lubricant shipments to Kinsangani from Kinshasa, where they were then transported over road network to distribution points in the eastern areas".^{1/}

7. It is conceivable that the implementation of this project will help, not only to increase the volume of trade between Kenya and Uganda and hence the whole of the community and Congo (Democratic Republic of) but also to establish trade relations between such countries as Central African Republic, Chad, Cameroon, Nigeria, etc. and the community.

^{1/} A Transport Reconnaissance of the North-East Congo Region by Systan, Inc. for USAID.

B. The Northern Area of Congo Democratic Republic

8. It is a well-known fact that the Democratic Republic of the Congo is very rich in agricultural and mineral resources. Hence, its economic development is bound to be of interest to many other developing African countries especially those in the Central and East African sub-regions. In that case, any transport project that will make possible easier communications between Congo (Democratic Republic of) and these countries should be of strategic importance.

9. As it is, the greater part of the unimproved portion of the highway is in the Democratic Republic of Congo and it is good to describe the part of the country through which it passes, not only to indicate the importance of that part to the country itself but also its importance to the other countries affected. The northern area of Congo (Democratic Republic of) is better described in two parts - northeastern and north-western.

(a) The northeastern part of the Democratic Republic of the Congo

10. The region has been and continues to be the most productive agricultural region in the Democratic Republic of Congo. In 1959, the region was responsible for 100 per cent of the production of arabic coffee, in the Democratic Republic of Congo, 100 per cent of tea production, 60 per cent of rice, 65 per cent of robusta coffee, 33 per cent of seed cotton, 32 per cent of groundnuts, 25 per cent of sugar, 26 per cent of oil, and 20 per cent of rubber.

11. Although the national crisis disrupted activities in the area, the region has since regained to a considerable extent its former activities. Thus, in 1969, the region produced 44 per cent of the country's output of robusta coffee, 100 per cent of arabica coffee, 100 per cent of tea, 60 per cent of rice, 35 per cent of seed cotton, 30 per cent of groundnuts, 25 per cent of sugar, 20 per cent of palm oil, 12 per cent of rubber and 14 per cent of fish. In addition, it produced over 80 per cent of the country's production of gold and about 70 per cent of tin.^{1/}

12. In order to develop this area, the study mentioned above has stressed the importance of road network. "Because of the basic geography of the region, the road network carries the main burden of transport and only to a lesser degree serves as a feeder system to river ports and railway stations; a transport situation unlike that of other regions of the Congo".^{2/} The proposed Highway comprises parts of this road network; and the authors of the study have already recommended parts of this portion for urgent repair and upgrading.

^{1/} A Transport Reconnaissance of the North East Congo Region Systan, Inc. Los Altos, California 94022.

^{2/} Ibid., p. 37 and 38.

13. While the development of these road networks will lead to further opening up of this vast agricultural area with probably more feeder roads and immediately provide food and labour for the industrial development of the Democratic Republic of Congo, there is no reason why viable trade in the products cannot be developed between that country and the neighbouring States especially Central African Republic and Uganda. This is one area where the prefeasibility study should identify the African interest with that of the Democratic Republic of the Congo.

(b) The North-West part of the Democratic Republic of Congo

14. This part of the Democratic Republic of the Congo is a savannah region favourable to cotton growing, and it has been studied by a group of consultants 1/ for the Economic Commission for Africa: "From a more local point of view, it is certain that this region is situated in the influence of Bangui. The development of this centre and the eventual installation of industries constitute many reasons in favour of an increase in trade relations between the territories on both sides of the Oubangui, in the Democratic Republic of the Congo and in the Central African Republic. The Bangui region offers sites suited to the construction of an international road bridge, which would not be difficult to connect, at the Congo side, to the existing road network. At the Brazzaville Conference 2/ it was asked that this possibility be looked into".3/

15. It is understood that the Lagouge report is yet to be discussed by the Governments of the countries it covered. However, apart from the indicated advantages to the Democratic Republic of Congo and Central African Republic, the possibility of overall African benefits is an added reason why the project should materialize.

C. Central African Republic

16. As mentioned above, the proposed Highway passes through Bangui. Indeed, it passes through the African savanna of the centre of the Central African Republic, an area suitable for cotton and groundnuts and inhabited by one third 4/ of the population of the Republic.

1/ Survey mission on international surface transports in the Central African sub-region.

2/ See report of the sub-regional Conference on Economic Co-operation in Central Africa, Brazzaville, 18-23 April 1966, E/CN.14/351, annex VII item 14.

3/ Survey Mission op.cit. p. 35 and 36.

4/ World Highways (International Road Federation), February 1971. Vol. xxii No.2 p.11.

17. This portion of the proposed Highway already connects Bangui with Garoua-Boulai in the Cameroon via Bossembélé. It is of poor quality and sometimes impassable during the rainy season. However, about 167 kms. of it are to be rehabilitated with a loan recently granted by the United Nations Development Programme and the World Bank's affiliate, International Development Association.^{1/}

18. Moreover, another road which traverses effectively the south western part of the country is already linked to this portion of the proposed Highway. This link opens up the possibility of the Highway benefiting from the potential economic development of this area which, although suitable for the development of industrial crops such as rubber, palm oil, coffee, cocoa and pepper, will have to start industrialization with forest resources because the forest potential is superior in density of exploitable trees to those of the great forest massifs of the African coast, and is easy to exploit.

19. However, "productions estimated possible in these regions are up against quite strong competition on the world market, and even if certain types of trees have an appreciable value and a suitable density to the hectare (ha) forest exploitation will be, despite everything, confronted with wood from Gabon, where access to the sea is definitely easier. The world market has furthermore a tendency to prefer logs to dressed timber, and these call for the utilization of special railway equipment generally unsuitable for transport of usual commodities; this, in consequence, entails an idle return traffic in the majority of cases".^{2/}

20. This means in effect that it will be in the interest of the Central African Republic to develop wood industries oriented to African markets. Fortunately, the countries further north including northern Nigeria lack good forest products; and with increased economic development, followed by a change in taste, they are bound to need forest products for building and furnishing. The Central African Republic's portion of the proposed Highway is part of the road networks that will facilitate the distribution of such products.

D. Cameroon, Nigeria, and the Lake Chad Basin area

21. The remaining portions of the Highway are within the Federal Republics of Cameroon and Nigeria, and, except for the portion between Bama (Nigeria) and Mora (Cameroon), they are of all-weather standard. Hence, it is this portion that requires serious economic justification.

22. Unfortunately, in a recent study on the relationship between this part of the route and the development of the Lake Chad Basin, it was stated: "The Bama-Mora sector of the Bama-Maroua road improvement

^{1/} Ibid.

^{2/} Ibid. p. 90.

project was found not to be economically justified even when based upon projected "high" traffic benefits".^{1/}

23. However, it should be noted that the study was based mainly on the four countries connected with the Chad Basin project, and all the benefits accruing to Nigeria assumed to pass through the Maiduguri-Fort-Lamy road. But just as the report did not find the Camerounian sector of the Fort-Lamy-Maiduguri road from Fort Foureau to Fotokol as profitable as the other parts, but recommended it for construction because it is a vital link in the whole Fort-Lamy-Maiduguri regional road project, it is possible that the Bama-Mora sector of the proposed Trans-African highway will be justified because of its vital role in making the whole project a success.

24. Moreover, there are other vital points relevant to the proposed highway and which were not relevant to the study cited above. Just as the East African Community constitutes a vital development "pole" in the eastern terminus of the highway, Nigeria as a whole constitutes another vital development pole in the western terminus. Specifically, the developments of the northern States of Nigeria principally Kano and North Eastern with Maiduguri as the capital of the latter are bound to increase the trade flows between Nigeria and the countries to the north and north east. And in terms of intra-African trade, an aspect of the strategy for the 1970s, Nigeria and the Central and East African countries will find it more profitable to exchange goods overland than by sea.

III. The Trans-African Highway and the promotion of tourism

25. The arguments given above have all been in terms of the potential increase in the volume of goods that may result from the implementation of the proposed highway project. But the implementation is also likely to lead both to the increase in earnings from tourism and the sharing of the benefits of tourism.

26. This is likely to occur in two ways: more Africans and non-Africans visiting more African countries and thus generating income.

A. The Highway and the movement of Africans.

27. One fact that is crystal clear is that with increased socio-economic development, and the consequent increased income generated, there is bound to be increased elasticity of demand for transport services both internally and externally. Specifically, more families will own private vehicles which will enable them to visit more African countries, first the neighbouring ones and later, others. In this category must

^{1/} Lake Chad Basin Transport Survey, Experience Inc. and King and Gavans, Consulting Sup. Inc., p.4.

be grouped the possibility of continental motor rallies. Hence, any transport projects, particularly road projects that make these movements possible must be regarded as of strategic importance, as such movements will benefit all countries visited.

B. The Highway and the movement of over-seas tourists

28. At present, tourists to Africa do not find it easy, if at all possible, to link together in a package deal, their visits to the different parts of the continent by making part of the journey by road. Yet, there are contrasting sceneries to see on the continent, and a travel across the continent by road, for instance from west to east Africa or vice versa, is bound to be more rewarding than a visit to both areas by air.

29. At present, there are isolated areas of interest which are probably visited by tourists from specific countries of the world e.g. Britons and Americans to East Africa, Belgians and French to Central Africa. Yet, a good all-season road linking these areas can easily induce people who intend to visit one area to visit other areas at the same time. Such people are likely to save money on transport and at the same time have the opportunity to see more of the continent where they can spend more money on other things.

C. Overall benefits

30. This opportunity to visit more countries of the continent (both by African and overseas tourists) is bound to spread the benefits of tourism wider than at present, where only the terminal countries enjoy them. Indeed, the implementation of the project will generate demand for lodging and rest places, vehicle repairs and servicing, and petrol and other fuels in many places along the highway, thus creating employment as well as generating income.

IV. Conclusion

31. Although the full economic justification of this project is yet to be determined by on-the-spot economic survey, it is clear from the inventory given above that, apart from the cultural and political effects of the project, its implementation will lead to the linking together of some of the big and potentially powerful markets on the continent of Africa viz. East African Community, Democratic Republic of the Congo and Nigeria. Moreover, it will lead to the opening up of many agricultural areas; it will generate employment and income not only by its construction but also by the ancillary services to which its construction will lead.