

# UNITED NATIONS ECONOMIC and SOCIAL COUNCIL

Distr. 50484  
LIMITED

E/CN.14/ATC/9  
25 February 1972

Original: ENGLISH



ECONOMIC COMMISSION FOR AFRICA  
ORGANIZATION OF AFRICAN UNITY

Symposium on Intra-African Trade  
Nairobi, 28 February - 3 March 1972

## FACILITATION OF THE TRANSPORTATION OF GOODS ENTERING INTRA-AFRICAN TRADE

1. Historically transportation stems from mans' need or desire to exchange basic necessities. The fact that his subsequent and successive development has fostered and induced that desire is now today accepted as part of our natural progress. The problem is how to satisfy the demand!
2. The United Nations Economic Commission for Africa has set itself a strategy for Africa in the Second Development Decade. The objective will be to attempt to find answers or solutions to problems connected with trade expansion on the home front. This entails advising on production, rationalization, diversification, as well as expanding the import capacity within Africa for a wide range of products that developing Africa might be able to export. Study or discussion of problems in this area require to be taken in the light of prevailing economic structures of the various countries in developing Africa. Many of these countries possess structures that are grossly under-developed and which are in urgent need of reorientation to set objectives.<sup>1/</sup> A prerequisite of any trade development plan therefore must be an adequate transport infrastructure.
3. To those concerned with planning and implementing the strategy for trade development and subsequently the various facilitating arrangements, the ultimate objective is "to place the goods in the appropriate market-place at the right time and at the most economic cost". To achieve this, much depends upon the skill with which movement planning is developed and carried out. Since movement planning covers handling the commodities from source to first carrier, transporting them to destination-country by one or more modes of transport, and finally handling to ultimate consumer through the storage or distribution system, the subject is one which requires the attention of

---

<sup>1/</sup> "Intra-African Economic Co-operation and Trade" ECA, October 1971.

economists, engineers and skilled practitioners, not in isolation as hitherto, but in clearly co-ordinated units capable of collaborating effectively with trade development and promotional agencies in whatever form they exist.

4. The idea of the expansion of intra-African trade based on economic co-operation between member States is still sufficiently new and tender to require careful nurturing - not least of all in the transport sector where in most sub-regions the immediate need is for the build-up of transport facilities sufficient to keep pace with the growing demands of new and diversified markets.

There are two segments of transport facilitation which require immediate co-ordination at both governmental and local levels:-

- (i) The users of transport - who create the demand;
- (ii) The providers of transport - who attempt to meet that demand.

The former may consist of producers entering the market for the first time, whilst the latter may include established providers offering facilities which are no longer attuned to the current or future demands. Both, therefore, require encouragement and assistance of a positive and practical nature. This may take various forms according to the local products and the needs and nature of the market. One approach to this problem is briefly summarized below. It is sufficiently flexible to meet a wide variety of national and local problems.

#### 5. Guidelines for development of transport support in marketing

##### (a) At the governmental level

- (i) Provision of advisory services on transport for users entering new markets. This would include appreciation of terminal facilities in both countries, cost factors, rate structures, etc.;
- (ii) Guidance on statutory regulations affecting the international movement of commodities and including customs and health requirements where appropriate;
- (iii) Interpretation of any international agreements between the trading parties affecting transport vehicles, vessels, or products carried in them.

##### (b) At the local level

- (i) Assistance in the procurement of the correct type of transport for the product;

- (ii) Encouragement in innovation and enterprise of both the producers as users of transport, and the carriers as providers of transport;
- (iii) Assistance in the establishment of local "shippers' councils" for producers, and transport consultative groups for the providers of transport facilities. The intention here is to provide channels of communication for ideas and the better appreciation of the problems arising in each sector.

Some governmental participation may be desirable initially at local level in order to establish the groups on a proper footing. Normally, however, the groups should aim to become independent of government assistance and eventually be able to act as advisory bodies to the appropriate ministries in respect of future developments.

6. It is now common ground that the fragmented efforts of individual carriers, transport and terminal agencies and associated services, have in many cases outlived their usefulness and can no longer be tolerated in a trading community. The basic need and a key to economic movement is the control and co-ordination of the various forms of transport employed to move commodities on a given trade route. This is particularly necessary where more than two States are involved and where reciprocal facilities may or may not be available. The aim of such co-ordination is to provide the seller with an assured movement link to his distant purchaser in such a form as to ensure the safe arrival of the goods in marketable condition and within a stated time limit. Such practice, where adopted, has already resulted in reducing the final delivered price, not only from lower transport costs, but from such spin-off effects as, for example, lowering the cost of financing goods in transit, lower insurance costs, and in the case of unitized loads, reducing also the cost of packaging and incidental damage.

7. Can such skills be successfully used in intra-African trade? Recent experience shows that they can and have been used in a limited way but are capable of further expansion. It would therefore be sensible to consider as an immediate "target" the introduction of the basic concept of co-ordinated movement whatever the commodity and whatever the trade route. In doing so, one must immediately acknowledge the existence of differences not only in practices within a given trade, but differences in the characteristics of the commodities produced within the sub-regions. Widely differing commodities will not respond to the same movement techniques and even the same techniques may be influenced by such factors as distance, climate, atmospheric changes, etc.

8. The question of an institutional framework has been discussed earlier in this Symposium and one therefore need only add the point that within this framework, starting at national level and developing to embrace sub-regional requirements, one should include from the beginning the movement studies and

planning necessary to ensure the success of the trade promotion. This, in effect, allows joint planning between the trade and movement agencies to be fully effective, and at such levels as will ensure:-

- (i) A policy framework which should take account of the existing statutory obligations of the countries concerned;
- (ii) The practical day-to-day co-operation necessary between the various modes of transport and the agencies servicing them.

This framework can operate equally in centralized economies or other forms of State organization allowing private and State operators to participate. Adjustments to accommodate either system can easily be made. A final point of considerable significance is that this form of co-ordination of movement can start now and need not wait for future improvements in the infrastructure. Indeed, by starting now, such a co-ordinating body can play an effective role in determining the needs of the future infrastructure requirements.

In the case of land-locked and the least developed countries in Africa, the same techniques can be applied, particularly in terms of assessing the movement needs of the land-locked countries in relation to their trade development programmes, and applying practical solutions at the local levels.

9. Turning to the question of the extent to which transport agencies can help inter-Africa trade in addition to the foregoing scheme of co-ordination, it is necessary to examine carefully the structure of each of the modes of transport. Consider, for example, the following typical questions:-

- (i) What impediments exist to pooling national shipping resources of a sub-region?
- (ii) Would the development of air freight benefit from geographical grouping of airlines?
- (iii) Within certain sub-regions, would additional rail facilities connect up centres of production and consumption? and could they be justified?
- (iv) How can the programme of highway development in Africa be harnessed to ensure maximum utilization?

In regard to the latter, an outstanding example of pre-planning of the future potential of a main route is given in the concept of the Trans-African Highway, planned to connect Mombasa with Lagos. It may be too early to be specific about the nature of the trade developments along this route, but certainly it is not too early for the member States likely to be linked by this Highway to start planning better and increasing utilization of the route in terms of their existing and potential production. Such information translated into transport terms would enable movement planners in each of the countries concerned to anticipate future requirements in readiness for the increasing flow of goods, and to consider reciprocal arrangements, for example, in the "return-loading" of vehicles.

10. Summary

Facilitating the transportation of goods entering intra-African trade can best be accomplished by:-

- (i) Encouraging planning and co-ordination of movement at local, national and sub-regional levels;
- (ii) Providing advance information on market or trade developments in forms of weight or space - not value!
- (iii) Establishing channels of communication for users and providers of transport;
- (iv) Encouraging innovation in the transport sector.