PORTS & EFFECTIVE INTERMODAL TRANSPORT LINKAGES – A CATALYST FOR ECONOMIC DIVERSIFICATION AND INCLUSIVE REGIONAL DEVELOPMENT

PRESENTED AT PORT EVOLUTION WA 2017

BY

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5th SEPTEMBER 2017
CONGRATULATIONS TO PAUL ANSAH & GPHA TEAM FOR GOING PAPERLESS @ TEMA
Presentation Outline

1. Myth Bursting

2. Railways and Ports Linkages

3. Lessons from Senegal and Malaysia

4. Nigeria’s Maritime Plans

5. Green Shoots – Africa’s Economic Corridors

6. Conclusion

7. Transformation Possibilities – Cikarang Dry Port Video
Money is not the problem?

The world invests $2.5 trillion annually in transport, power, water, and telecom.

Today

How can the world bridge its infrastructure gap?

Find a way to attract the

$120,000,000,000,000

under management by banks and institutional investors to infrastructure finance through...

- A better pipeline of well-developed projects
- Changes to regulation and risk mitigation
- Market facilitation and standardization
- Solid cross-border investment principles

The world needs to invest $3.3 trillion annually just to meet growth forecasts to 2030.
World Bank surveys of investors have repeatedly shown that the issue of 'protection of legal rights' is the primary concern in making decisions as to where to undertake major infrastructure projects.

<table>
<thead>
<tr>
<th>Factor</th>
<th>Minor</th>
<th>Major</th>
<th>“Deal-breaker”</th>
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</thead>
<tbody>
<tr>
<td>Legal Protection of Investors</td>
<td></td>
<td></td>
<td>3.57</td>
</tr>
<tr>
<td>Consumer Payment Discipline</td>
<td></td>
<td></td>
<td>3.11</td>
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<tr>
<td>Government/Multilateral Guarantee</td>
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<td></td>
<td>3.11</td>
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<tr>
<td>Government Efficiency</td>
<td></td>
<td></td>
<td>2.98</td>
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<tr>
<td>Judiciary’s Independence</td>
<td></td>
<td></td>
<td>2.91</td>
</tr>
<tr>
<td>Clear Rules for Exit</td>
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<td></td>
<td>2.83</td>
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<tr>
<td>Investment Grade Debt Rating</td>
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<tr>
<td>Transition to Competitive Market</td>
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<td></td>
<td>2.68</td>
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<tr>
<td>Corruption Index Ranking</td>
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<tr>
<td>Domestic Borrowing</td>
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<td></td>
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<tr>
<td>Competitive Selection</td>
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<tr>
<td>Possibility of Vertical Integration</td>
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</table>
Ports are important for Africa, but show low productivity

- About 95% of Africa’s international trade passes through ports;
- Africa has many ports, but few are capable of handling modern, large-scale vessels;
- Many ports suffer from congestion with average dwell time in Africa twice as high as in Europe;
- Berth productivity in Africa is only 25 moves per hour compared to 40 in Europe.
What Happens When there are no good linkages
What Happens when there are no good linkages

Traffic Gridlock

Heavily Congested
Railways and Port Linkages Africa
• **1.37 Million miles of railway world wide**

• **Africa’s Landmass is 30 million sq. km has it has 66,011 km of railroads concentrated in coastal areas to transport raw materials and labor to ports**

• **In contrast India is 3 million sq. km and has circa 65,000 km of railroads – allowing transportation of labour and inter regional trade**
Africa and India Railway Maps

Africa's Railroads

India Railway Network
Railway Route Map and Major Railway Stations

Bay of Bengal
Arabian Sea

Railway Lines
Major Railway Stations
Not To Scale
Lessons from Senegal
Multi Modal and Connected

The Bank financed EUR 185m directly, facilitating EUR 1.3 billion in investment
Synergies & Catalytic Effects on Economic Development

Benefits

Senegal

Transport of Goods Complementarity

PORT
Dakar Container Terminal

Airport
Blaise-Diagne International Airport

Power Supply

Linkage between the city and the Airport
Coal Transport and Power Supply

PORT
Sendou Power Project

Transport Corridor (e.g. Coal) Connection with Free Economic Zone

Highway
Dakar Toll Road

Coal Transport Improved accesses
Lessons from Malaysia
West Ports Malaysia

• Fast Port
• Flexiport
• Garden Port
• Continuous Improvement
• Customer Growth
• Total Logistics
GARDEN PORT

- Port built within gardens
- One of a Kind
- Setting Standards
FASTPORT

- Berth on Arrival
- Maximum Cranes
- Fast Turnaround
- Value Added Services
Malaysian economy literally transformed the effective linkage and inter modal impact of the North-South Expressway – Thai Border to Johor Badru
AVERAGE GDP GROWTH OF STATES
Along North-South Expressway (NSE)

<table>
<thead>
<tr>
<th>States</th>
<th>Before</th>
<th>After</th>
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</thead>
<tbody>
<tr>
<td>Kedah</td>
<td>4.7%</td>
<td>7.5%</td>
</tr>
<tr>
<td>Penang</td>
<td>4.5%</td>
<td>7.5%</td>
</tr>
<tr>
<td>Perak</td>
<td>4.7%</td>
<td>7.3%</td>
</tr>
<tr>
<td>Selangor</td>
<td>5.4%</td>
<td>7.7%</td>
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<tr>
<td>N. Sembilan</td>
<td>3.9%</td>
<td>7.1%</td>
</tr>
<tr>
<td>Melaka</td>
<td>4.5%</td>
<td>7.3%</td>
</tr>
<tr>
<td>Johor</td>
<td>5.0%</td>
<td>7.7%</td>
</tr>
</tbody>
</table>

Source: Plus Malaysia Berhad, Nov 2015
NEW TOWNSHIP, INDUSTRIAL PARK, BUSINESS CENTER AND RESIDENTIAL ALONG NSE

**Residential Areas > 200**
- Bandar Dato' Onn
- Bernam Jaya
- Taman Kempas Utama
- Setia Tropika
- Bandar Puteri Jaya

**Industrial Parks > 20**
- Kawasan Perindustrian Bukit Minyak
- Senai Industrial Park
- Southern Industrial & Logistics Clusters
- Tanjung Pelepas
- Kulim Hi-Tech Park
- Proton City

**New Townships > 44**
- Nusajaya
- Setia Alam
- Putra Mahkota
- Amanjaya
- Putra Heights
- Stargate
- Bandar Indahpura

**Business Centres > 9**
- Medini
- Bukit Merah Laketown Resort
- I-City
- Johor Premium Outlet
- Tadima Business Park

Source: PLUS Malaysia Berhad, Nov, 2015

Presentation by Plus Berhard to Engr. Chidi Izuwah November 2015
Nigeria’s Plans – Transport
Master Plan, Port Master Plan
Rail ICD Deepwater Ports etc
Introducing...Nigeria centre of the world
Africa’s Most Formidable CV – Past and Present

- Largest Economy in Africa, 26th Largest Economy in the World, Half a Trillion GDP
- First TV Broadcast in Africa
- Mandela hid in Nigeria for 6 months to escape the Apartheid Regime
- Previous longest Bridge in Africa (11.8 Kms) – Egypt now
- Largest Black Country in the World – 170 Million (1/5th of Africa’s Population)
- Largest Entrepreneurial Population in Africa, Large Mobile Phone User Base
- Third Largest Movie Industry in the World – Now 2nd
- Diversifying Economy With Growing Non Oil Sector – 51% Services, Agric 22%, Industry 26%, Oil 15%
- Richest Man in Africa – Aliko Dangote
- Leading Destination for Investment in Africa – UNCTAD
- IF YOU ARE NOT IN NIGERIA, YOU ARE NOT IN AFRICA
Existing NIGERIAN PORTS

The ports are:

- Lagos Port Complex, Apapa
- Tin Can Island Port Complex
- Rivers Port, Port Harcourt
- Onne Port Complex
- Calabar Port
- Delta Ports Complex, (Warri, Koko, Sapele and Burutu)

- 23 terminals concessioned to the private sector on landlord model
The Government of Nigeria is currently making efforts to develop Deep Water Ports in partnership with the Private Sector in the following locations:

Lekki Deep Water Port in Lagos State
Badagry Deep Water Port in Lagos State.
Ibom Deep Water Port in Akwa Ibom State and
Olokola Deep Water Port in Ogun/Ondo States
Snake island Service Port
Onne Port Extension
Bonny Deep Water Port
Port Notel
Bakassi Deep Water Port
Lekki Port LFTZ Enterprise

- Special Purpose Vehicle (SPV) to build, own, operate and transfer the port
- Located in Lagos Free Trade Zone
PROPOSED BADAGARY SEA PORT
IBOM DEEP WATER PORT AND ENERGY CENTRE
SNAKE ISLAND SERVICE PORT, LAGOS
ICDs

- Ontisha Inland Container Depot (ICD), Anambra State
- Asaba Container Freight Station (CFS), Delta State
- Nnewi Inland Container Depot, Anambra State
- Gombe CFS, Gombe State
- Dagbolu Inland Container Depot, Osun State
- Lolo Inland Container Depot, Kebbi State
- Benin ICD
Location of Proposed Ports

Figure E1-6: Daily Barge Movements 2020
“THE PROBLEMS OF THE WORLD CANNOT POSSIBLY BE SOLVED BY SCÉPTICS OR CYNICS WHOSE HORIZONS ARE LIMITED BY THE OBVIOUS REALITIES. WE NEED MEN WHO CAN DREAM OF THINGS THAT NEVER WERE”

-JFK-

So it is with addressing Africa’s Infrastructure Deficit
Think outside the box

Broaden your horizon
EPINE DORSALE - BENIN
West Coast HSR

The West Coast High Speed Rail Project is designed, structured and poised to be a world-class, unique, high speed, low environmental impact speed rail transport system that will span across 5 West African countries, significantly open regional arteries to support and provide travel and market access to the region’s peoples and bring affordable regional travel and freighting services to millions in the region. The project is aggressively designed and structured as an environmentally friendly transport system developed to curb greenhouse gas emissions in the region’s transport sectors and will bring much needed infrastructural development to Africa as a truly scalable and replicable mega project. It is a world-class high speed rail project that will become the beacon and standard for the rest of the Continent to follow and replicate.
AFRICAN UNION GUIDELINES

Main Corridors
(Les grands corridors)
Source: UAR, 2001

Corridors:
1. Corridor North
2. Corridor North-East
3. Corridor North-East-West
4. Corridor East-South
5. Corridor East-Center
6. Corridor West-Center
7. Corridor South-West
8. Corridor Center-South
9. Corridor North-West
10. Corridor North-Center-South

Radials:
1. Libya-Namibia
2. Senegal-Djibouti
3. (Sudan) Ethiopia-R.O.C./Tanzania

Legends
- Railways
- No railways

Transportutvikling AS – September 2007
Conclusions

• Efficient integrated infrastructure systems are prerequisites for rapid economic growth
• Providing Port Rail and Road linkages on economic corridors leads to rapid development
• Creating and sustaining an enabling environment for private sector participation expands resource options
• Apply lessons learned from within and abroad.
• Focus on Integrated intermodal value chain PPPs involving Ports (eg. Senegal)
• Use innovative unsolicited proposals (via swiss challenge)
TRANSFORMING

AFRICA IS DOABLE
Poverty anywhere in Africa….is a threat to prosperity everywhere in Africa

If you agree on this…….

…….Let’s be bold, daring and fearless, lets focus on big fast results – we have nothing to loose, except the decadent status quo – lets do things differently to move Africa forward...lets transform Africa to become Port & Rail Networked like India. A transformed and networked Africa would be a most lovely place to live and work....Lets just do it.
Wise Words

“If you think you are too small to make a difference, try sleeping with a mosquito.”

-His Holiness the 14th Dalai Lama

Poverty is not an accident. Like slavery and apartheid, it is man-made and can be removed by the actions of human beings.

- Nelson Mandela
Every morning in Yankari, a Gazelle wakes up. It knows it must run faster than the fastest lion or it will be killed. Every morning a Lion wakes up. It knows it must outrun the slowest Gazelle or it will starve to death.
It doesn't matter whether you are a Lion or a Gazelle... when the sun comes up, you'd better be running.