Infrastructure and Industrial Development in Africa

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Overview

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Introduction

- Africa’s, especially Sub-Saharan Africa’s growth most impressive at 5% (WEF, 2013)
- Africa remains the poorest despite impressive growth
- Lack of industrial development bane of problems
- Inadequate infrastructure fingered in the deindustrialization of Africa
- Challenge is enormous, those requires far reaching policy directions
Infrastructure and industrial development

- Critical infrastructure need for industrial development include inadequate include

- Energy

- Robust transport infrastructure
  - Transnational and regional rail lines
  - Roads,
  - Airports
  - Seaports and waterwaters

- Technological infrastructure
  - ICT – broadband backbone
  - Absorptive capacity (human capacity)
How large is the constraints?

- Investment needs of African countries in infrastructure exceed by far the amounts being invested at present by governments.
- Africa’s total infrastructure investment needs are estimated at over US$250 billion (WEF, 2013).
- Road access rate is only 34%, compared with 50% in other parts of the developing world.
- Transport costs are higher by up to 100%.
- Only 30% of the population has access to electricity, compared to 70–90% in other parts of the developing world.
- Internet penetration rate is only about 6%, compared to an average of 40% in other parts of the developing world (WEF, 2013).
Policy considerations

- Industrial clustering
- Creating special economic zones
- Industrial upgrading
- Leapfrogging
- Public-Private-Partnerships
- Direct Foreign Investments and Official Development Options
- Providing favourable investment climates
Conclusion

- Africa is growing at fast pace but broad based economic development remains elusive

- Infrastructure inadequacy is major constraints to industrial development in the continent

- Industrial development in the Africa requires should emphasize investment in infrastructure

- Such policies should reflect on right policy mixes that best suit their current needs
References


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Thanks for your attention