

# Infrastructure and Industrial Development in Africa

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and Policy in Africa

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**GM Bubou\*, EE Ejim-Eze, AA. Ogungbemi and FN Okrigwe**

*South-South Office*

*National Centre for Technology Management*

*Niger Delta University, Wilberforce Island, Nigeria*

*\*[gordon.bubou@nacetem.org](mailto:gordon.bubou@nacetem.org)*

# **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



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**Thanks for your attention**