

Africa 2022 Business Forum

FIFTH AFRICAN BUSINESS FORUM, 2022



Theme: “Investing in multimodal transport infrastructure to optimize the benefits of the African Continental Free Trade Area: a focus on air transport and tourism”



United Nations
Economic Commission for Africa



INTRODUCTION

The Economic Commission for Africa (ECA) is pleased to announce that, in collaboration with its partners, the fifth Africa Business Forum will be held on the margins of the thirty-fifth ordinary session of the African Union Assembly of Heads of State and Government.

The annual Forum is a flagship initiative that aims to promote continuing dialogue between the African private and public sectors on current matters of strategic importance to the continent and to optimize collective efforts to achieve Agenda 2063, The Africa We Want, of the African Union and the 2030 Agenda for Sustainable Development.

Previous themes of the Africa Business Forum have included: “Investment” in 2018; “Health” in 2019; “Investing in people, planet and prosperity” in 2020; and “Innovative finance: building forward to the Sustainable Development Goals” in 2021.

The dialogue traditionally benefits from the presence of Heads of State and other officials attending the session of the African Union Assembly. The event has garnered the support of eminent global and African private sector leaders. In past years it has benefited, , from the participation of the following leaders: President Paul Kagame of Rwanda; President Filipe Nyusi of Mozambique; President Uhuru Kenyatta of Kenya; President Macky Sall of Senegal; President Mahamadou Issoufou of the Niger; President Mokgweetsi Masisi of Botswana; President Ismaïl Omar Guelleh of Djibouti; President Yoweri Museveni of Uganda; Prime Minister Abiy Ahmed of Ethiopia; President Emmerson Mnangagwa of Zimbabwe; and Prime Minister Carlos Agostinho do Rosário of Mozambique.

BACKGROUND

The Agreement Establishing the African Continental Free Trade Area entered into force in 2019, with the aim of boosting intra-African trade by eliminating import duties and doubling this trade if non-tariff barriers are also reduced. Inadequate transport infrastructure and services could, however, hamper the full realization of the benefits of the Agreement, whose implementation began in 2021. Reaping the full benefits of the Free Trade Area therefore requires integrated planning of trade and transport. To facilitate such planning, ECA has undertaken a study on the implications of the African Continental Free Trade Area for the demands of transport infrastructure and services. The study analyses investment opportunities, as shown by the following findings:

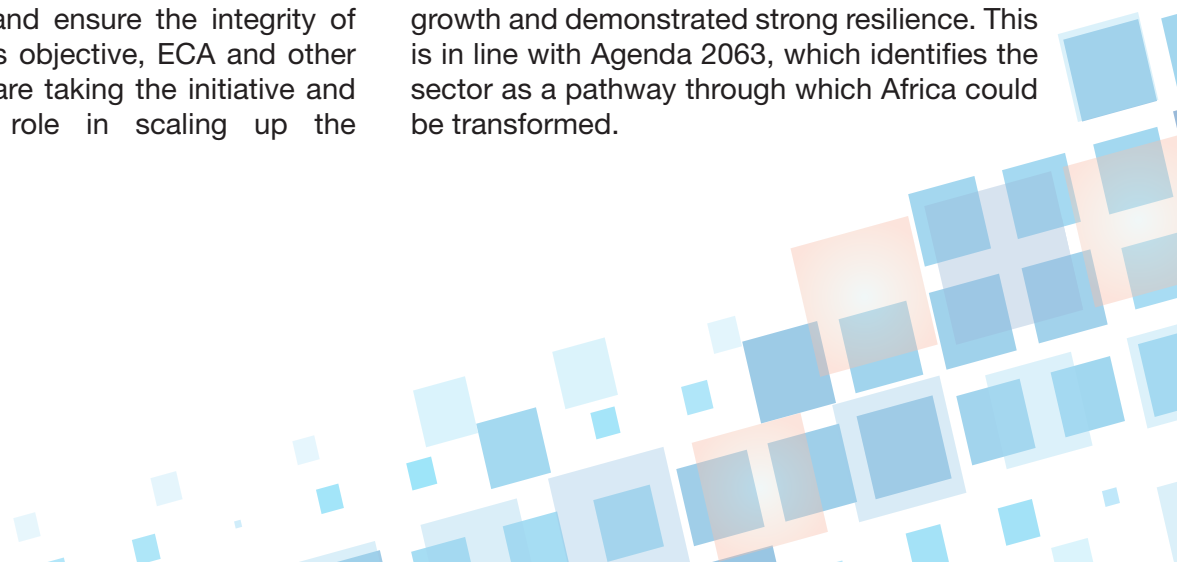
- (a) Implementation of the Free Trade Area will lead to an increase in intra-African freight demand of around 28 per cent by 2030, compared to a scenario without its implementation. Specifically, demand for road, rail, maritime and air freight will increase by 22, 8, 62 and 28 per cent respectively;
- (b) The modal share on rail would increase from 0.3 to about 7 per cent;
- (c) Africa would require close to 2 million additional trucks, over 100,000 rail wagons, 250 aircraft and more than 100 vessels by 2030, if the Free Trade Area is fully implemented;
- (d) Aircraft demand to support trade flows within West Africa will increase by 13.2 per cent by 2030. Trade between North and West Africa would increase demand for aircraft by 12.9 per cent, while demand within Southern Africa will increase by 12.2 per cent.

These findings suggest the need for huge investments in roads, railways, seaports and airports but also in trucks, rail wagons, aircraft and vessels. The study has also identified critical links where existing infrastructure lacks the capacity to accommodate the predicted increase in trade flows. At the same time, transport is identified as a priority sector for services liberalization by the African Union, recognizing its critical role in facilitating increased inclusive intra-African trade and the implementation of the complementary Protocol to the Treaty Establishing the African Economic Community relating to Free Movement of Persons, Right of Residence and Right of Establishment. An understanding of the increase in demand expected to result from the Agreement's implementation will give guidance as to where investment should be channelled. Accordingly, to optimize the benefits of the Free Trade Area, investments in air transport should be channelled through notable infrastructure reform and digital transformation in the upstream and downstream sectors and segments of the aviation industry.

Investing in digital technologies such as artificial intelligence (AI), machine learning, blockchain, cloud computing, 5G and others could have an enormously beneficial impact on modernizing air transport services in Africa in terms of increasing speed, efficiency, workload and safety. Digital technology can also improve estimates of the demand for intra-African air transport, for instance for the purposes of regional tourism or cargo, and support efforts by the air transport sector to expand in an efficient manner to meet the expected increase in demand from the intra-African market. If implemented in step with the Agreement, digital technology can also address non-tariff barriers, enhance trade facilitation measures and ensure the integrity of transit. In line with this objective, ECA and other partner organizations are taking the initiative and playing the leading role in scaling up the

application of digital technologies in different sectors, such as air transport, with the support of research centres that are being established, such as the African Artificial Intelligence Research Centre in the Congo. The AI research centre will be engaged in supporting AI start-ups and initiatives in air transport; this undertaking will include provision of the necessary support and facilities to conduct research activities in the applications of AI. This could dramatically improve the air transport sector in Africa, enabling it to better optimize the benefits of the Free Trade Area.

This Forum will focus on the air transport and tourism sectors, which are recovering from a financial crisis induced by the coronavirus disease (COVID-19) pandemic, and will build on the new opportunities that have emerged. Such opportunities include pivoting to cargo transport to support the increase in intra-Africa trade identified by the sector during the crisis, when faced with passenger travel restrictions and in response to changes in tourism patterns. The support of private investors will be essential to the development of air transport, in particular in a context of limited public funding. Mobilizing alternative sources of income from ancillary products and services and using appropriate de-risking tools should boost investor confidence and ease access to untapped pockets of funds. Financing for civil aviation infrastructure and the expansion of airlines is therefore a priority on the continent and in line with the Single African Air Transport Market, a flagship project of Agenda 2063. Furthermore, this will also be key to boosting domestic and intra-Africa tourism, which, under the current COVID-19 pandemic, has registered sustained growth and demonstrated strong resilience. This is in line with Agenda 2063, which identifies the sector as a pathway through which Africa could be transformed.



OBJECTIVES

The fifth African Business Forum aims to achieve the following:

- (a) To present the findings of ECA research on the implications of the African Continental Free Trade Area for the transport industry with a particular focus on air transport and tourism;
- (b) To provide a high-level platform for dialogue between the private and public sector, including investors, on new market developments, business opportunities and technological advancements to enable the African aviation industry to meet the new demand scenarios presented by the African Continental Free Trade Area and to do so in a sustainable way;
- (c) To put forward the contributions of academic and research centres in improving both the air transport sector and the tourism sector.

EXPECTED OUTCOMES

The fifth African Business Forum is expected to result in the following:

- (a) Identification and increased awareness of the implications of the African Continental Free Trade Area for the air transport and tourism industry;
- (b) Increased awareness of new market developments, technological advancements digital technologies (such as AI and 5G), investment and business opportunities offered by the African Continental Free Trade Area to African aviation stakeholders and investors;
- (c) Establishment of contacts between high-level officials of African airlines, airport authorities, air navigation service providers, aviation communication providers and investors;
- (d) Improved investor awareness of how value may be extracted from the increased volume and quality of consumer data and improved consumer experience of high-quality air transport infrastructure and services;

- (e) Stipulated collaboration by academic and research centres in improving data on the air transport sector.

PARTICIPANTS

It is expected that the Forum will be attended by representatives of the following sectors and institutions and participants in the following categories:

- (a) Commercial airline companies, air navigation service providers, aviation communication providers, and other players along the aviation value chain;
- (b) Tourism associations, travel agencies, tour operators and guides, hotels, and other entities in the hospitality industry;
- (c) Financial institutions, institutional investors, digital and ICT service providers, and other corporations;
- (d) National civil aviation regulators, airport authorities, the African Airlines Association, the African Civil Aviation Commission, and the International Civil Aviation Organization;
- (e) Government ministries and policymakers in the transport, infrastructure and trade sectors;
- (f) The African Union Commission, the secretariat of the African Continental Free Trade Area, development partners and other international organizations;
- (g) Innovation hubs, research centres, think tanks and academia;
- (h) Civil society representatives, thought leaders, young entrepreneurs and innovators, youth representatives, journalists and broadcasters.

Date and Venue

The Forum will be held in a hybrid format on 7 February 2022 from 10 a.m. to 1 p.m., East Africa Time.

Contact details

Those wishing to participate or seeking further information should contact:

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