Shipping remains the dominant mode of transport, accounting for almost two-thirds of world trade by value. In West and Central Africa, where road and air links remain weak, sea transport accounts for up to 90 percent of foreign trade by volume. Efficient maritime transport is therefore critical to the region’s trade and income growth. But as Pálsson, Harding, and Raballand show in a recent paper, shipping and ports in this region lag behind global trends and standards. This manifests itself in several ways. First, port concentration remains comparatively limited. No West or Central African port ranks among the top 70 worldwide. And there are no large ports serving as regional hubs, in part because of the limited land transport links and security risks. Second, unlike in most of the world’s regions, in West and Central Africa ports are predominantly owned and run by the national public sector. Third, port equipment is often inadequate or poorly maintained. The region’s ports lack modern gantry cranes, for example, hindering the use of efficient container ships. Moreover, most ports cannot receive ships exceeding 2,500 twenty-foot equivalent units (TEUs), even though ships of more than 6,000 TEUs are now common on international routes. This has contributed to costly delays and congestion in ports. The share of total transport time spent in port is up to four times as large in Africa as in East Asia. Such inefficiencies are exacerbated by the persistent trade imbalances of many West and Central African countries; carriers are forced to leave the region with much empty space on their ships.

These factors have led to high trading costs. Shipping lines levy high freight rates, and to these they add significant inefficiency (congestion) surcharges for many West and Central African ports.

The potential consequences of the shortfalls in port administration and infrastructure are serious. Pálsson, Harding, and Raballand warn that if port efficiency is not improved, several coastal countries in West and Central Africa will forfeit much of the benefit they derive from access to the sea, in effect becoming landlocked. The authors emphasize the pernicious negative feedback effects that can result from high shipping tariffs: the costs keep traffic low, which in turn discourages trade and prevents the economies of scale that have been shown to play a crucial role in reducing costs.

The authors outline a series of reforms aimed at increasing the efficiency of port and maritime transport operations in West and Central Africa. Since efficiency problems are often port specific, the authors urge authorities to carry out careful cost-benefit analyses of particularly costly harbors. More generally, they recommend streamlining procedures and controls to reduce handling costs, turnaround, and dwell times. The authors also encourage public port authorities to increase private participation in cargo terminal operations in order to stimulate market discipline, the transfer of know-how, and private investment in new installations and equipment. A shift toward greater private involvement should lead to a reduction in overstaffing, for which the authors emphasize the need for remedial measures, to guarantee social stability.

The recent reform of the Nigerian port sector offers an example for other West and Central African countries. The reform created autonomous port authorities, reducing meddling by the central government. Responsibility for superstructure, equipment, and marine and terminal operations was transferred to private operators. Labor redundancies with severance packages reduced the Nigerian Port Authority staff from 13,000 to 3,000. While it is still too soon to judge the long-term effects of the reform, the first few months saw productivity rise and delays vanish. In response, shipping lines reduced their congestion surcharges by more than 85 percent.

However successful port reforms may be, ports are not self-contained entities but nodes in larger logistics systems. Thus reforms need to go beyond improving the efficiency of ports alone and work toward integrating the ports more efficiently into the broader economy. This means, most importantly, guaranteeing well-functioning, multimodal (road, rail, air) transport links to the port and easing restrictions on commerce on the main trade corridors in its catchment area.

If reforms are successfully implemented, transport costs for West and Central African countries should drop significantly. The region’s larger ports might compete successfully for international trade as regional hubs and transshipment centers. And the increasing differentiation between the hub ports attracting global megacarriers and the smaller ports for local distribution could create opportunities for national shipowners to provide “feeder” services between the two.