

COMCEC TRANSPORT OUTLOOK 2013

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COMCEC Coordination Office



Transport Working Group Meeting
October 8th, 2013
Ankara, Turkey

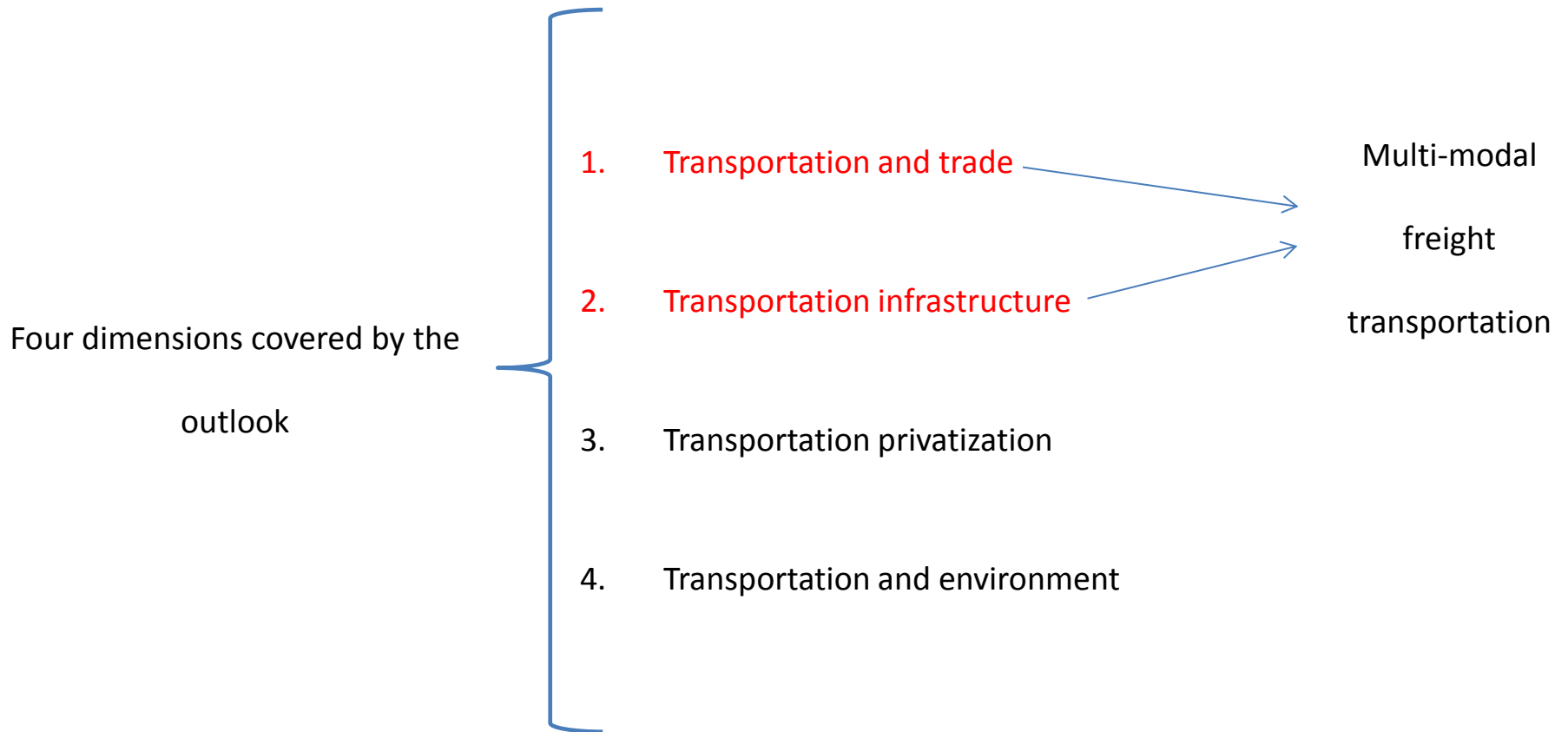
OUTLINE

1. IMPORTANCE OF TRANSPORT INDUSTRY WITHIN COMCEC FRAMEWORK
2. SCOPE OF THE OUTLOOK
3. TRANSPORTATION&TRADE
4. TRANSPORTATION INFRASTRUCTURE
5. TRANSPORTATION PRIVATIZATION
6. TRANSPORTATION&ENVIRONMENT
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IMPORTANCE OF TRANSPORT INDUSTRY WITHIN COMCEC FRAMEWORK

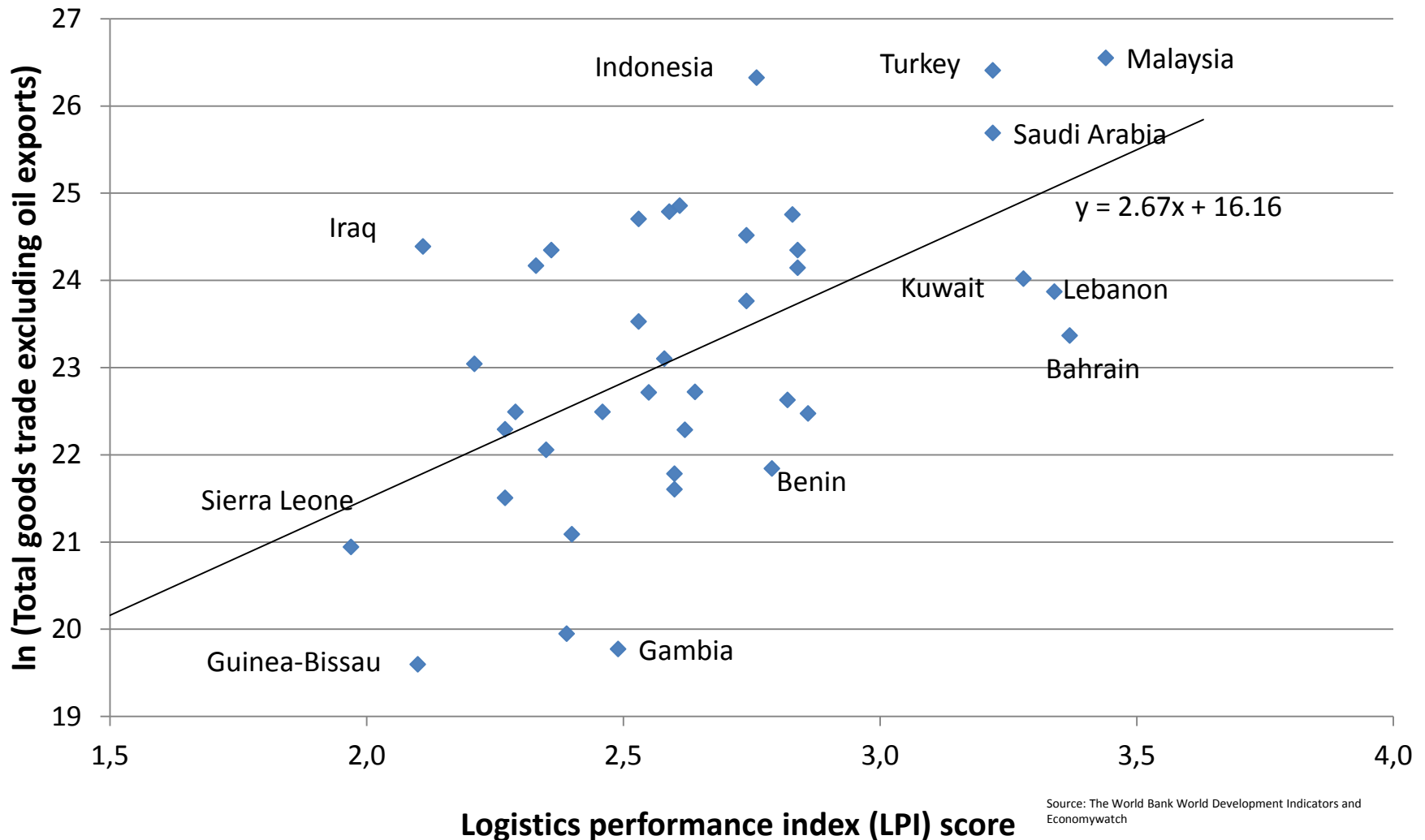
- One of the three principles of COMCEC Strategy is **enhancing mobility** (the other two are strengthening solidarity and improving governance)
- **Transportation** is explicitly declared by COMCEC as one of the three priority sectors together with agriculture and tourism
- **Transportation** is one of the six cooperation areas (the others are trade, tourism, agriculture, poverty alleviation, and finance) specified by the COMCEC Strategy

SCOPE OF THE OUTLOOK



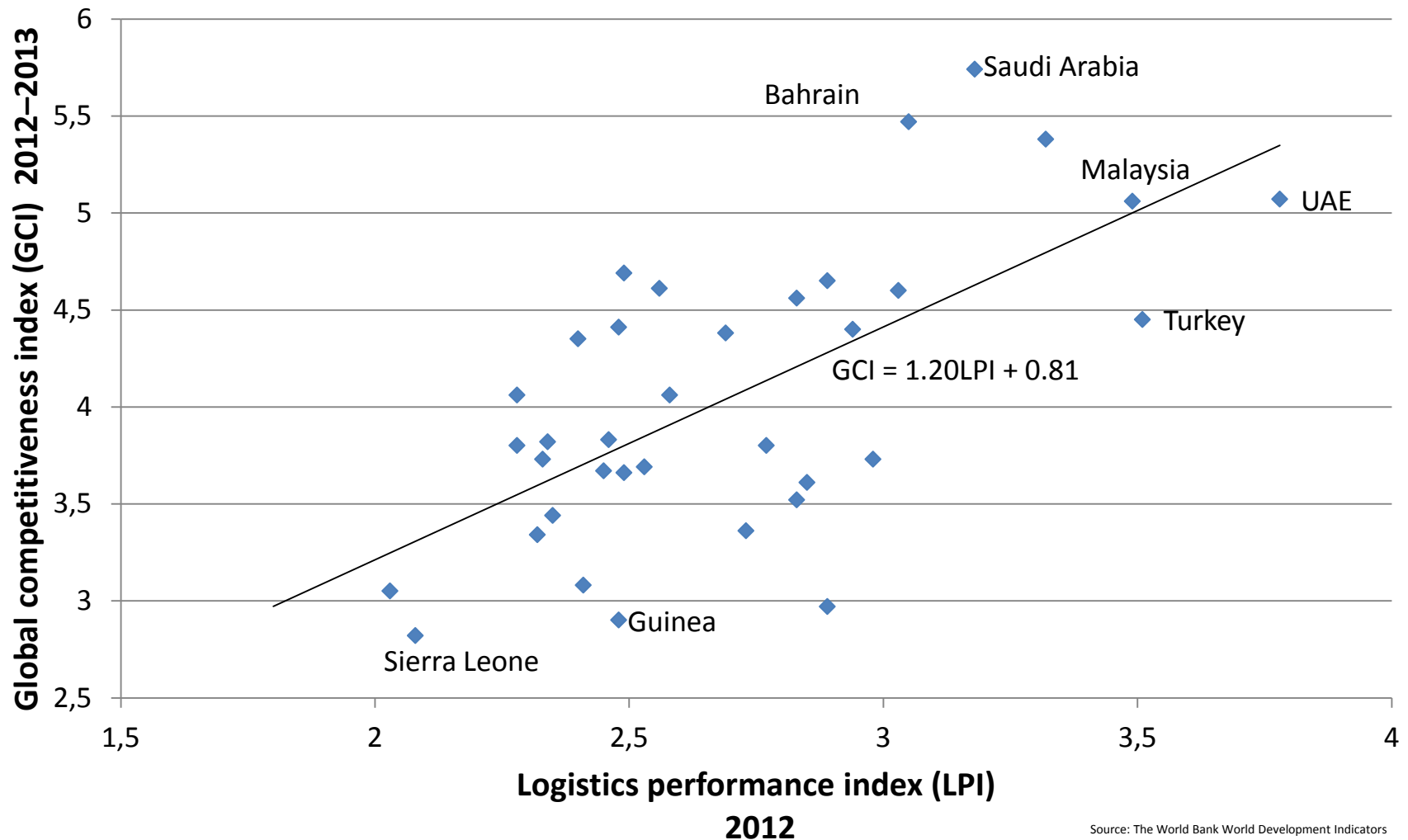
TRANSPORTATION&TRADE (1)

Total goods trades (excluding oil exports) and LPI scores in OIC countries in 2010



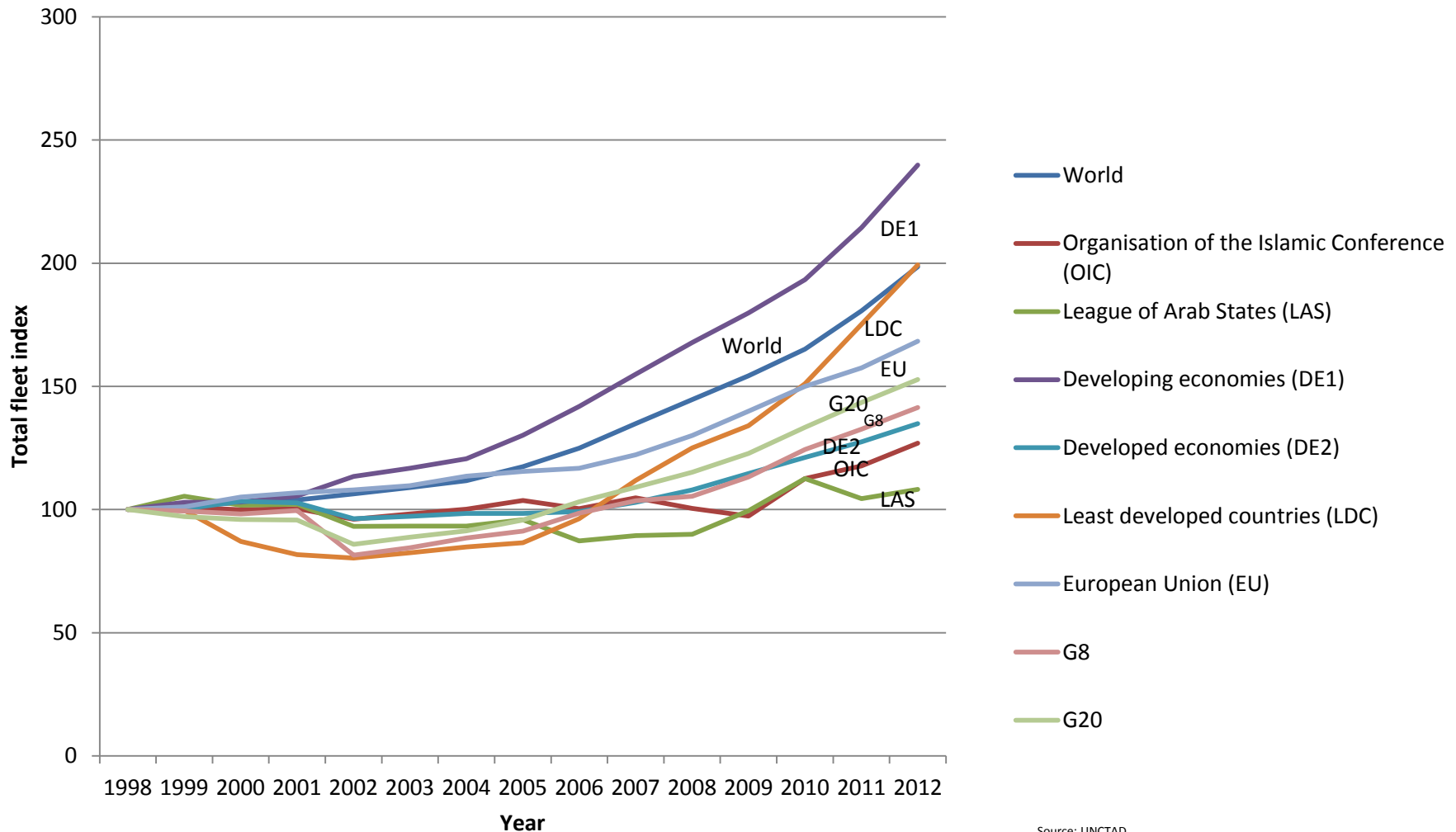
TRANSPORTATION&TRADE (2)

2012 LPI scores and 2012-2013 GCI scores of the OIC countries



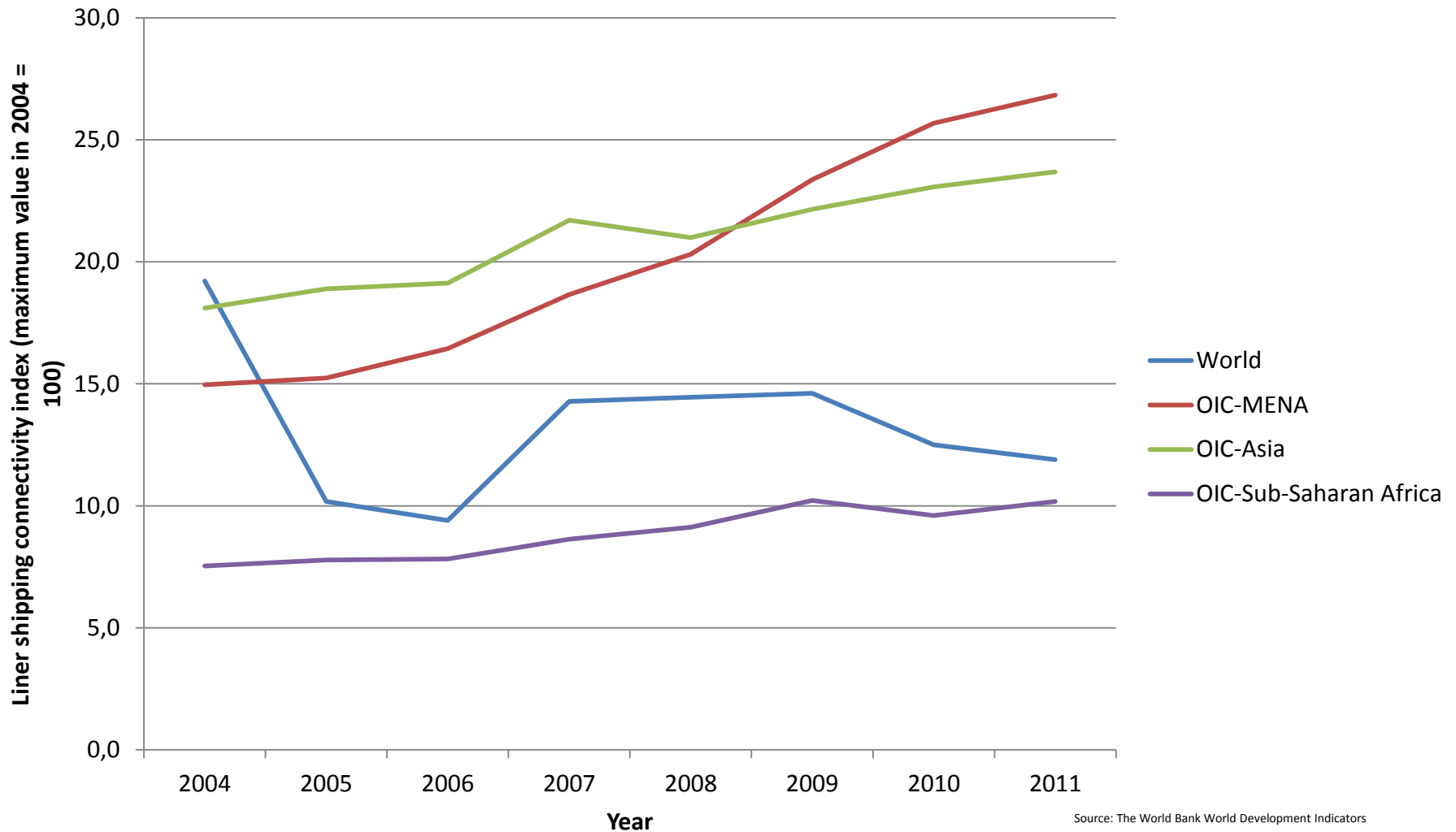
TRANSPORTATION & TRADE (3)

Change in total fleet (in dead weight tons in thousands) by flag of registration for the 1998-2012 period (1998 value=100)



TRANSPORTATION & TRADE (4)

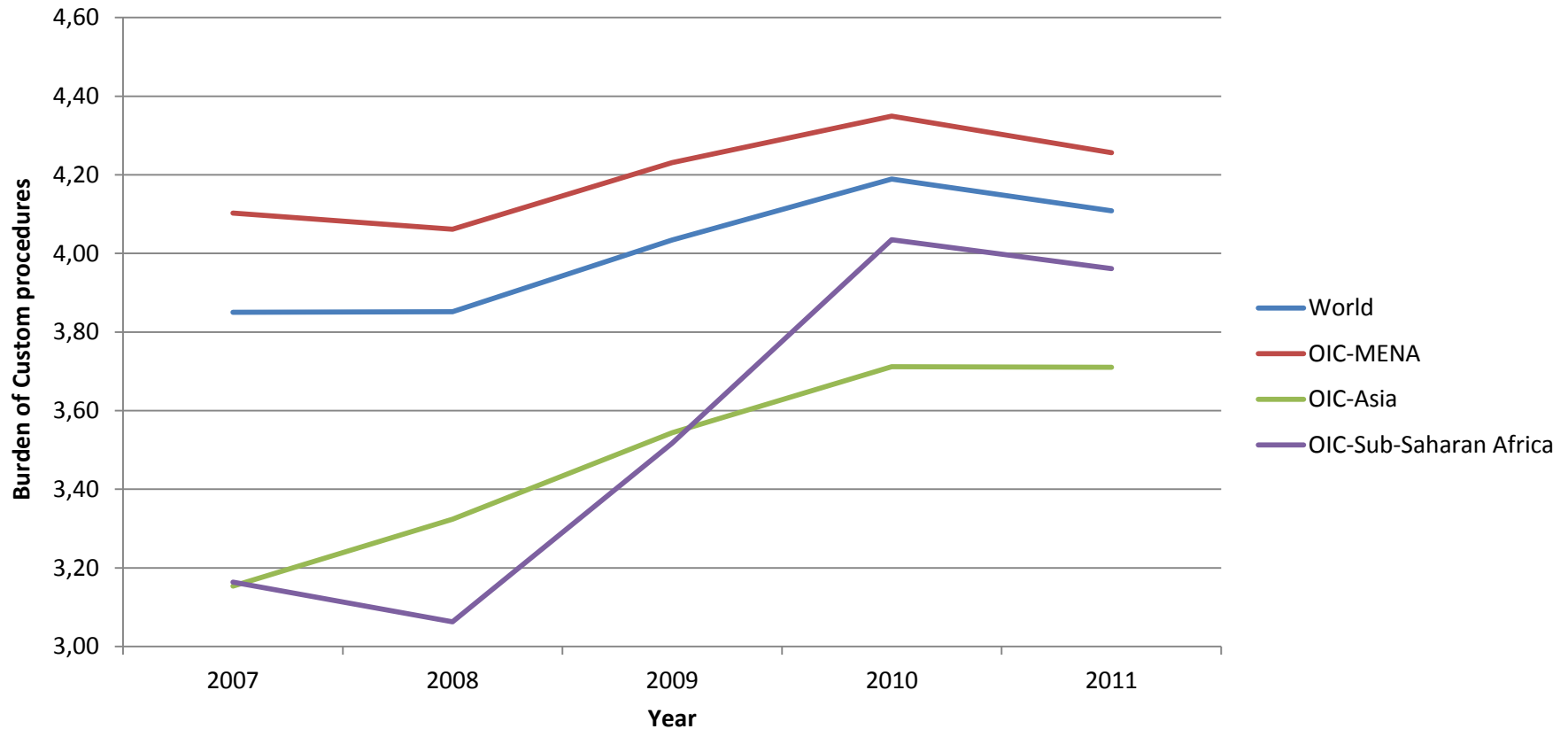
The liner shipping connectivity index by OIC regions in the 2004-2011 period



TRANSPORTATION&TRADE (6)

The burden of custom procedures by OIC regions in the 2007-2011 period

Burden of Custom Procedures by Regions
(1=extremely inefficient to 7=extremely efficient)



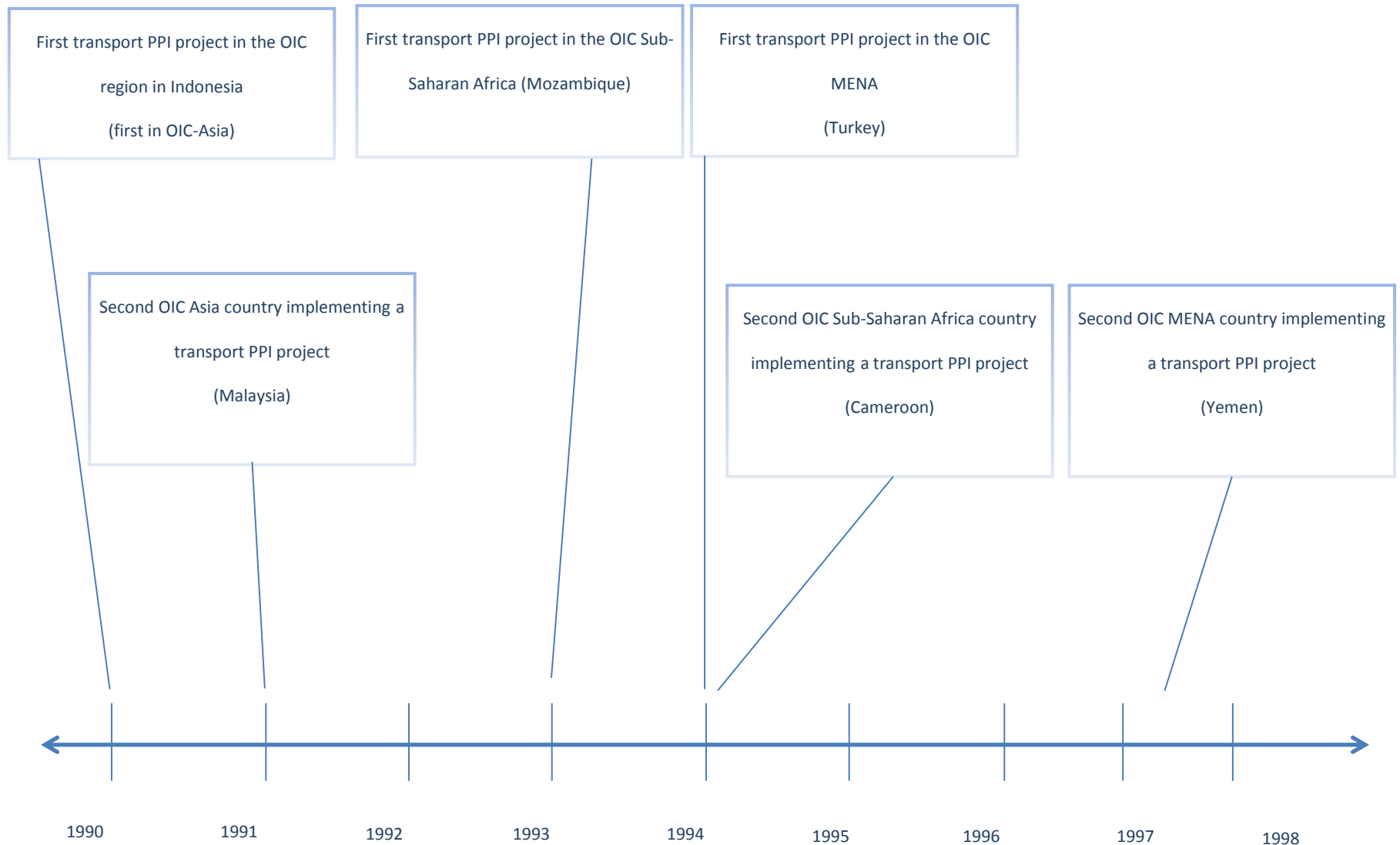
TRANSPORTATION INFRASTRUCTURE

The indexes for the quality of transport infrastructure

Region	Quality of overall infrastructure	Quality of roads	Quality of railroad infrastructure	Quality of port infrastructure	Quality of air transport infrastructure
World Average	4.30	4.00	3.10	4.30	4.60
OIC Average	3.93	3.72	2.45	3.97	4.31
OIC-Sub Saharan Africa	3.26	3.00	1.89	3.79	3.73
OIC-MENA	4.56	4.48	2.59	4.44	4.89
OIC-Asia	4.00	3.68	3.11	3.52	4.31
OIC Maximum	6.4 (UAE)	6.5 (UAE)	4.9 (Malaysia)	6.4 (UAE)	6.6 (UAE)
OIC Minimum	2.1 (Guinea)	2 (Guinea)	1 (Lebanon)	1.5 (Kyrgyz Republic)	2.7 (Sierra Leone)
OIC Median	3.7 (Indonesia and Tajikistan)	3.3 (Algeria 3.4 and Tajikistan 3.2)	2.1 (Brunei Darussalam)	3.9 (Egypt 4 and Uganda 3.8)	4.2 (Indonesia and Tajikistan)

TRANSPORTATION PRIVATIZATION (1)

Timeline of the initial transport PPI projects in the OIC region



TRANSPORTATION PRIVATIZATION (2)

Distribution of PPI projects by infrastructure sectors in the 1990-2011 period

Sectors	Number of PPI projects	Percentage shares
Energy	2,283	43.6%
Telecom	822	15.7%
Transport	1,371	26.2%
Water and sewerage	762	14.5%
Total	5,238	100.0%

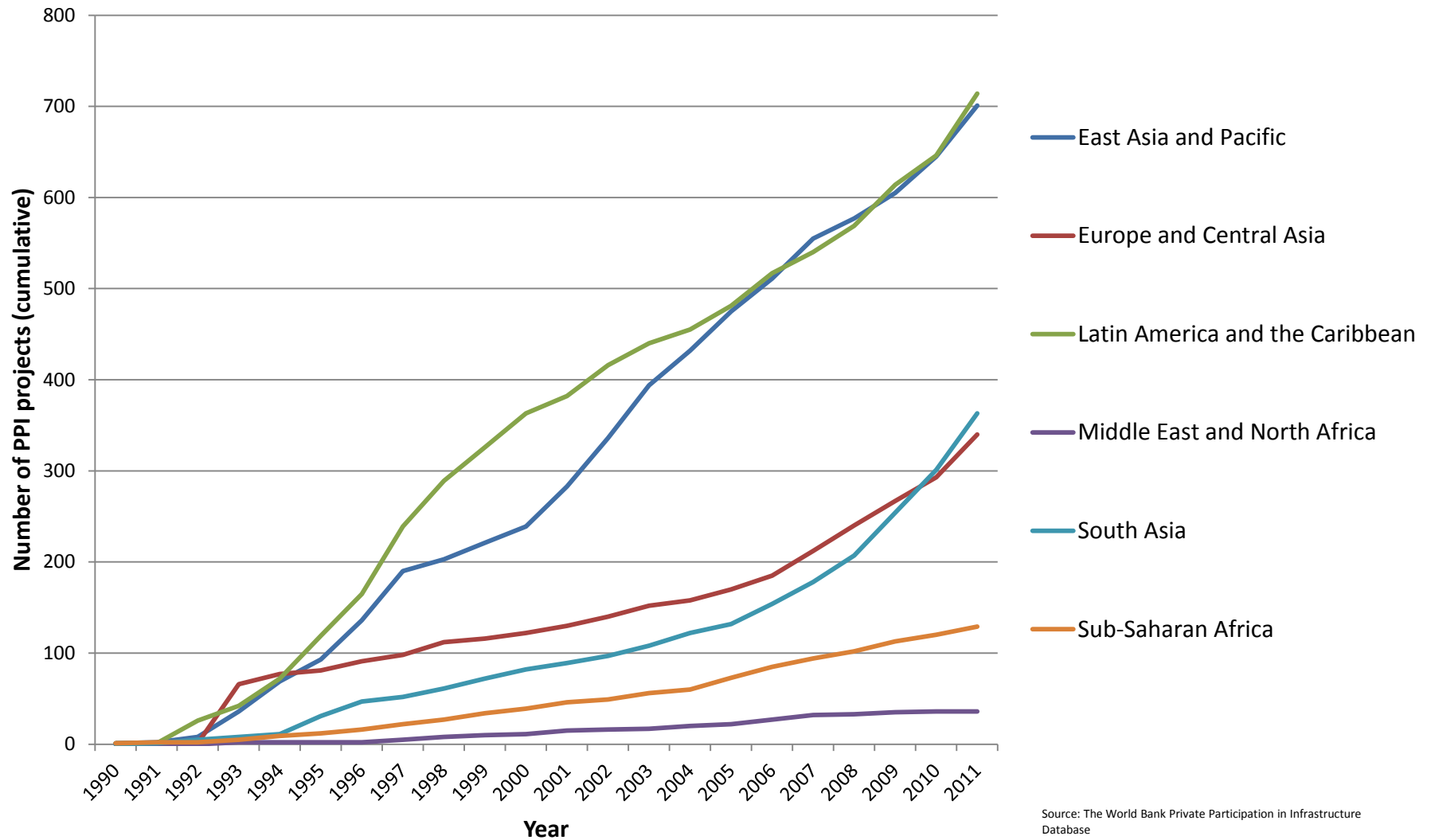
TRANSPORTATION PRIVATIZATION (3)

Distribution of the transport PPI projects by PPI-types in the 1990-2011 period

Sector	Concession	Divestiture	Greenfield project	Management and lease contract	Total
Energy	202	405	1,633	43	2,283
Telecom	9	195	611	7	822
Transport	787	69	440	75	1,371
Water and sewerage	295	29	318	120	762

TRANSPORTATION PRIVATIZATION (4)

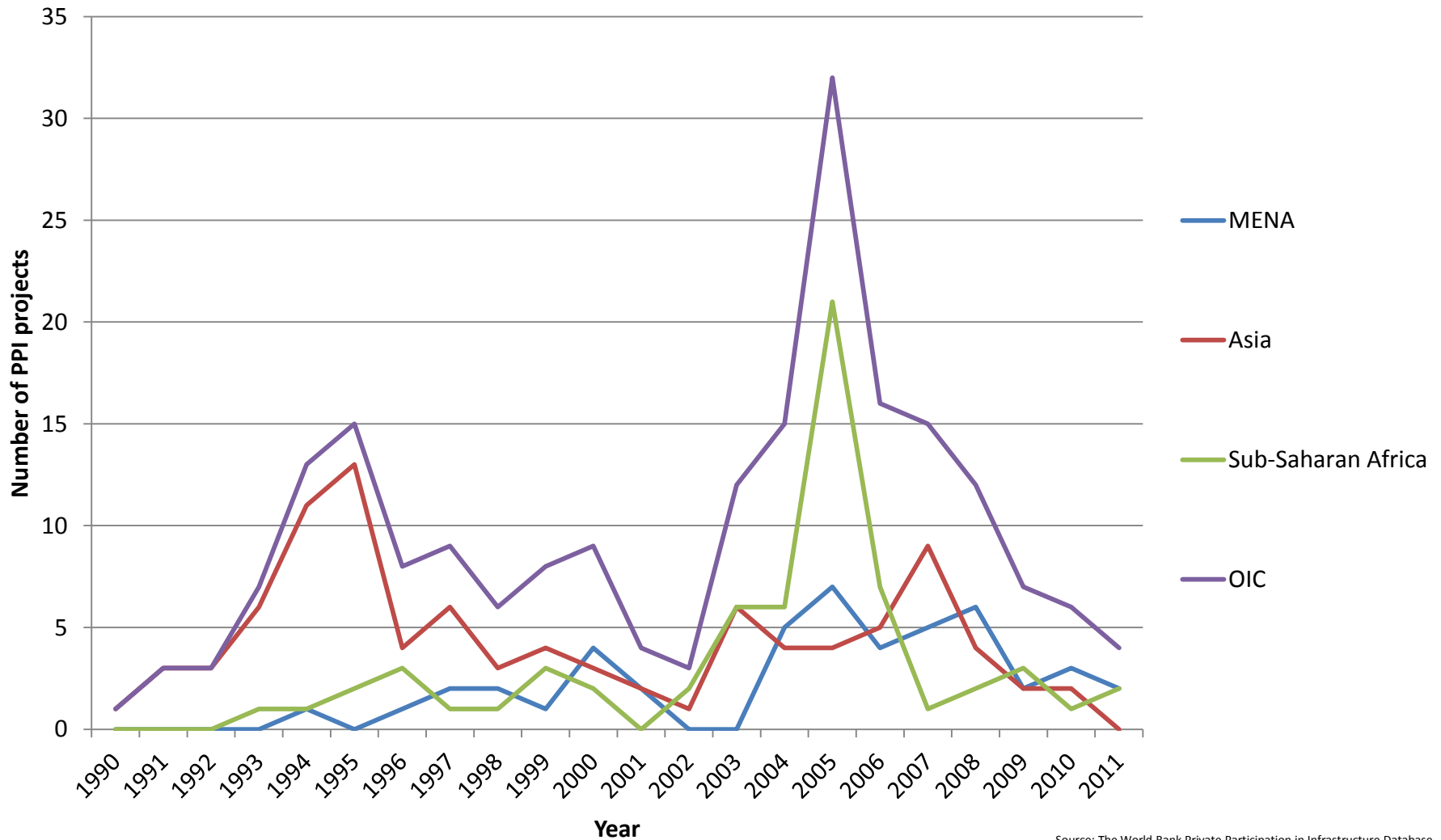
Changes in the cumulative number of PPI projects by regions for the 1990-2011 period



Source: The World Bank Private Participation in Infrastructure Database

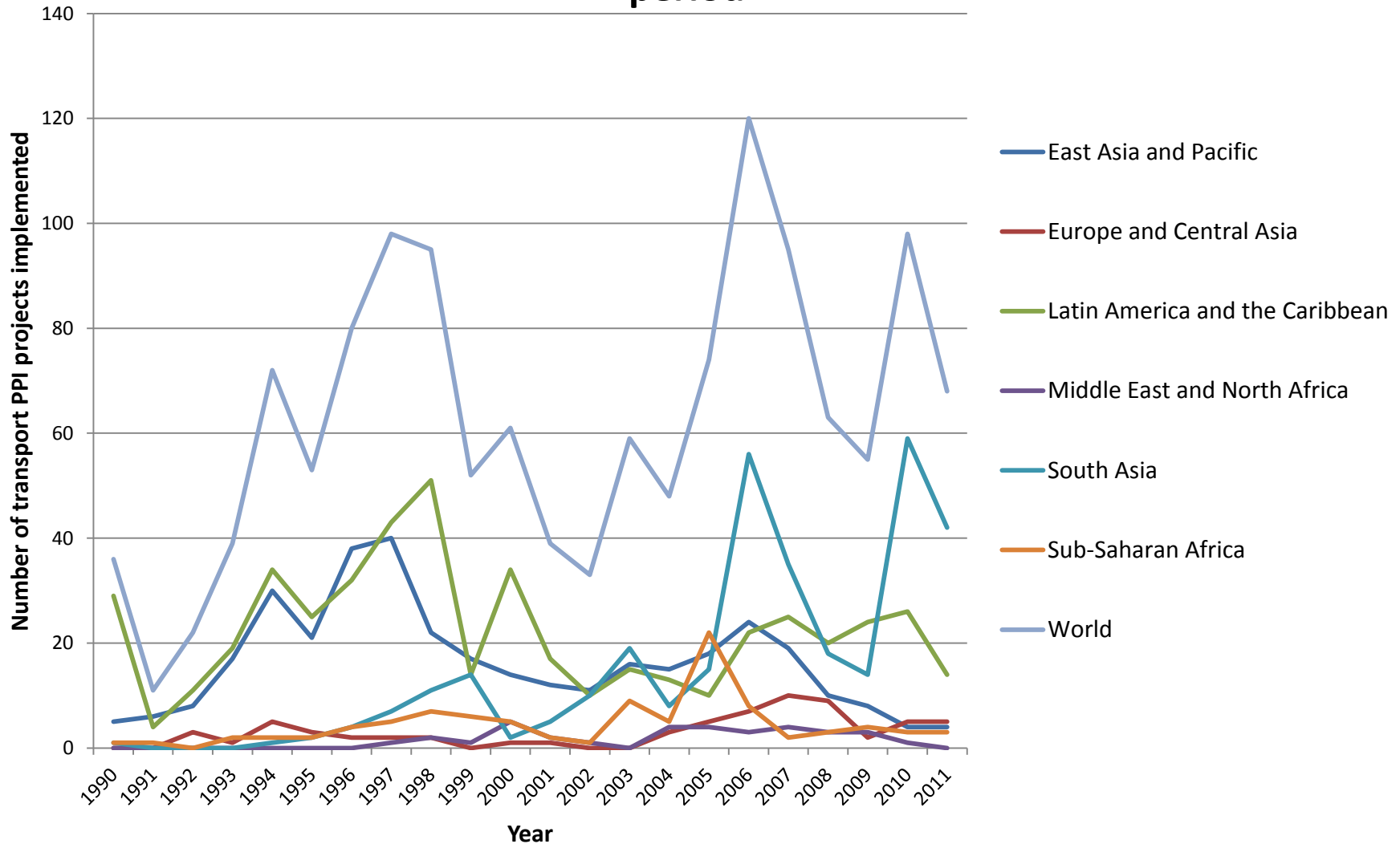
TRANSPORTATION PRIVATIZATION (5)

Changes in the number of PPI projects in OIC regions in the 1990-2011 period



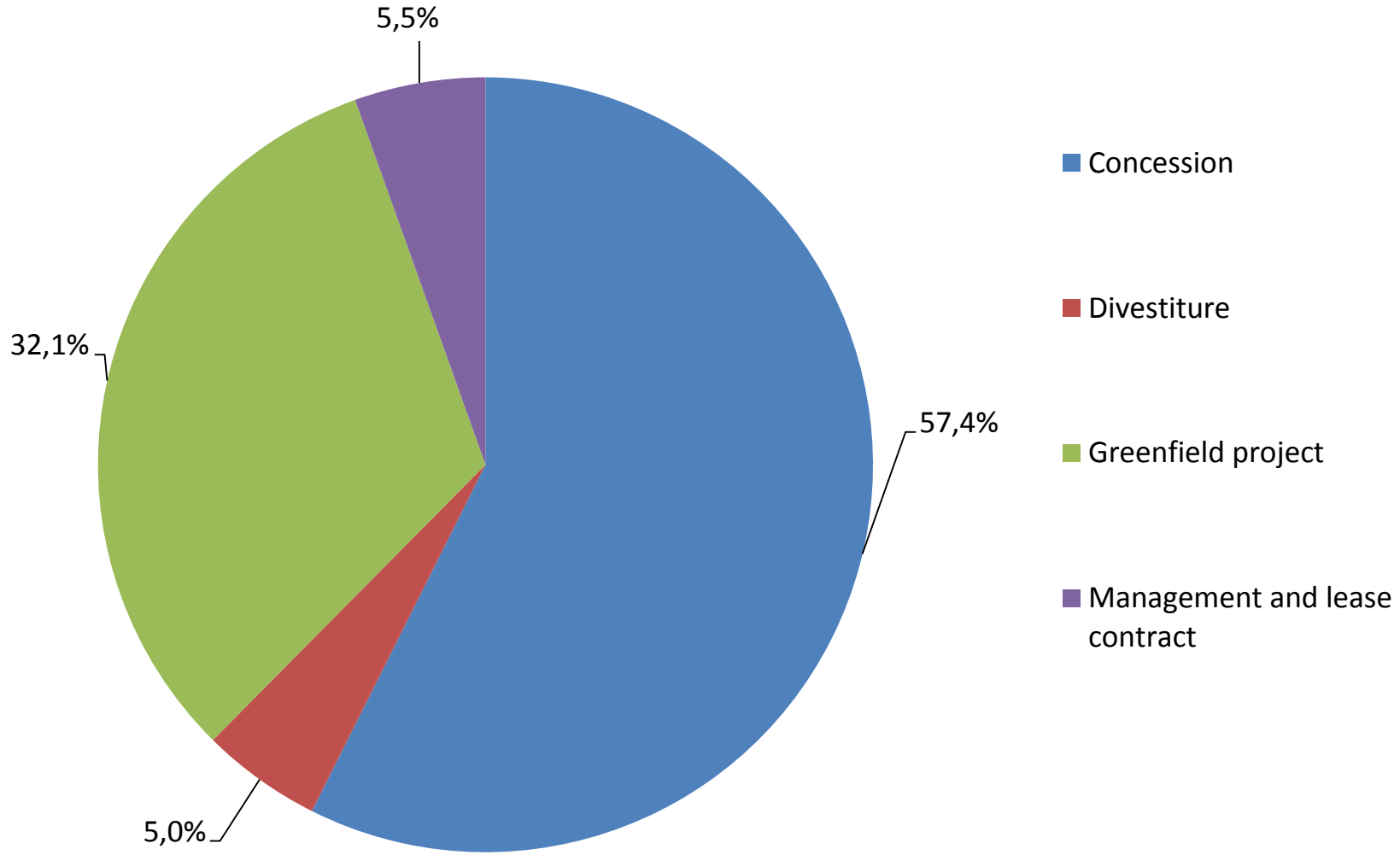
TRANSPORTATION PRIVATIZATION (6)

Changes in the number of transport PPI projects by regions in the 1990-2011 period



TRANSPORTATION PRIVATIZATION (7)

Distribution of transport PPI projects by types in the 1990-2011 period



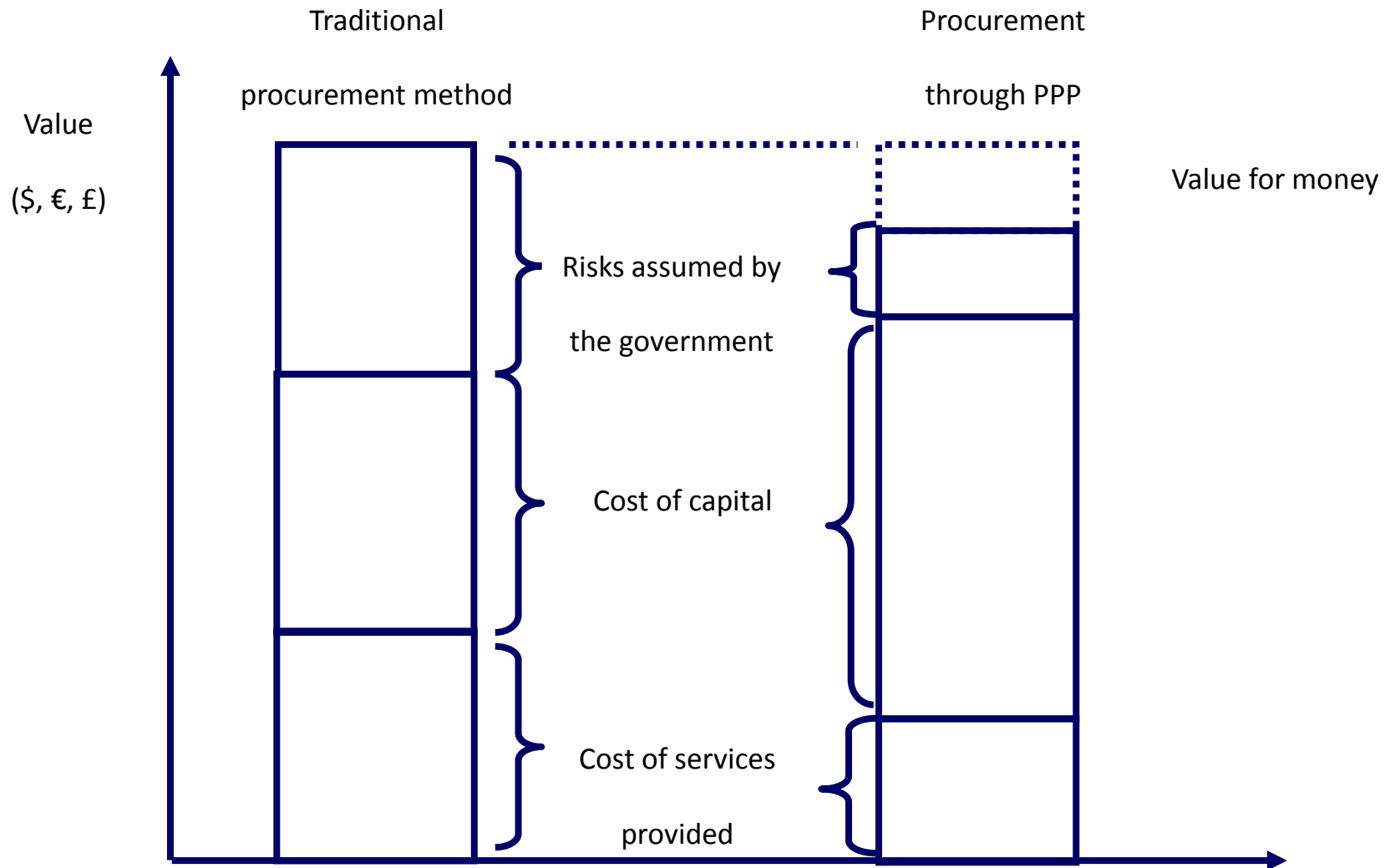
TRANSPORTATION PRIVATIZATION (8)

Distribution of transport infrastructure PPI projects by modes in the 1990-2011

Subsector	Project Count	% Project Count	Total Investment (billion \$)	% Total Investment
Airports	145	10.6%	33,957	10.9%
Railroads	116	8.4%	55,712	17.9%
Roads	731	53.2%	160,495	51.7%
Seaports	381	27.7%	60,488	19.5%
Total	1,373	100.0%	310,652	100.0%

TRANSPORTATION PRIVATIZATION (9)

The comparison of the traditional public procurement with PPP-type procurement



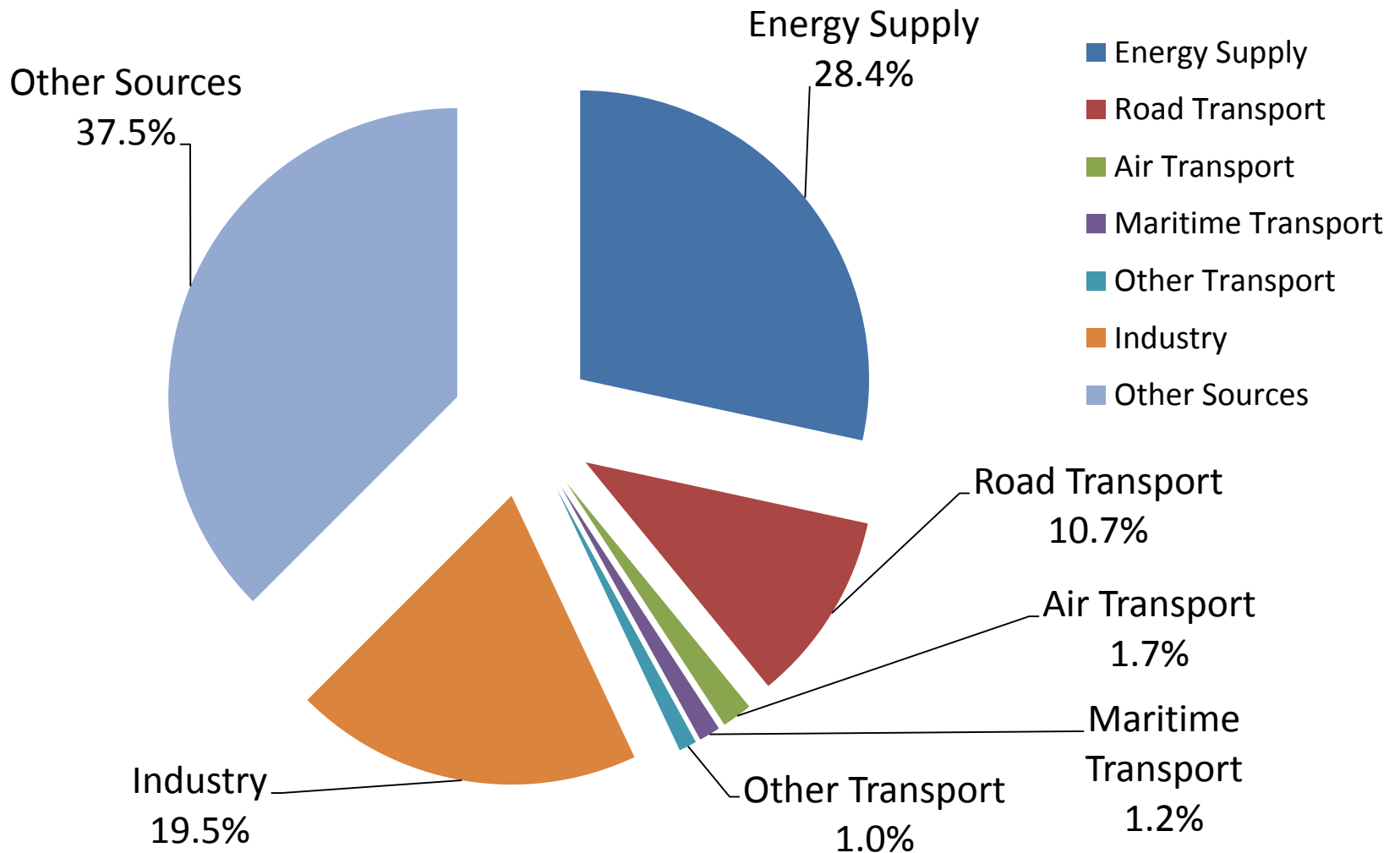
TRANSPORTATION PRIVATIZATION (10)

A successful implementation of a PPP/PPI project requires:

- (1) political and economic stability
- (2) sound legal framework
- (3) institutional capacity
- (4) political commitment and support
- (5) transparent and competitive tender procedures free from corruption
- (6) an organized and developed domestic private entrepreneurship
(including financial institutions and construction companies)
- (7) public acceptance and support, and OIC countries, on average, generally fail to achieve most of these preconditions

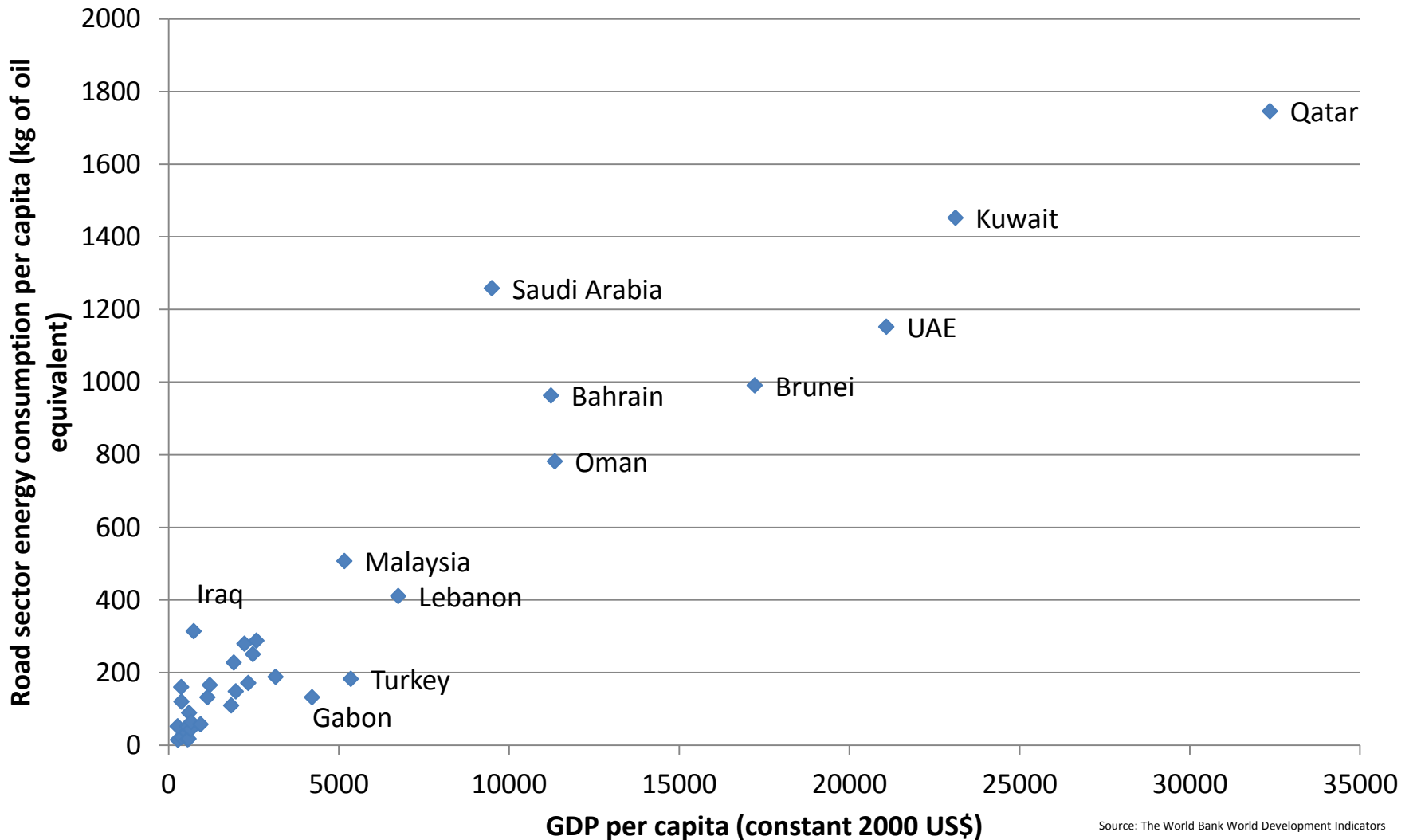
TRANSPORTATION & ENVIRONMENT (1)

GHG emissions by sources in 2005



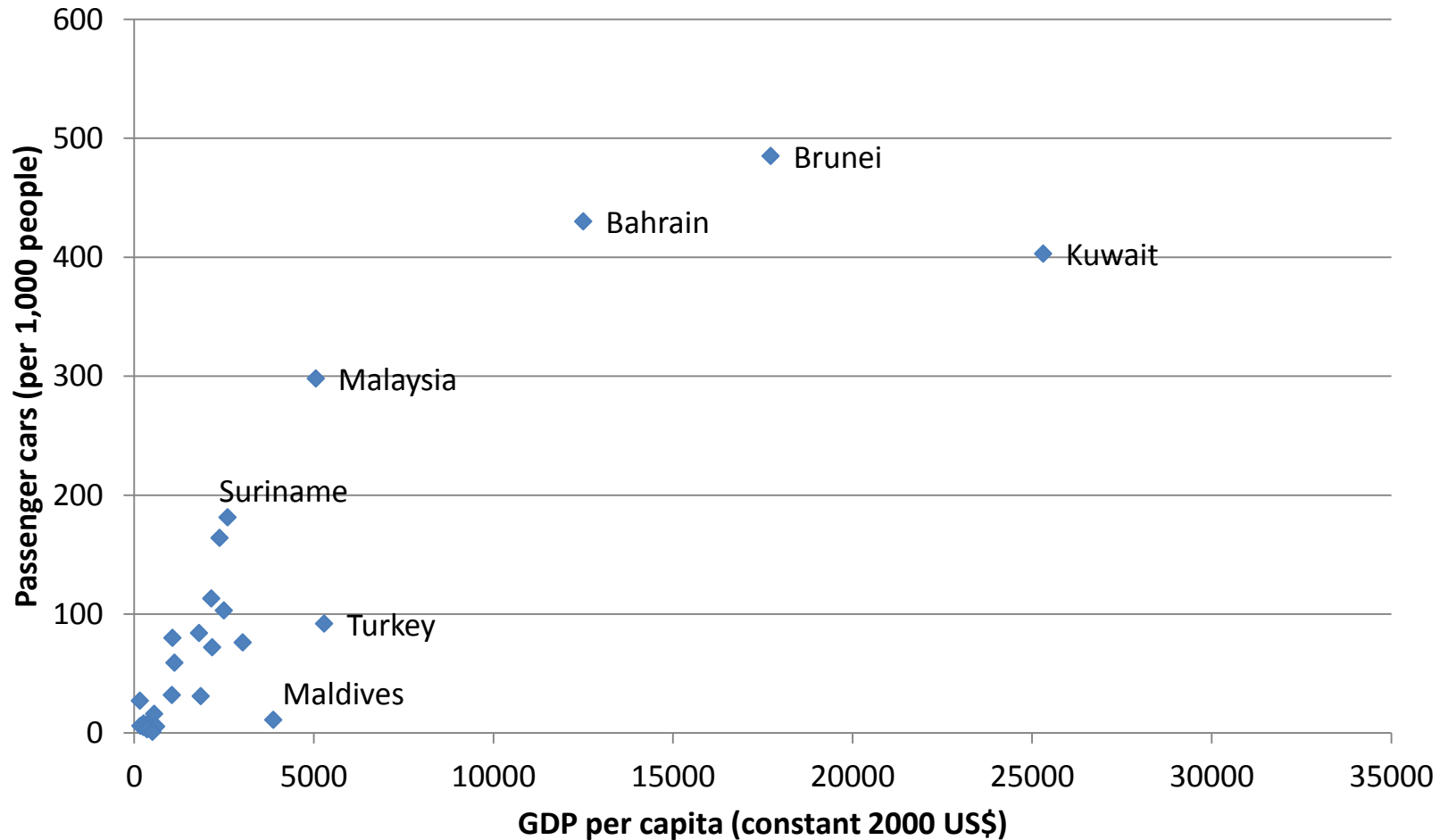
TRANSPORTATION & ENVIRONMENT (2)

Road sector energy consumption per capita and per capita income in 36 OIC countries in 2010



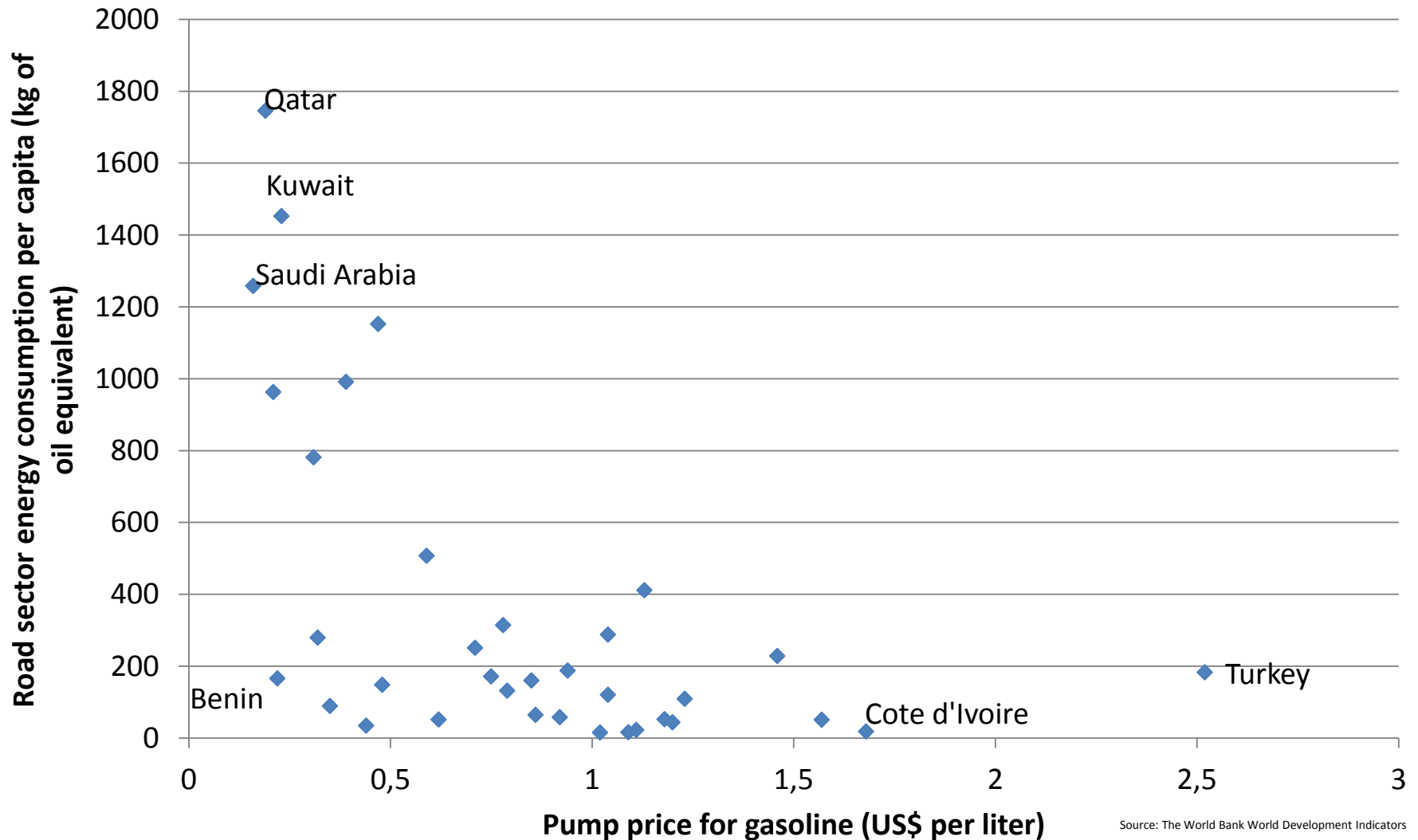
TRANSPORTATION & ENVIRONMENT (3)

Passenger Cars and Per Capita Income in COMCEC Countries in 2010



TRANSPORTATION & ENVIRONMENT (4)

Road sector energy consumption per capita and pump price for gasoline in COMCEC countries in 2010



POLICY IMPLICATIONS

- A great diversification among the OIC countries
- Need to abstain from adopting “one size fits all” type of policies and strategies
- Considerable potential for cooperation in the transport industry
- Success factors:
 - (1) adoption of a sound policy framework
 - (2) right cooperative approach
 - (3) institutional capacity and human resources development
 - (4) accumulation of expertise

THANKS...

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