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# How the AU is seeking to create an Africa's renaissance through the blue economy

by Tendai Dube © Last Updated: Mon, 14 Mar 2016 15:04:05 GMT

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Africa's blue economy could be a major avenue of growth. Photo: Wikipedia

The African Union's 2050 Africa's Integrated Maritime Strategy, plans to implement new laws that will encourage member states to take advantage of the opportunities that a maritime economy will present for employment and growth.

The maritime industry is estimated at approximately 1 trillion dollars a year and 90 per cent of the continent's import and exports are conducted via the sea however according to Timothy Walker, Researcher at the Institute for Security Studies, Africa has been left at a disadvantage because of the history of trade.

Historically countries prioritised having a national shipping fleet in times of war and retained a skilled seafaring community.

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"Africa has unfortunately suffered in that regard because it never really entered into a level playing field, the price of shipping has been decreased through the liberalisation of trade so many shipping companies have gone to countries which offer fewer restrictions and regulations," said Walker.

He adds: "There are other restrictions such as the lack of infrastructure in many ports - countries such as China are now looking at investing in African ports and the creation of mega-ports which will have huge regional, political and economic implications."

The new maritime laws could open up trade and transportation leading to major economic changes for the whole continent but there are many obstacles to navigate around before results are found.



Cabotage laws are a restrictive trade practice that most big shipping nations enforce, requiring vessels moving goods between ports in the same country have rules and regulations dictating the terms of operation to protect themselves.

The AU Commission has started considering establishing a new African cabotage regime as part of Africa's renaissance to address the historical imbalance however only six countries have ratified the revised African maritime transport charter 2010.

"There is great economic potential there, we are not just talking about the oceans and seas, also talking about lakes and rivers, these are great arteries throughout the African continent and connecting countries," said Walker.

Aside from opportunities such as ship building or oil and gas, Walker says there's a chance to expand into tourism and trade, hence value addition will be increased to African goods being shipped out, allowing for more landlocked countries to become more inclusive.

"There are interesting ideas launched for instance within the 2050 Africa's Integrated Maritime Strategy about cabotage, how would countries go about creating the restrictions or regulations on governing trade in coastal waters - now that is something where there is going to be tremendous demand in the future," said Walker.

He says countries like Liberia, have very large ship registries but countries like South Africa only have three ships flying its flags at sea, while a landlocked country like Mongolia for example has over 100 flagships.

"There is potential there to have African ships flying African flags, carrying African goods, between African ports, because the demand will be there for various goods manufactured or demanded in other countries," he said.

The vision is for an African shipping line or various African shipping lines; Walter says there is momentum being driven by the African Union and also in regional and national strategies as well to ensure this happens.

"We do need to create the necessary conditions for investment - better infrastructure and also training and skills to create that pool of labour and ship building industries in Africa is a growth opportunity for the future," Walter of the Institute for Security Studies said.

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