How can the African Continental Free Trade Area Improve Maritime Trade among African States?

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The sea has always played a crucial role in the history and development of many African States. Whether coastal or landlocked, many countries from the continent have either benefitted or suffered from maritime trading activities. From the trade of slaves to Europe and the Americas to today's export of high volumes of minerals and oil to the world, the sea has been the medium through which African countries have been able to connect to the rest of the world. Today, the African continent wishes to further integrate itself and all 55 countries have agreed to conclude the African Continental Free Trade Area (AfCFTA).

The objectives of the AfCFTA are to strengthen the cooperation among African States and with that accelerate the process of regional integration. The AfCFTA rests on four major pillars which are: the free movement of goods, services, people and capital. In order to achieve its objectives and ensure the

implementation of the four pillars, all countries from the continent, whether coastal, landlocked or island states, have to develop strategies that will enable them to further trade among themselves. One such strategy is to enhance connectivity and maritime trading activities among African States. This article will examine the current situation concerning marine connectivity and shipping activities in Africa. It will also highlight the role that the AfCFTA can play in promoting maritime trade among African States.

Marine Connectivity and shipping industry in Africa

Consisting of 55 countries, the African continent is made up of 38 Coastal States and 17 landlocked States. These Coastal States, along with the island States of the continent, represent an estimated 13 million km2 of exclusive economic zone. The exclusive economic zone (EEZ), as per Article 56 of the United Nations Convention on the Law of the Sea (UNCLOS), is an area at sea where a State has sovereign rights to explore and exploit, manage and conserve natural resources as well as explore and exploit the zone for economic purposes.

Having one of the world's largest EEZ, the African continent has an unmatchable amount of marine resources, whether living or non-living, that can be sustainably exploited for the continent's economic development. Based on their extensive EEZ, many countries have already started to develop a new niche of their economy. This niche is known as the ocean-based economy or blue economy. Despite the fact that there is no universal definition of the concept, its main characteristic revolves around using the sea and its resources in a sustainable way for economic growth (Kwang Seo Park and Kildow, 2014).

The purpose of developing the blue economy is to move away from land based economic activities and develop new sectors at sea that will attract investors and ensure economic growth. Countries like Kenya, Mauritius, Seychelles, South Africa and Tanzania have already developed roadmaps or strategies to implement this new niche. One aspect of the niche where emphasis is currently being placed is the development of an efficient connectivity and shipping network. As most goods traded at intra-regional level as well as at the international level are transported by sea, having an efficient shipping industry is a crucial element. However, at the continental level, although having two

third of its countries as Coastal States, the shipping and maritime industry across Africa is considered as one of the least effective industry in the world. Although having a high volume of goods being imported and exported, the percentage of global trade by value from the continent was 2.7% in 2017.

In addition, the African shipping industry is considered as one of the weakest shipping industries worldwide. For instance in 2017, no African countries featured among the top 35 ship owning nations. Furthermore, the shipping structure and ports on the continents are not up to international standards. An example of this can be linked to the fact that, within the continent, there are only seven big container ports. This is clearly insufficient for the amount of goods being imported and exported from the continent. Also, most of the existing ports have been inherited from the colonial era. Therefore, they do not have the capacity nor the adequate structure to cope with the demands of today's intensive trading activities. Finally, intra-regional maritime trading activities among African States are relatively weak due to poor land and sea connectivity.

How can the AfCFTA promote maritime trade?

The AfCFTA can be used as a booster for the advancement of maritime trading activities and the shipping industry in Africa. Since the main aim of the AfCFTA is to create a single market where goods, services, people and capital will move freely, all 55 countries have to improve their road as well as maritime networks to allow easy access and transportation of goods and people across the region. The AfCFTA along with the African Union's 2050 Integrated Maritime Strategy can bring a panoply of opportunities and benefits for maritime sector.

As African States remove their tariff and non-tariff barriers to allow free trade among themselves, this will trigger more imports and exports of goods and the movement of people across the continent. Since most goods are carried by sea, this will encourage States to develop and improve their existing shipping activities. This will result in advantages such as: job creation, the diversification of economic activities which can attract investors and the improvement of local infrastructure and the services industry. Furthermore, as many States have lengthy coastal lines, the creation of new ports can help in increasing connectivity and access to more markets.

Along the same line, regional shipping hubs can be created in the northern, western, southern and eastern Africa. The advantages of having shipping hubs include the fact that within a particular area all ships will have access to bunkering services and freight facilities for their cargos. A particular country can make the shipping hub become its comparative advantage and then base its economic growth on this particular aspect of the shipping industry.

Conclusion

The African continent has the potential to become a reference in the shipping and maritime industry. What is currently making the continent lag behind within this industry, is its lack of proper infrastructure and resources. With the implementation of the AfCFTA, this will bring a change in the landscape of the shipping industry of the continent. With the movement of goods, services, people and capital that the AfCFTA advocates for, this will encourage the Coastal as well as islands States to improve their shipping facilities. By doing so, this can make Africa States become references in the shipping world.

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