



Towards a Sustainable Blue Economy

With its vast coastal areas and abundant marine resources, the African continent has an opportunity to leverage the potential of the blue economy to drive sustainable economic growth and development. Currently, the blue economy generates close to US\$300 billion for the continent from sectors such as tourism and fisheries, creating 49 million jobs. The coastal zone of West Africa generates 56% of the region’s GDP¹.

Figure 1: Africa’s Oceans in Numbers

- 38 – number of coastal states
- 90 % – volume of imports & exports conducted by sea
- \$100 billion – estimated value added generated by coastal tourism by 2030
- 49 million – number of jobs currently generated in the blue economy sectors
- \$405 billion – projected value of African blue economy by 2030

UNCTAD’s [Trade and Environment Review 2023](#), published in early May, analyses the world’s ocean economy and highlights a number of ocean-based sectors that have high growth potential. It calls on developing countries to promote ocean economies by investing in the capacity to export ocean goods and supporting manufacturing activities, such as processed seafood. Among the high-potential sectors highlighted are seaweed and plastics substitutes (which can be made from natural materials including seaweed). The global market for seaweed has more than tripled in two decades, increasing from \$4.5 billion in 2000 to \$16.5 billion in 2020. In 2020, global trade in plastic substitutes reached \$388 billion, accounting for one-third of fossil-fuel-based plastics and indicating significant growth potential. African oceans are home to at least 700 species of seaweed; this diversity means that a wide variety of seaweeds can be cultivated as they are adapted to local environmental conditions. In addition to yielding economic benefits, seaweed cultivation contributed to carbon sequestration, improved water quality and a range of other ecosystem services. Seaweed farming is not yet well-developed on the conti-

¹ <https://thedocs.worldbank.org/en/doc/213a25f8770328e39b2ef15e7104a136-0320012022/original/Overview.pdf>

ment. Tanzania, and to a lesser extent Madagascar, are the two main African countries that have been engaged in large-scale seaweed farming since the 1990s².

The current and potential benefits that are derived from the continent's blue economy, including biodiversity, food security, and livelihoods are dependent on healthy marine and coastal ecosystems. Protecting fish stocks and biodiversity is key to achieving this. Ocean ecosystems are under threat from poor fisheries management, pollution, unsustainable infrastructure development, and climate change, among other factors. In 2022, the World Trade Organization reached a landmark agreement in an effort to combat this issue by tackling overfishing. The Twelfth Session of the Ministerial Conference (MC) of the World Trade Organisation (WTO) saw the adoption of a new multilateral Agreement on Fisheries Subsidies that aims to curb the depletion of fish stocks. The agreement will reduce the estimated \$35 billion of government subsidies that go to fishing activities around the world, an estimated \$20 billion of which could contribute to overfishing. It is the second multilateral WTO agreement concluded since the WTO came into existence in 1995 and *the first WTO agreement centred on environmental sustainability*. The Agreement prohibits (i) subsidies contributing to illegal, unreported, and unregulated fishing; (ii) subsidies regarding overfished stocks; and (iii) subsidies for fishing in under-regulated high seas. A funding mechanism for developing and least-developing members was established to assist them with implementing the agreement's obligations and developing their industries sustainably. For the Agreement to enter into force, two-thirds of WTO members must formally accept the Protocol of the Agreement on Fisheries Subsidies by depositing an "instrument of acceptance" with the WTO. Only four members have delivered their instrument of acceptance with Seychelles becoming the first African country to do in March 2023³.

Restoring fish stocks is in the interest of many African states where per capita fish consumption is declining, raising food security concerns in fish-dependent countries. The FAO estimates that per capita fish consumption on the continent is expected to decrease by 0.2 per cent per year up to 2030 – from 10 kilograms in 2018 to 9.8 kilograms in 2030⁴. Africa is the only region in the world where an increase is not predicted. The reason for the region's predicted decline is that Africa's population growth is projected to outpace growth in supply and increased imports will be unable to meet demand.

Enhancing the sustainability of ocean services sectors, specifically the maritime transport sector, is critical for reducing marine and atmospheric pollution and GHG emissions. Developments in the green hydrogen (produced using renewable energy) sector shows promise in this area. While only a small fraction of

² <https://www.afdb.org/en/documents/potential-green-aquaculture-africa-status-and-prospects-seaweed-farming>

³ https://www.wto.org/english/news_e/news23_e/ddgae_02may23_e.htm

⁴ <http://www.fao.org/3/ca9229en/ca9229en.pdf>

commercial shipping fleets are ready to run on zero-emission fuels, a number of initiatives are underway globally and on the continent to make them more commercially viable. This includes 'Green shipping corridors', shipping routes designated for the deployment of low-emissions technologies where a combination of public and private interventions catalyse the feasibility of zero-emissions shipping. Green corridors have been likened to special economic zones in the sense that they are designated geographical areas where a specific economic activity is supported through targeted regulatory measures, financial incentives, and safety regulations among other special arrangements. In March 2023 it was announced that a new consortium comprising leaders from the maritime, mining, steel, and energy industry are exploring the options for developing a green shipping corridor for the transport of iron ore between South Africa and Europe. The initiative is convened by the Global Maritime Forum and will bring together Anglo American, Tata Steel, CMB, VUKA Marine, Freeport Saldanha, and ENGIE to assess the potential for the development of the corridor including an analysis of bunkering and offtake arrangements, available green fuel supplies, and financial and business model alternatives.

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