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AFRICA'S BLUE ECONOMY

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INTRODUCTION

The Blue Economy has significant economic potential to contribute to Africa's sustainable future growth and development. However, this cannot be realized unless African governments continue to address maritime security threats and invest in good governance.

What is the African Blue Economy?

The Blue Economy is the collective contribution of a wide variety of ocean-based industries to economic growth and development. Depending on the breadth of the definition, these can include obvious economic activities such as fisheries and shipping, but it can also incorporate seabed mining and niche scientific and medical research. Every year, economic activities on and in the ocean contribute \$1.5 trillion in value-add to the global GDP.¹ Africa, and Sub-Saharan Africa in particular, has a massive, collective maritime domain which is largely underutilized for economic development.

What Does the African Blue Economy Look Like?

The section that follows summarizes the significance of and policy priorities for some its most important industries.

Fisheries



- In 2011, the FAO estimated **African fisheries generated \$24 billion** in value-add to their national economies.²
- Despite productive fisheries and the importance of fish as healthy sources of protein, Africa is the only continent in the world where per capita **fish consumption is declining.**³
- African states need to **strengthen fisheries management** and increase investment in domestic fishing industries. The current structure of the industry cuts African economies out of the most valuable portions of the production chain.

Mariculture



- **Only 10 of 30** coastal states in Sub-Saharan Africa report revenues from mariculture (farming of ocean fishes).
- South Africa is the region's leader in the industry, reporting over **\$43 million** from mariculture in 2015.⁴
- The potential of an expanding African mariculture industry is a **significant opportunity** if developed sustainably.

Port Infrastructure



- African ports are **far below the global average in shipping capacity**.⁵
- African ports have **longer average turnaround times** than any other region in the world.⁶
- Many African ports need **investments in capacity** to increase efficiency and facilitate trade growth.

Oil & Gas

203
BILLION
BARRELS

- Sub-Saharan Africa may hold **203 billion barrels** of recoverable oil resources, and accounts for **30 percent of global oil and gas discoveries** made from 2009 to 2014.⁷
- This potential resource needs to be developed with **environmental, governance, and corruption concerns** in mind if it will be a resource for long-term national development.



Tourism

95% DECREASE
IN KENYAN CRUISE SHIP TOURISM

- Maritime **security significantly affects the potential of maritime tourism** industries in some African states. The peak of piracy in the Western Indian ocean led to a **95 percent decrease in Kenyan cruise ship tourism**.⁸
- Some African states have developed significant tourism industries. Tourism and travel make up **more than 10 percent of GDP** in the Seychelles, Cabo Verde, and Mauritius.⁹
- Security gains in coastal areas, on shore and at sea, could untap **huge potentials** for the development of the tourism industry.

- ¹ World Bank, "Oceans, Fisheries and Coastal Economies," April 6, 2018. Accessed May 11, 2018. <http://www.worldbank.org/en/topic/environment/brief/oceans>.
- ² Gertjan de Graaf and Luca Garibaldi, "The Value of African Fisheries," FAO Fisheries and Aquaculture Circular No. 1093 (2014): p.iv. Accessed May 11, 2018. <http://www.fao.org/3/a-i3917e.pdf>.
- ³ André Standing, "Criminality in Africa's Fishing Industry: A Threat to Human Security," Africa Center for Strategic Studies, June 6, 2017. Accessed May 11, 2018. <https://africacenter.org/publication/criminality-africa-fishing-industry-threat-human-security/>.
- ⁴ Food and Agriculture Organization of the United Nations: Fisheries and Aquaculture Department, "Statistics," Accessed May 11, 2018. <http://www.fao.org/fishery/statistics/en>.
- ⁵ United Nations Conference on Trade and Development, "Liner Shipping Connectivity Index, Annual, 2004-2017," Accessed May 11, 2018. <http://unctadstat.unctad.org/wds/TableView/tableView.aspx?ReportId=92>.
- ⁶ César Ducruet, Hidekazu Itoh, and Olaf Merk, "Time Efficiency at World Container Ports," International Transport Forum (2014): p. 17. Accessed May 11, 2018. <https://www.itf-oecd.org/sites/default/files/docs/dp201408.pdf>.
- ⁷ International Energy Agency, "Energy Sector is Key to Powering Prosperity in Sub-Saharan Africa," October 13, 2014. Accessed May 11, 2018. <https://www.iea.org/newsroom/news/2014/october/energy-sector-is-key-to-powering-prosperity-in-sub-saharan-africa.html>.
- ⁸ Voice of America, "Piracy Forces Kenyan Cruise Tourism Down 95 Percent," May 31, 2010. Accessed May 11, 2018. <https://www.voanews.com/a/piracy-forces-kenya-cruise-tourism-down-95-percent-95324914/154676.html>.
- ⁹ World Bank, "Travel and Tourism Direct Contribution to GDP," Accessed May 11, 2018. https://tcdata360.worldbank.org/indicators/tot.direct.gdp?country=USA&indicator=24650&viz=line_chart&years=1995,2027.

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