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Press Release

The African Shipowners Summit 2018:

Commissioner Muchanga calls on AU Member States to become Members of the International Maritime Organization and urges African Entrepreneurs to increase Investments in African Shipping and Maritime Sectors



Victoria, Republic of Seychelles – 24 April 2018 – Under the auspices of the African Union Commission (AUC), the African Shipowners Association (ASA) in partnership with the Government of Republic of Seychelles, organized from 24-25 April 2018, the first African Shipowners Summit under the theme: “Promoting African Ownership and Participation in Africa’s Shipping and Maritime Sectors. The objectives, among others,

were to gather leading actors and other stakeholders in Africa's shipping community to discuss and identify workable solutions to the sectors' key challenges and to initiate work on a 10-year road map on the development of Africa's Maritime Industry, in alignment with the African Union's agenda on the development of Africa's Blue Economy. The Summit is also organized to promote the case for increased African ownership of Africa's shipping industry and the development of an African fleet and to garner high-level political and economic support for the development of a strategy to significantly increase African ownership and participation in the continent's shipping and maritime sectors.

The Summit is organized within the framework of the AU Agenda 2063 flagship project which identifies "Port operations and marine transport" as a priority area under Blue Ocean Economy goal. Some of the targets of the priority are to quadruple in real terms the contribution of shipping port operations services to GDP, to reduce the average duration of ship call-time by at least 30% by 2020 and to reduce the average time for clearing of goods from ports by at least 50% by 2020.

In his welcoming statement, the Honorable Minister for Tourism, Civil Aviation, Ports and Marine of the Republic of Seychelles, Mr. Maurice Loustau-Lalanne, pointed out the defining role that the ocean plays in African economies. He explained that the Blue Economy constitutes all the economic, social, financial and non-financial emotional and other forms of values derived sustainably from the ocean. "As foreign countries, we all have a duty of care to safeguard our ocean territories and protect and sustainably exploit the values and resources that the ocean offers us. We owe it to our children and grandchildren to leave some of these resources to them and themselves, in turn, to the generations after them", he echoed.

Representing the Secretary-General of the International Maritime Organization (IMO), Mr. Juvenal Shiundu, Acting Director for Technical Cooperation Division of the IMO, highlighted the fact that Shipping is essential to the world we live in. According to him, Billions of people all over the world rely on shipping in their everyday lives, as it is the most cost-effective and fuel-efficient way to carry goods, making it the backbone of world trade. Mr. Shiundu pointed out that for the maritime industry to remain safe, secure, clean and effective, needs to rest on a foundation of globally-enforced standards. "IMO is the United Nations agency, made up of 173 Member States, responsible for developing and maintaining those crucial international standards. They cover almost every aspect of the shipping industry, including ship design, construction, equipment, manning, operation and the disposal of ships. Today there are more than 50 IMO treaties – as well as numerous codes and guidelines", he revealed.

In his statement on behalf of the President of Afreximbank, Mrs. Kanayo Awani, Managing Director, Intra-African Trade Initiative, pointed out that Africa has the highest transport cost in the world and by promoting Blue Economy, African countries can reduce the intra-African trade cost. She recalled that Blue Economy is part of the AU

Agenda 2063 flagship projects and indicated that if implemented, will reduce average clearance time at the borders. Mrs. Awani also enumerated products that Afreximbank could offer to move the agenda forward including financial support as well as promotion of African shipping fleet. She also informed the Summit that Afreximbank is currently studying infrastructure project that will help close the gap in trade and will support the Public Private Partnership initiatives. Before she concluded, she announced that Afreximbank in partnership with the African Union Commission, will organized from 11-18 December, 2018, the first Intra-African Trade Fair in Africa and invited all participants to be part of it.

H.E. Amb. Albert Muchanga, Commissioner for Trade and Industry, representing the Chairperson of the African Union Commission, expressed his gratitude to the government and people of the Republic of Seychelles for the unbounded hospitality. He brought up that the Blue Economy is of strategic importance to Africa and emphasized that thirty-eight African Union Member States are either coastal or island states, and are yet to harness the full potential of the oceans and seas around them. “Harnessing this potential could enable Africa to start exploiting her resources of the oceans, rivers, lakes and seas to create jobs and stimulate structural transformation of her economies; and, this is key to breaking down the poverty traps that hinder our economies from advancing to higher levels of socio-economic development”, he stated. The Commissioner called on all Member States of the African Union to become members of the International Maritime Organization. He also urged African entrepreneurs to increase investments in African shipping and maritime sectors so that Africa increases the number of African ships on the high seas. Before concluding, Commissioner Muchanga reassured the Summit that, once the African Continental Free Trade Area (AfCFTA) is operational, African ship-owners are well placed to increase their investments as this is an economic space encompassing all 55-member states of the African Union to promote duty-free flow of goods and services. “The AfCFTA is clearly a strategic business opportunity, and African maritime stakeholders must seize the moment by mobilizing investments to cater for this large market”, he concluded.

In his opening remarks, H.E. Danny Faure, President of the Republic of Seychelles, described the Blue Economy as the next frontier of Africa’s economic development and well-being. The President pointed out that it is a well-known fact that the ocean covers two third of the world’s surface and has a direct impact on the economies of many countries. “The African continent is the second biggest continent in the world, with a total coastline of over 26,000 nautical miles, including its islands. 38 out of 54 countries on the continent are either coastal or island states. International trade is a vital economic activity to many African countries, of which over 90% is conducted by sea”, he underscored. President Faure also underlined that the time is now for Africans to grow their market share, and invest in maritime sectors and tap into the economic benefits that can be derived from Africa’s Blue Economy. “This summit provides an ideal platform for interaction, information sharing, and exploration of ideas on how the African Shipping and Maritime Sectors can be developed further and achieve a higher yield for our

continent”, he mentioned. The President of Republic of Seychelles concluded by announcing that Seychelles will make land available for the construction of a Pan African Shipping Line Head Office. This, he said, will be the Centre for all ship owners in Africa, and act as a hub for all activities related to the shipping and maritime sectors.

The Summit is also attended by H.E. Dr. Amani Aboud-Zeid, the African Union Commissioner for Infrastructure and Energy.



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