

# Shipping vital for international trade

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Two conferences held in Cape Town last week highlighted the fact that about 90% of all trade between countries is shipped by sea.



That is one of the reasons why Cape Town hosted a maritime security conference last year and why it hosted the inaugural Global Ocean Commission meeting as unimpeded access to the oceans is crucial for the global economy to function.

The Cool Logistics conference was hosted by the Vineyard Hotel and the Breakbulk Africa Congress was hosted by the Cape Sun.

Topics covered at the Cool Logistics conference included the disruption to sea freight caused by the "Cape Doctor", the south easter wind which comes straight across the port's container terminal. The cranes used at the terminals automatically cut out if the wind reaches 60km/h.

This safety feature meant that the container terminal was shut for 40 days in November and December last year, right in the middle of the peak shipping season for citrus fruit, leading to huge delays.

Poor port infrastructure continues to be a huge challenge on the continent, but developing cold chain storage was vital to promoting intra-Africa trade, especially in perishable food.

Professor Nick Vink from the Department of Agricultural Economics at the University of Stellenbosch said SA was likely to become a net importer of food this year because of the industrial unrest experienced in the sector, which was compounded by the truck driver strike in September and port congestion in Durban that delays exports.

The Breakbulk Congress topics included port developments in West Africa, oil and gas development in East Africa, supply chain security risks in West Africa, Africa's high cost of overland transport, and a project cargo case study on the Cahora Bassa power station in Mozambique.

Last week a report by marine consultants Lloyd's Register, security experts QinetiQ and the University of Strathclyde sketched three scenarios for global marine trade.

## Possible scenarios

"The marine world in 2030 will be almost unrecognisable owing to the rise of emerging countries, new consumer classes and resource demand," the report said.

The report gave three possible scenarios for the global economy in the next two decades:

- Competing nations - Trade barriers will create major hurdles to economic growth, but the global economy will still nearly double by 2020;
- Status quo - The global economy will focus on short-term measures and China will gallop ahead of the US;
- Global commons - Trade will thrive and China and India will play an even more prominent role in the global economy.

In each of the scenarios, emerging markets would overtake the developed world.

"Economics, science, equity and public opinion provide a watertight case for reforming the way the oceans are governed and managed," the Global Ocean Commission said at the conclusion of its inaugural meeting.

"Fisheries practices that prevent the ocean from providing as much food as it could, inequalities in access to ocean resources and continuing damage to marine life are all parts of a picture that could be vastly improved with better management," the commission said.

The Global Ocean Commission is an independent group of leaders from politics, business, economics, law and development, jointly chaired by former Costa Rican President José María Figueres, Trevor Manuel, National Planning Minister and former UK Foreign Secretary David Miliband.

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