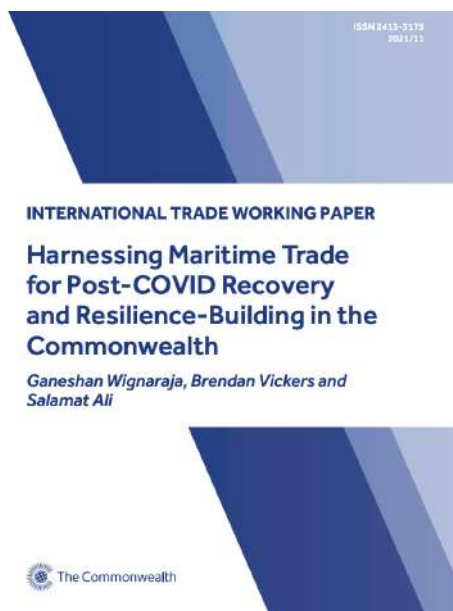




## Commonwealth Secretariat report on impact of COVID-19 on maritime trade and post-pandemic recovery policies



[“Harnessing Maritime Trade for Post-COVID Recovery and Resilience-Building in the Commonwealth”](#) [1], is an in-depth study conducted by the [Commonwealth Secretariat](#) [2] which was published on the official Commonwealth website on 26 July 2021. The authors of this comprehensive report are Ganeshan Wignaraja, senior fellow at the Institute of South Asian Studies at the National University of Singapore; head of facilitation at the Subdivision for Maritime Safety Division of the International Monetary Organisation, Brendan Vickers; and Trade Economist at the Commonwealth Secretariat, Salamat Ali.

The Commonwealth Secretariat, including the authors and Hassiba Benamara, the Economic Affairs Officer, Division on Technology and Logistics at UNCTAD held an online webinar discussing these findings that can be viewed on their website via this link [here](#)[3].

The Working Paper analyses the trends in, and general course of, the Commonwealth countries' maritime trade before the start of the COVID-19 pandemic and during this current period of moderate recovery as the pandemic lessens in intensity (compared to 2020). The paper also explores policies that may be implemented for effective post-pandemic economic recovery and to strengthen the resilience of the Commonwealth's maritime trade for similar challenges in the future. In this empirically rich report several key findings and recommendations were presented in three main sections that will be the focus of this newsletter:

## **1. Commonwealth oceanic territory and maritime trade dossier:**

According to the United Nations Conference on Trade and Development (UNCTAD, 2020) maritime trade, the transport of goods such as raw materials, food, manufactured goods and components, energy and vital medical supplies via the use of shipping and ports, constitutes 70% of total global trade by value, and 80% by volume. Not only is maritime trade crucial globally but is considered the 'heart' of the Commonwealth economy as 47 out of the 54 member countries (the remaining seven being landlocked) have significant coastlines, seaports, and global container traffic.

## **2. Unexpected global spread of COVID-19 and rapid adjustment to a new operating environment:**

The onslaught of the pandemic caused a "moderate" decline in shipping and total maritime trade, which subsequently also led to a decline in the use of

maritime trade supporting services plus recreational passenger ship services i.e., cruise ships. A notable observation in this paper must be mentioned here: the outlook for maritime trade and shipping has also been hindered by factors before the pandemic: the US-China trade disputes, rising protectionism and burgeoning debate over nearshoring and reconfiguration of supply chains that have the potential to undermine post-pandemic economic recovery of developing and small island states. To ensure ports remained operational for ships to continue transporting vital medical supplies, food, fuel, and raw materials, global efforts to adjust operations and implement strict personnel safeguarding measures proved successful. This was evident in the short- and medium-term recovery in the 3rd quarter of 2020 as demand for manufactured goods surged. Although this sounds positive in theory, in reality it is more complex because consequent raised freight container prices may severely damage the recovery of developing countries in particular. This has also compounded global debates in favour of protectionism and nearshoring that may have damaging long term results.

### **3. Recommendations for a future of sustainable and resilient maritime economy:**

To address these growing concerns and to negate anti-globalisation trends, this paper concludes with several recommendations on how to improve policy formulation, investment strategies, and commerce infrastructure for Commonwealth countries to recover and ensure resilience to tackle the challenges to successful and sustainable maritime trade.



## Commonwealth oceanic territory and maritime trade dossier

The paper emphasizes that while maritime trade has always been of high value to the Commonwealth, it has been particularly important in the past few decades of globalisation that has integrated international economies into a unitary trading system. These factors are driven by, among many others, directly proportional linkage of GDP with trade, the rise of China as a global and regional trading hub, liberalisation of trade breaking down investment barriers, and lowering cost of container shipping and informational and communications technology (ICT) services. Commonwealth specific factors, which are put under the umbrella term dubbed “the Commonwealth effect”, that give these countries their edge in the ocean domain are their strategic location along global shipping lanes and interconnected network of top-quality seaports.

### 1.1 Maritime and Land Area

The well-linked network of Commonwealth countries’ seaports is the foundation of its international and intranational trading system dependent on

container traffic. The 47 seaport owning countries of the association account for 30% of global marine area, 41,353,571 square kilometres, which constitutes more than one third of the world's oceans. These countries' marine areas are more than their collective land area, that is 31,264,880 square kilometres, which is approximately 25% of the world land area, pegging the maritime to land ratio at 1.3, a solid 0.2 more than the world average. These sum calculations are made of countries with notable variations amongst them; the developing countries have more marine area – 23,239,109 sq km and a 1.8 marine to land ratio – than their developed counterparts possessing 18,114,552 sq km and a 1.0 marine to land ratio. Of these developing countries, the Pacific countries have the largest marine area (10,923,638 sq km), followed by Africa (6,263,665 sq km), Asia (4,547,688 sq km) and the Caribbean (1,504,028 sq km). Due to the small land area of the Pacific countries, they have the highest ratio (20.5). Two additional categorisations were added: least developed countries (LDCs) and small island developing states (SIDS) which are also known as Big Ocean Sustainable States by UNESCO. The SIDS were highlighted due to their high ratio (19.9) and marine area of 15,976,203 sq km, although variation amongst the SIDS was high, with some having ratios in thousands (Kiribati, Seychelles, Maldives, and Tuvalu) while others in the hundreds (Barbados, Antigua and Barbuda).

## **1.2 Commonwealth seaports and container traffic**

According to 2014 estimates, Commonwealth countries in total maintain 184 seaports which is a 22% share in the global total of seaports. 63 seaports are located in the developed economies, 39 in Africa, 35 in Asia, 24 in Caribbean SIDS, and 23 in Pacific SIDS. The three European members (Cyprus, Malta, UK) make up the remaining 50% of seaports. Containerised cargo is the most preferred type of cargo transport due to its low requirement of labour, reduced unit cost of manufactured items shipped over long distances, capital costs to shipping companies, and lower risk of theft and breakage of items.

Global rise in container traffic is echoed in the Commonwealth countries, wherein traffic doubled from 43.3 million TEUs to 97 million TEUs before the global financial crisis (2007-2008), and then steadily, albeit at a lower rate post-financial crisis, to 143 million TEUs constituting 18% of global container traffic in 2019. In the same year, Commonwealth seaports accounted for 14% of global ship arrivals of close to 630,000 vessels of which 81,000 were container ships. Developed countries made up two-thirds of seaport calls. Interestingly, five Commonwealth states accounted for 20% of the registered merchant vessel arrivals in 2019, Singapore having the biggest share (6.5%), then Malta (5.6%), The Bahamas (3.9%), the UK (2.3%), and Cyprus (1.7%), making them global leaders in maritime shipments.

**The Global Financial Crisis (GFC)** of 2008 is frequently mentioned as a comparative point in this paper, because it represents a turning point in the growth rate and trends of maritime trade in the Commonwealth, especially for container traffic statistics. The paper elaborates on this by explaining that the crisis changed trade in two ways:

1) Container traffic growth has decelerated from 10.3% annually pre-crisis, before 2007 more specifically, to 4.6% since 2011. Container traffic performance for developing countries rose from 68% to 76% during the 2000-2019 period, while on the other hand, developed countries' share decreased from 32% to 24% in the same duration.

2) Since the GFC, Asia has emerged as the key contributor of container traffic in the Commonwealth, accounting for 60% before the crisis, then to 63.8% after the crisis in 2010. Since then up to 2019, Asia's share has increased from 63.8% to 64.8% and the only other region to increase its share in this period of 2010-2019 was Africa. The share of the Caribbean has fallen from 4% to 3%, and that of the Pacific Islands has remained negligible despite having 23 seaports.

Even before the pandemic, factors hindering maritime growth had been developing: the global slowdown of economic growth, the US-China trade war, Brexit and its economic consequences on trade markets and trade agreements, and the declining commodity prices being among some of the main challenges at least in the short term.

The maritime prowess of the Commonwealth countries today, is reflected in the 18 ports (10% of total ports of the association) included in Lloyd's List of Top 100 ports. These 18 ports accounted for 90% of the 143 million TEUs container traffic, an increase of 33% for these ports altogether since 2010. Eight ports come from the developed countries UK, Australia, Canada and Malta, eight come from the Asian countries of Bangladesh, India, Malaysia, Pakistan, Singapore and Sri Lanka, one from Jamaica, and the final one from South Africa. The rise of Sri Lanka's port of Colombo (ranking 24th), Malta's Marsaxlokk Port (73rd) and Jamaica's Port of Kingston (99th) are highlighted success stories because they are evidence that despite being small in size, with the right policies and expansion strategies they managed to leverage their geographical advantages to the utmost of their ability. In the case of Sri Lanka, this was done via technological advancement and major investment in cargo handling and four new cargo terminals, while for Jamaica and Malta the privatisation of ports and cargo terminals was the main contribution to their expansion.

The SIDS' socio-economic prospects were explained to be the most dependent on maritime trade as it is their primary means to connect to the world market. They are collectively in charge of 50 of the most active Commonwealth seaports, 28% of the association's total. They are also the most open trading economies in the group which means that they generate their economic growth, employment and poverty reduction from this trade; furthermore, most of their essential food and fuel supplies are imported. However, the SIDS' trade growth is marred by infrastructural and geographical challenges. The states have obsolete cargo handling infrastructure and lack of investment in ports

The SIDS' socio-economic prospects were explained to be the most dependent on maritime trade as it is their primary means to connect to the world market. They are collectively in charge of 50 of the most active Commonwealth seaports, 28% of the association's total. They are also the most open trading economies in the group which means that they generate their economic growth, employment and poverty reduction from this trade; furthermore, most of their essential food and fuel supplies are imported. However, the SIDS' trade growth is marred by infrastructural and geographical challenges. The states have obsolete cargo handling infrastructure and lack of investment in ports has depleted maintenance sources. Climate change has worsened their marine ecosystems that are worsening daily due to oil spills like the MV Wakashio oil spill in Mauritius, rising sea levels and acidity of water, plastic waste and immense pollution. Isolation from global shipping lines, especially for Pacific SIDS, hikes trade costs to above average levels, affecting their competitive market prices. Furthermore, longer routes require more time and capital for shipping, which can be increased due to delays and infrequent shipping services. The only exception to these challenges for SIDS is Singapore. Singapore is a global leader in transshipment, ranking 2nd on the Lloyd's List with 61,000 port calls in 2019 (more than 50% of cargo consisted of crude/refined petroleum) and is on track for its decarbonisation and digitisation goals. It performed well in 2020 despite COVID-19, maintaining its 5% year-on-year increase of cargo, pegged at 49.8 million metric tonnes in 2020. This can be attributed to its state-of-the-art infrastructure and enviable location on the Straits of Malacca.

## **1.3 Maritime Connectivity**

The Liner Shipping Connectivity Index (LSCI) in 2019 pins the Commonwealth at an average of 27.0 out of 100, and the world at 55.0. Judging by this, it can be assessed that the member states are generally well-linked to the international shipping network, but further assessment reveals disparity between developed states (43.2) and the developing states (23.5).



Within the developing states, Asia (47.7) fares much better than the coastal LDCs (7.8) and SIDS (15.5) of which Pacific SIDS have the least connectivity. Of the Commonwealth ports on Lloyd's List, 90% of their container traffic comes from Asia, due to their higher connectivity. In the efficiency, logistics performance, and trade openness indices, the 12 Lloyd's List ports average was above the Commonwealth average, which is due to their quality infrastructure, ancillary services and support services of 3rd generation ports; all of which is also in part due to their better connectivity to global shipping lanes.

## **Unexpected global spread of COVID-19 and rapid adjustment to a new operating environment**

### **2.1 1st-ordered effects: Supply Chain disruption**

The COVID-19 pandemic has had a profound impact that will continue to affect global and Commonwealth maritime trade in the long term. The beginning of the pandemic forced factory closures and halted international travel and transport that had a chain effect as suspended operations of shipping lanes and supply chains greatly hampered container and cruise shipping. Maritime related services including freight forwarding, warehousing, transit, and transshipment of cargo from port to inland destinations were in disarray and congested, resulting in border crossing delays, spoiling of time sensitive material and hampering supply chains. The Suez Canal crisis on 23rd March 2021, in which the FEU (Forty-foot equivalent unit ship) Evergreen blocked the maritime trade route for a grueling 7 days further compounded the world trade disruption resulting in a US\$6-10 billion loss globally, reducing annual growth by 0.2-0.4%. Ironically, the Evergreen FEU ship was dispatched for its size to compensate for the loss of TEU shipping trade from the previous year.

Ship calls decreased by 8.7% in the first 24 weeks of 2020, with the sharpest decline in the first 12 weeks, and ship arrivals fell by 12% in the first two quarters of 2020. The most affected category of shipping was the roll on/roll off shipping for which port calls fell by approximately 23% in the second quarter of 2020, whilst the least affected were the liquified petroleum gas (LPG) which went down 2.3% and liquified natural gas (LNG) that fell by 3.2%. The situation worsened as ships were forced to change routes causing them to dock in unintended ports or skip port calls, and in some cases, ships were abandoned altogether. Aside from trade and transport ships, passenger ships were adversely affected as cruise ships were suspended with 33% of operations cancelled in the first half of 2020 and some such as the Caribbean cruise ships Carnival, Norwegian Cruise Line and the Royal Caribbean remained suspended until the last quarter of 2020. Some ships that were at sea during the outbreak or had coronavirus cases on board were forbidden to disembark. In a bid to contain the virus within their borders, countries forbade ships from docking at their ports if they exceeded a certain limit, such as in the example of Canada no ship with more than 500 people was allowed after mid-March in 2020, or, in the case of Australia and New Zealand, foreign ships were banned entirely. This resulted in many passenger ships being stranded at sea for days and sometimes even for over a month. During this time it was mandatory for passengers to quarantine aboard and crew members were forced to put in long shift hours managing their ships until they could dock and industries resumed.

Overall, these devastating effects were felt by the global population through supply chain operation disruptions. Limitations on commodity transport delayed delivery both to customers and inputs for manufacturing, leading to a vicious cycle of delays that has shown signs of tipping the global debate in favour of nearshoring and reconfiguration of supply chains.

## 2.2 Crisis management and tackling pre-pandemic exacerbators

The response by the Commonwealth (and global) maritime sector was prompt as crisis management of states and port authorities adapted their operations, altered government and international policies, rapidly upgraded digital port logistical services, and increased communication amongst themselves and stakeholders. “Essential port activities”, which is the transport of time sensitive and precious supplies, was prioritised via “fast lanes”. These supplies included COVID and non-COVID essential medical shipments, food items, fuel and other essentials. Outside port activity, trade related support services like warehousing, storage, processing and inland transportation of goods were also fast tracked. Safety of personnel via social distancing and sanitary protocols were focused on, and it is pertinent to mention the tireless efforts of all those involved in maritime trade and its support services, as they committed to grueling duty hours and thorough sanitisation of equipment and operation vehicles to safeguard the community. The paper mentions seafarers and crew members from South Asia, five out of the eight South Asian countries belonging to the Commonwealth, who selflessly sacrificed themselves despite dire situations at home. Global efforts were made to give them “critical worker” status to exempt them from travel restrictions. There was comprehensive and constant coordination with stakeholders, port authorities and public/government authorities to ensure that emergency response and contingency measures were implemented efficiently and actively, and clients remained updated on the status of cargoes and shipments in efforts to maintain order and smooth readjustment of trade.

The prime means of crisis adjustment and business continuity was the digitisation of trade using platforms like the Port Community Systems (PCS) and Single Windows (SW) which simplified administrative and regulatory processes, cross border logistics and streamlined certification and clearance procedures to swiftly hasten bureaucratic protocols. This also happened to be

extremely effective in limiting human contact thus minimising risk and preventing contamination from human contact. Notable examples include cooperation between the Kenyan Port of Mombasa, the North Corridor, and the East Africa Community Secretariat in creating an online platform for shareholders and trade collaborators from the private and public sectors to discuss and collaborate on trade operations. This also proved to be an impetus for countries to roll out new policies to tackle the pandemic challenges, such as Jamaica which released its Single Window program (JSWIFT) for the first time in 2020.

## **2.3 2nd Order Effects: Heightened container demand and freight rates**

Due to the effective and prompt response to contain the virus whilst navigating the optimal procedures to readjust maritime trade, global and Commonwealth authorities succeeded in attaining short- and medium-term recovery. The evidence of the success was seen in the easing of lockdown protocols in the latter two quarters of 2020 which, coupled with the globally shared anxiety of an impending new wave due to variants of the virus, led to a spike in demand for supplies, manufactured commodities in particular. Though this may be seen, and to an extent is, a positive sign of global recovery, the reality is deemed to be more complex. This is because the stranded containers during the height of the pandemic limited the ones in circulation during the crisis management phase. With a lack of sufficient containers to transport goods being required at a faster pace than production (which was still slowed by previous delays and disruptions), the rates of the freight containers began skyrocketing ranging from an increase of 65% all the way to a rate of 400%. The rate increase was directly dependent on the location of the state in the global shipping lanes, which explains why developed economies and those developing ones located in key hubs like the East-West route were not charged as high as countries on the sparser narrow shipping lanes in the Caribbean and Western Africa. Freight rates are a vital factor in maritime trade

thus the current phenomenon of their increase does not bode well for any economy, let alone the developing and more maritime dependent countries like the LDCs and SIDS.

## **2.4 Maritime Trade Outlook and COVID-19 continuity**

Preceding the unexpectedly catastrophic COVID-19 pandemic, the maritime sector was considered a lucrative, long-term developing field for business and employment. Both seaborne trade and container traffic were predicted to have an annual growth of 4.4% per annum for the decade of 2020-2029 and 3.3% from 2030-2040. Fast growth was also expected for LPG and LNG shipping, roll on/roll off transport and passenger ships including cruises, although for the case of tanker and bulk cargoes estimates remained low. According to the OECD in 2016, port trade was set to contribute from US\$193 billion in 2009 to US\$437 billion in value addition to the economy by 2030, plus 4.2 million jobs (from 1.7 million jobs generated by 2009).

The silver lining found despite the situation is that while COVID-19 has diminished maritime trade by 4.4% in total in 2020 with supply chain and shipping network disruptions to be felt for a few decades to come, calculations forecast recovery as early as in 2021 if policies remain as efficient and resilient as peak pandemic times in 2020. Depending on the rate at which vaccines are rolled out and distributed. Maritime trade is going through a game changing metamorphosis wherein autonomous ships controlled via e-navigation are being tested domestically and remain promising container ship size is increasing with the latest prototypes being 400 metres long with a capacity of 22,000 TEUs, and several Commonwealth ports are prioritising investment in clean, sustainable, and renewable energy sources, such as LNG and solar power, to reduce environmental degradation. However, as is always the case with contemporary innovations, challenges will arise and have already if the Evergreen blockage of the Suez Canal is any indication, but with proper thorough testing and fine-tuning, maritime trade can greatly benefit from these breakthroughs.

# Recommendations for a future of sustainable and resilient maritime economies

The pandemic has showcased the indispensability of maritime trade and seaports as the economic lifeline of the Commonwealth and the globe, supplying critical supplies and continuing international trade to prevent the failure of the global economic arena. Case in point, 775 million TEUs (11.1 billion tonnes) of container traffic was traded across the globe, almost one-fifth of which was contributed by the Commonwealth nations. To ensure that maritime trade remains beneficial, long lasting, and resilient to future obstacles, this paper recommends five policy areas to be prioritised by maritime sector authorities and governments.

## 3.1 Container freight rate regulations

As discussed in previous sections, easing lockdown measures, rising e-commerce usage and facilities, and increase in demand for goods that are primarily delivered via shipments led to hiked freight rates that make economies vulnerable, especially those with lower LSCI ranking. Although this current surge is expected to return to pre-pandemic rates soon, policy makers are urged to prevent history from repeating and to do so it is recommended that:

- i) Additional reforms be implemented in trade and port service facilitation, with special focus on digitisation of maritime trade.
- ii) Improve monitoring, tracking, and forecasting of port call and liner schedules.
- iii) Enhanced robustness in investigation of anti-competitive and abusive maritime practices to negate growing impetus behind support for nearshoring and reshoring that may delay recovery (particularly of developing economies).

## 3.2 Improvement in the Commonwealth's logistic performance of ports and shipping

Detailed data available in national archives portray significant gaps in the seaport service efficiency, quality of logistical facilities, and time taken for import compliance and clearance procedures (measured in hours), between different regions of Commonwealth countries. In terms of port service efficiency, the Commonwealth average of 4.2 in 2019 consisted of above average performance by developed countries (4.9) and the developing Asian subregion (4.6), but this was brought down by the developing states of Africa (3.5) and the Caribbean (3.8). Correspondingly, average logistics quality and competence of the Commonwealth (2.7) was a combination of the above average developed and developing Asian subregion (3.5) and the developing countries (2.5) and even lower scores of the SIDS and LDCs. In terms of customs clearance, measured by time to import in hours, the Commonwealth averaged at 70 hours. The gap is most significant in this category as developed countries took 14.3 hours whereas developing counterparts took 83.8 hours in total. Although the subregion of the Caribbean fares better in this case (57.8 hours), LDCs take a staggering 120.2 hours. These gaps call for greater investment in facilities infrastructure, training of workers, and supervision of procedures which is recommended by this paper to be done via international support offered by the WTO Trade Facilitation Agreement (TFA).

## 3.3 Trade facilitation and openness

**Trade facilitation:** Expedited custom procedures such as pre-arrival processing, filling out of data via single window system, transit corridors (assisting landlocked countries via neighbours providing access to their infrastructure), and social distancing are all measures that were critical for personnel health security. However, such additional checks and procedures have simultaneously adversely affected maritime trade and transit of essential goods.

Commonwealth countries responded by introducing digital streamlining services to facilitate border clearance for transport of goods.

Examples include the UK Government providing an e-platform for Border Force Staff and trading and port personnel to exchange important documents for clearance and transit; the South African government allowing for the electronic processing of veterinary health certificates for the import of live animals, and Grenada, St. Vincent and the Grenadines and Trinidad and Tobago introducing e-Phyto certificates to avoid delays in fresh produce trade amongst each other.

Keeping the success of these policies in view, this paper recommends they be maintained permanently post-COVID-19. Furthermore, it is suggested the implementation of the TFA be expedited seeing that 17 out of 54 Commonwealth countries are fulfilling >50% Category A requirements, only two fulfilling >50% of Category B commitments and only Rwanda and Bangladesh undertook projects under Category C as of March 2021 updates, although low rates of Category C can be partly explained to be due to the transition periods and reception of technical assistance under Article 14 of the TFA. This is of importance because LDCs and SIDS can gain much needed capacity-building and technical assistance needed for TFA implementation

**Trade Openness:** Commonwealth's Lloyd's List ranking ports are evidence that trade openness supports the growth of maritime trade as higher trade volume paves the way for more incentive to invest in such ports that will increase prosperity. The Commonwealth average for trade openness is the same as the world economy's (59), and the global gap between the developed and developing economies is minimal (65 and 67). In the Commonwealth, the Asian region had the highest level of trade openness (74) followed by the Pacific (63), Caribbean (60), and Africa (31), and SIDS (277) are drastically more open than LDCs (41). It must be known that the measurement of trade openness using the formula of sum of exports and imports does not provide the most accurate results due to which the simple average of most favoured nations (MFN) import tariffs was also incorporated. Regarding tariff rates, developed countries were much more open than developing countries



although Asia remained the lowest in terms of subregion tariff rates. Therefore, all indicators herald huge potential for Commonwealth countries to improve their trade openness.

### **3.4 Maritime security challenges**

Non-traditional maritime security threats, namely cyberattacks, piracy, and drug trafficking are particularly harmful for Commonwealth countries. According to 2017 data, 151 piracy incidents occurred in Africa, 99 in Asia, and 71 in the Caribbean and Latin America, showing an increase of incidents compared to the 278 incidents in 2016. The importance of cybersecurity is further highlighted by this paper, as the pandemic showed evidence of galvanizing the rise of cyberthreats. The International Maritime Organisation has passed resolutions to encourage the growingly integrated technology networks used by shipping ports and states to enforce safety-management systems as a mandatory policy with penalties on those that fail to do so. Drug trafficking was found to be even more worrisome, as the share of the Commonwealth's drug seizures rose from 22% to 30% between 2012-2016, 97% of which were seized in developing countries.

### **3.5 Climate change and the need for environmental sustainability**

Since the SIDS and coastal LDCs have more than one third of total Commonwealth ports, they are also the most vulnerable to negative effects caused by environmental pollution and unfortunately, also happen to be the least well-equipped to diversify their economies to negate said detrimental effects like rising sea levels, intense storms, temperature hikes, and geological hazards like earthquakes and volcanoes. Thus, it must be made their primary goal to build durable and technologically advanced transport infrastructure and services.

Port activities discharge harmful pollutants of both carbon and non-carbon variety emissions and soot producing nitrogen oxides and greenhouse gases. Moreover, maritime trade also causes marine pollution such as atmospheric and noise pollution that could even lead to eutrophication. All these factors notwithstanding, marine trade via shipping remains the most environmentally sound transport means, in terms of carbon dioxide transmissions per tonne of cargo. Therefore, it is recommended that measures and regulations currently being drafted and implemented, given the term “Blue Shipping”, be implemented as swiftly as possible; these include investment in renewable energy and deployment of more energy efficient vessels. The IMO is the prime actor behind the promotion of blue shipping, creating a global target to reduce greenhouse gas emissions (GHG) from shipping at least by half by 2050. The IMO also supervises the construction of new ships using the Energy Efficiency Design Index (EEDI), ensures that by 2025 ships must be at least 30% more efficient than 2014 models, and since January 2020 regulates sulphur content in fuel oils from 3.5% to 0.5%. Nonetheless, other vital policies are yet to be implemented and must be worked towards in the coming decade.

In 2019, Fiji, the country dubbed the Commonwealth’s Blue Charter Action Group Champion on Ocean and Climate Change, along with five other Pacific nations signed the “Blue Shipping Partnership” whereby the states vowed to reduce at least 40% of CO<sub>2</sub> emissions by 2030, and complete decarbonisation by 2050. The Blue Charter and Blue Shipping Partnership are also conducting extensive research into wind, solar, and other low carbon energy innovations for sustainable maritime transport.

- [1] [https://thecommonwealth.org/sites/default/files/inline/ITWP%202021\\_11%20Maritime%20Trade.pdf](https://thecommonwealth.org/sites/default/files/inline/ITWP%202021_11%20Maritime%20Trade.pdf)
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[info@commonwealthchamber.com](mailto:info@commonwealthchamber.com)

[commonwealthchamber.com](https://commonwealthchamber.com)

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