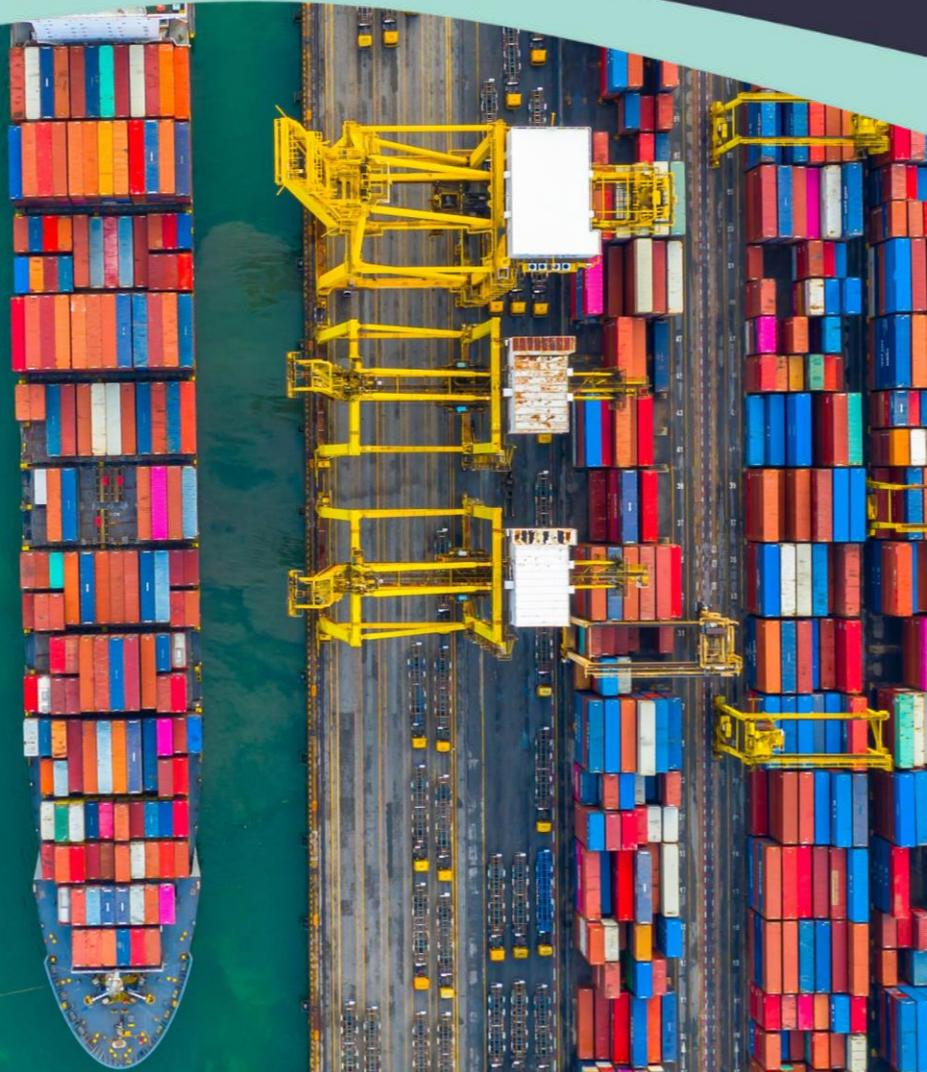


Feedback Report: Maritime Industry Workshop

26 July 2022



Background

The Ocean Innovation Africa July Stakeholder workshop series was held in honour of African Day of Oceans and Seas. The intention of the workshops was to facilitate action on some of the challenges and solutions raised at discussions at the annual Ocean Innovation Africa summit.

The “Maritime Industries” workshop looked at key challenges and opportunities for development of maritime industries in South Africa and, in particular, the Western Cape. This report is a summary of points raised during that discussion and as such statements do not necessarily reflect consensus on from the workshop participants, nor the viewpoint of Ocean Innovation Africa.

Participants

- **Timothy Walker** (chair), Maritime Project Leader and a Senior Researcher at the Institute for Security Studies in Pretoria, South Africa (ISS)
- **Karen Bosman**, Strategic Advisor, Office of the CEO at Wesgro
- **Vanessa Davidson**, Founding Director at BlueCape, outgoing Executive Manager at SABBEX, Special Project Manager at SBIDZ
- **Andre Blaine**, Executive Manager Marine and Industrial, V&A Waterfront
- **John Craig**, CEO at Southern Wind Shipyards
- **Toyer Abrahams**, GM Dormac Marine & Engineering
- **Rob Williams**, Maritime & Offshore Manager at DNV Africa
- **Advocate Phyllis Difeto**, Managing Executive: Western Region at Transnet National Ports Authority (TNPA)

Opportunities and Preparedness in the South African Maritime Sector

The South African maritime sector presents an excellent opportunity to drive investment, job creation, exports, livelihood improvement, resource security and more. However the sector is not as developed in South Africa as it is in peer nations, particularly in terms of green shipping. Expansion and modernisation of infrastructure, capacity building, and skills development are needed to elevate South Africa's position in the global maritime industry.

Defining and communicating to government and the public the potential of the maritime industry to support the South African economy would assist in making it a matter of national and public interest. Cape Town is well-placed geographically, and is well-prepared in terms of facilities, expertise and product offer. This offer should be marketed to the rest of the world.

Current explorations of the West Coast of Southern Africa by oil and gas companies has sparked development of new technologies to enable access to mineral fields and deposits in the area. South Africa will need to upgrade and expand infrastructure if the country is to capitalise on the trade generated by these activities.

Lack of South African owned and flagged vessels has been an issue for employment of South African seafarers. With the recent increase in maritime activity in the country there appears to be more uptake of South African seafarers on foreign-flagged vessels.

Insufficient skills development and global competition for scarce skills has left South Africa with a shortage of the expertise needed to develop high-value sectors, exacerbated by difficulties with the scarce skills visa process. This impacts on industry at large as it limits capacity to take on high-revenue work. Improvement of the skills pipeline in South Africa will aid efforts to develop the sector.

Questions

- Where is the maritime industry going in South Africa?
- Why is the South African maritime industry not on the same trajectory as maritime peers?

Opportunities for action

- Unpack and define the opportunities represented by development of the South African maritime industry
- Investigate means of marketing the opportunity represented by the sector

Key Sectors

Boat Building

The boat building industry is growing at unprecedented levels globally and there is room for South Africa to deepen market penetration in the sector. The boat building industry in Cape Town is well-established and can act as a catalyst for other maritime industries. A significant hurdle to industry development is the lack of appropriate skilled labour, evident in boat-building, superyacht building, and industrial repair work.

Questions

- What is being done to target the boat-building and superyacht industry in South Africa?
- What sorts of skills need development to drive this industry?

Opportunities for action

- Engage with educators regarding necessary skills

Key Sectors (cont.)

Green Shipping

The global shipping industry is shifting to future fuels and green corridors and South Africa will need to modernise infrastructure accordingly to keep abreast of global standards. The green shipping transition presents a challenge to South Africa if the country is to remain competitive as an export and investment destination given its geographic isolation from other shipping lanes. This intensifies the need to decarbonise shipping lanes. Prompt action on this will decrease the risk of cruise ships, container vessels, and vessels associated with offshore extraction activities bypassing South Africa for ports with appropriate infrastructure and services.

Questions

- Has South Africa got the ability to service green energy cruise liners in Cape Town or is that trade at risk?
- Where does South Africa stand in terms of automated/uncrewed shipping and how does that align with future prospects for employment?

Cruise Industry

South Africa, and Cape Town in particular, is a landmark destination for the international cruise industry, and local cruise industry growth has surpassed pre-covid estimates. Aside from the revenue from berthing, this equates to 250 000 visitors coming through the Cape Town cruise terminal with corresponding spend. The cruise industry pivots on delivery of service for passengers. An enabling policy environment would facilitate providing this service to make the most of the opportunity for development.

The revenue from recreational yachts is also important to consider. Recent reports indicate significant spend from yachts moored in South African ports with potential to grow the industry. Crucial to doing so is to retain and grow the number of moorings and provide security of tenure to yacht clubs in commercial ports. The supply chain, services, maintenance, and attractive destination are all in place, it is an untapped opportunity for economic growth.

South African Ports

The South African export market is dependent on well-functioning ports. The Western Cape Province is responsible for around half of the country's exports, including perishable agricultural goods which require extra efficiency. Cape Town (and South Africa) needs to be well-connected, with competitive access to markets to be able to promote it as an investment destination.

Port infrastructure development will not only open opportunities to further develop the South African maritime sector, but is already necessary to accommodate and sustain the growing cruise and container traffic coming through Cape Town. South Africa is ripe for development of port infrastructure and maritime industries and a collaborative approach would greatly facilitate achieving this goal. Innovative public-private partnerships have the potential to provide the initial momentum needed for such developments.

SA Maritime Sector Coordination

South Africa is lacking a central Maritime Ministry to coordinate and develop the sector. In its absence, the various ministries that are responsible for implementation of the Ocean Economy Master Plan need to be aware of the relevance of the plan to their departmental mandates and ensure that it is aligned with said mandates from top to bottom throughout the department. Momentum is lost when decision makers who attend strategy meetings do not adequately highlight to departmental directors how development of the maritime sector is core to departmental objectives.

A clearly defined mandate and institutionalised agreement between all involved can facilitate building a case for the proposition as it entails agreement on what information needs to be shared, and can be broadly communicated to relevant stakeholders.

SA Maritime Sector Coordination (cont.)

SAMSA has at times provided coordination of the South African maritime sector though this does not strictly fall within their mandate. Such actions on SAMSA's part have been seen as beneficial to sector development.

There are currently numerous government and private initiatives to support and develop the South African maritime sector, but it is at times difficult to engage effectively with these frameworks/forums. Better coordination of available data would allow for oversight of the interplay between maritime industries and the environment, economy, and global markets. Consolidation of the numerous forums covering the same topics might also assist in reducing noise and strengthening the industry voice. Mapping affected stakeholder groups and the forums and committees representing them would enable streamlining of industry representation.

Questions

- Has South Africa got the ability to service green energy cruise liners in Cape Town or is that trade at risk?
- Where does South Africa stand in terms of automated/uncrewed shipping and how does that align with future prospects for employment?
- What govt departments are responsible for implementing the Oceans Economy Master Plan or provide the major interface to do so?
- Who has oversight of these activities and ensures forward thinking for industry development?
- Who could provide an oversight and coordination of the industry?
- What has been the progress/obstacles in the transition from Phakisa to OEMP?

Opportunities for Action

- Mapping of interested and affected stakeholder groups and the forums representing them
- Consolidation of the numerous maritime forums and committees
- Engaging relevant government departments in discussions with relevant forums

Take Aways

An outlook and development of this nature should not only be seen as an enhancement, but rather as crucial to the South African economy. On the one hand the sector represents untapped opportunity for South Africa but on the other it is critical to develop it if the country is to keep a footing in global markets.

The challenges and foreseeable trajectories discussed at this workshop paint an exciting picture for the future of the South African maritime industry. There is huge opportunity for the entire region and we should remain optimistic about achieving it.

Thank you to our fantastic workshop participants for getting this discussion going!

