

INAUGURAL SOUTH AFRICA MARITIME INDUSTRY CONFERENCE

“Delivering on South Africa’s Maritime Agenda - A Call for Action”

4 to 6 July 2012

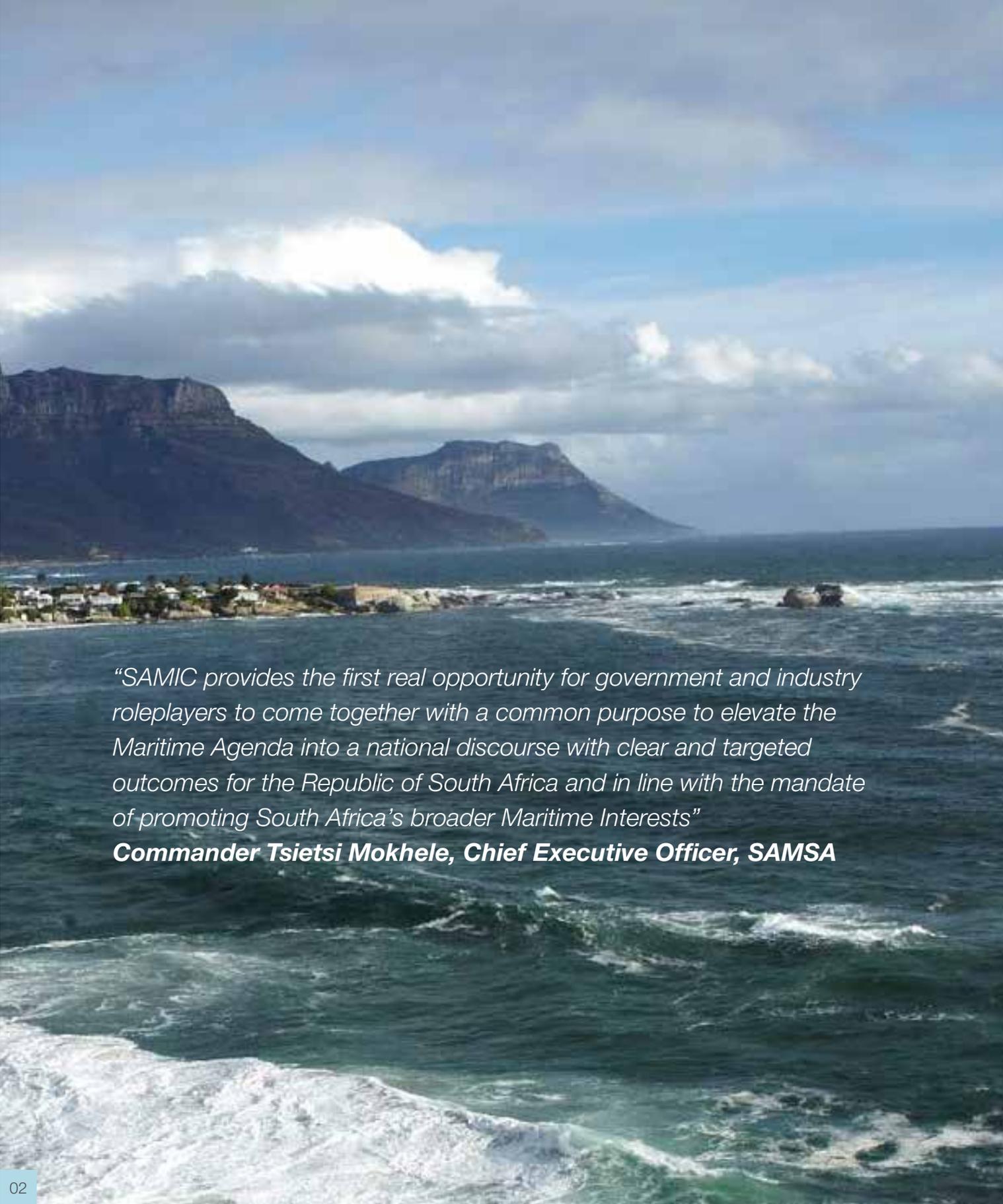
Cape Town International
Convention Centre (CTICC)





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“SAMIC provides the first real opportunity for government and industry roleplayers to come together with a common purpose to elevate the Maritime Agenda into a national discourse with clear and targeted outcomes for the Republic of South Africa and in line with the mandate of promoting South Africa’s broader Maritime Interests”

Commander Tsietsi Mokhele, Chief Executive Officer, SAMSA

ABBREVIATIONS

Abbreviations	Full Description
CIF	Cost Insurance and Freight
CTICC	Cape Town International Convention Centre
CPPP	Community Public and Private Partnership
DAFF	Department of Agriculture, Fisheries and Forestry
DBSA	Development Bank of Southern Africa
DBE	Department of Basic Education
DEA	Department of Environmental Affairs
DFIs	Development Finance Institutions
DHET	Department of Higher Education and Training
DIRCO	Department of International Relations and Cooperation
DMR	Department of Mineral Resources
DOE	Department of Energy
DOF	Department of Finance
DOL	Department of Labour
DOT	Department of Transport
DPE	Department of Public Enterprises
DPW	Department of Public Works
DTI	Department of Trade and Industry
FOB	Free on Board
GDP	Gross Domestic Product
IDC	Industrial Development Corporation (South Africa)
IMF	International Monetary Fund
ILO	International Labour Organization
IMO	International Maritime Organization
MLA	Maritime Law Association (South Africa)
MOWCA	Maritime Organisation of Western and Central Africa
NFF	National Fishing Forum
NIMASA	Nigerian Maritime Administration and Safety Agency
NPC	National Planning Commission
OECD	Organization of Economic Cooperation and Development
RMB	Regional Maritime Bank
SAMIC	South Africa Maritime Industry Conference
SAMSA	South African Maritime Safety Authority
SAOGA	South African Oil and Gas Alliance
SAASOA	South African Association of Ship Operators and Agents
SMME	Small, Medium and Micro Enterprises
TBCSA	Tourism Business Council of South Africa
TNPA	Transnet National Ports Authority

FOREWORD

FOREWORD FROM THE
MINISTER OF TRANSPORT THE
HONOURABLE BEN MARTINS

The maritime sector holds
the key to economic
liberation of many South
Africans through skills
development and job
creation.

The occasion of the South Africa Maritime Industry Conference provides an opportunity to tell Africa and the world of the massive potential within the South African maritime sector.

I am pleased of the success of the first ever Maritime conference and the resolutions that were taken at the gathering. The South African Government has always been committed to the nurturing and development of the maritime sector. We are excited about the programs that will emanate from the conference for the benefit of all South Africans.

The maritime sector holds the key to economic liberation of many South Africans through skills development and job creation.

Let us work towards a better life for all South Africans and a thriving Maritime Sector.



SAMIC

SOUTH AFRICA MARITIME
INDUSTRY CONFERENCE

“This is a defining moment ...to turn around the maritime industry to ...play its meaningful role in the South African Economy”

Minister of Transport, Mr Dikobe Ben Martins



MESSAGE FROM COMMANDER TSIETSI MOKHELE, CHIEF EXECUTIVE OFFICER, SOUTH AFRICAN MARITIME SAFETY AUTHORITY (SAMSA)

The South African Maritime Safety Authority is proud to have hosted the inaugural South Africa Maritime Industry Conference (SAMIC) on behalf of the Minister of Transport, Mr Dikobe Ben Martins.

There is no doubt the South Africa's Maritime Sector holds a huge potential for South Africa in supporting the growth and development agenda. If well managed, South Africa's maritime sector has the potential to act as a catalyst for investment, economic growth, employment creation and enterprise development in the country. South Africa has a 3000 km coastline, with abundant inland waterways in the form of rivers and dams that remain untapped. This is an indictment for a country that has so many dilemmas.

The conference was preceded by a set of focussed round-table discussions, which provided preliminary content and focus to the detailed deliberations that took place at the conference. The inaugural conference focussed on the following issues:

- Outlining South Africa's maritime development agenda;
- Lobbying the policy-makers to support the development, growth and transformation of the maritime sector;
- Engaging development finance institutions (DFIs) and private funders on supporting sector growth;
- Engaging in a process to agree on a roadmap and priority programmes for the development of South Africa's maritime sector with a specific focus on Shipping, Ports and Logistics, Offshore Oil and Gas, Fishing and Aquaculture, Marine Tourism and Leisure and Marine Manufacturing and Ship Repair; and



- Establishing an institutional mechanism and arrangement to execute the programmes outcomes of the conference.

The conference attracted delegates from various disciplines within the maritime sector, together with policy-makers from relevant government departments, development finance institutions and funders, all under one roof to discuss key issues and opportunities that will fast-track South Africa's maritime agenda. I was pleased to see the enthusiasm delegates demonstrated when deliberating on how to give South Africa a competitive advantage through strengthening the maritime sector. It is our hope that the conference has inspired and also equipped participants with the tools to position South Africa as a world-class maritime nation, which will entice more investors to be part of this lucrative sector. Launched during the conference were separate initiatives to develop different sub-sectors of the maritime sector. I was also pleased to see the delegates eagerly signing the pledge on "isivivane", thereby committing themselves and the organisations they represent to collaborating in developing and promoting the maritime sector.

We were fortunate to have had some high calibre speakers and panelists sharing international, continental and local best practices on how we can advance the maritime agenda. I would like to personally thank Mr Marlon Rono from Fairmont Philippines, Captain Olaniyi Labinjo from Nigerian Indigenous Ship-Owners Association, Rear Admiral GSA Ombo from Nigeria, Mr Tidiane Traore from Sealink, Mr Patrick Akpobolokemi from Nigeria, Mr Magnus Addico from MOWCA, and Mr Robert Orya from Nexim Bank for taking time out of their busy schedules to visit our shores and provide some valuable insights and recommendations. I would also like to thank Professor Patrick Vrancken from Nelson Mandela Bay University, Professor John Hare from the University of Cape Town, panelists representing different sub-sectors of the industry, financiers and funders representing development finance institutions and private funders, among others, for their contribution.

I trust that all of us in the industry will continue to work together to make the maritime sector one of the brightest diamonds in South Africa's crown, and this report will serve to further galvanise each and every one of us to aspire to be a true maritime nation and economy.

ACKNOWLEDGEMENTS

SAMSA wishes to thank all those people whose hard work and dedication ensured that the inaugural South Africa Maritime Industry Conference was a success.

In particular, recognition and thanks must go to all our partners, staff and service providers whose professionalism and proficiency ensured the smooth running of the logistical arrangements for the conference.

Particular thanks should also go to the following organisations, exhibitors, sponsors and people without whose leadership and advice SAMSA would not have hosted such a successful conference:

- Department of Transport (DOT)
- Portfolio Committee on Transport
- Department of Labour (DOL)
- Tourism Business Council of South Africa (TBCSA)
- South African Oil and Gas Alliance (SAOGA)
- Maritime Law Association (MLA)
- Transnet
- Petro SA
- SAMTRA
- The Boat Building Academy
- SMIT Amandla Marine
- Southern African Shipyards
- National Empowerment Fund
- All stakeholders who participated in the Round-tables discussions.
- All conference attendees



EXECUTIVE SUMMARY

Conference Overview

The South African maritime sector has existed in a virtual vacuum since 1994 and despite being pivotal to South Africa's economy, it is fragmented and under-resourced, which is restricting its potential to play its part as the primary component of South Africa's global competitiveness. This message was reinforced by a number of speakers, panelists and delegates at the inaugural SAMIC, which took place at the Cape Town International Convention Centre (CTICC) from 4 to 6 July 2012. The South African Maritime Safety Authority hosted the conference on behalf of the Minister of Transport, which focussed on the theme **"Delivering on South Africa's Maritime Agenda – A Call for Action"**.

The key objective of the conference was to provide a platform for dialogue with public and private sector roleplayers to share information on how to advance the maritime development agenda as an economic sector of note. The theme highlighted the need for the different sub-sectors of the maritime industry and government to work together to seek common solutions.

In her opening address, the chairperson of the Portfolio Committee, Honourable Ms Ruth Bhengu highlighted that in 1993 South Africa was robbed of an opportunity to participate in international maritime industry development, job creation, skills training, and transporting goods, using South African ships, in imports and exports when the decision to sell ships was taken...the time now is right to review that decision and to position the maritime industry to provide opportunities for skills development and job creation. She highlighted that South Africa was an integral part of Africa and that there was a need to get connected through transport. She saw SAMIC as a huge step forward and there was a need to depend on the wisdom of the minds present to come up with solutions, identify challenges and make suggestions to move the country forward in terms of the development of the maritime strategy.

In her opening remarks, the Minister of Labour, Honourable Ms Mildred Oliphant committed to working with SAMSA

to make South Africa more competitive through the implementation of an integrated maritime strategy.

In his keynote address, the Minister of Transport, Honourable Mr Dikobe Ben Martins highlighted that all parties present had a challenge to position the maritime industry as a key component in the South African economy. All roleplayers had a responsibility to create jobs, which required that all sister departments should work closely to create an enabling environment. He saw the conference as a defining moment for the department and the sector to turn around the maritime industry to play its meaningful role in the South African economy. He mentioned that the department had been working on a Maritime Policy that would be submitted to Cabinet and then to Parliament. The responsibility was for all parties to move forward to ensure that government, through the various departments, was linked with the maritime community to ensure there were greater synergies.

The CEO of SAMSA Commander Tsietsi Mokhele encouraged all South Africans to think of the ocean as the 10th province. This province hosted many industries which had been neglected. The key imperative was to bring together public and private interests. He indicated that the country was aware of the national debate on energy and minerals: what was missing from the debate was shipping, which was a significant part of the value chain. Therefore, there was a need to reflect on how we link investment with how we go to markets. This on its own requires a R300 billion investment to support the maritime sector. There was a need for the maritime sector to provide leadership to the citizens of the country, since citizens would not find solutions by themselves. The captains were responsible for the crew; any failure in the maritime sector would be the failure of the economy, and the biggest cost to South Africa would be to trade. Other maritime economies were clear on what they needed to thrive; South Africa had to do the same. The maritime industry needed to sell itself so that it did not remain misunderstood and unknown.

National Planning Commissioner Ms Bridgette Gasa was concerned that maritime as a sector was left out as it was not understood and not acknowledged as an economic contributor. Since engaging with SAMSA, the National Planning Commission had a better understanding of how skills and opportunities could be built in the maritime sector. Since maritime sector featured in economic development, transport, environment and education, and was perhaps interwoven with all these, the time was perhaps right to separate maritime into its own ministry.

It was clear from the conference that investors and financiers had relatively little experience in funding maritime projects. There was a need to engage on the low 'mortgage ranking' of the investor's claim in the event of the loss of a vessel and cargo. There was a need to look at the regulatory and tax framework to ensure that it was globally consistent and competitive for sea-side investment in South Africa. There was a need to look at the South African funding solution, specifically targeted at SMMEs. The DFIs should not compete with banks, but had to be available when market mechanisms failed or appeared to be failing. Lessons had to be learned from countries in Asia where the governments took equity positions to build the maritime industry. The existing shipping banks preferred to fund long-standing businesses that can operate on a large scale. There was an opportunity to leverage the value of the cargo from a finance perspective as funding towards a supply chain solution rather than as mobile assets. Conversations in maritime financing tended to focus only on shipping, whereas finance was needed in all maritime sub-sectors, such as marine aquaculture, marine tourism and leisure, which were more manageable and tangible projects that can help spread the geographic benefits of maritime growth.

Other issues raised related mainly to the need for communication and greater access to information, data and forums to enable majority participation in the sector. More interventions were needed to open up opportunities to the majority of South Africans. Investment in human capacity to support the sector growth was critical; this

should include enticing the youth to the maritime industry. The maritime development programme needed to be elevated to a cabinet level. South Africa's ownership of shipping lines was required to ensure that the country benefited from its maritime-based trading activities. There needed to be an integration of government vision for the maritime sector.

Furthermore, the maritime industry was extremely traditional in its outlook and also extremely fragmented with a tendency towards 'silo thinking'. Because of the sector had been established long ago and was effectively "controlled" by large corporations, there it lacked a tangible spirit of entrepreneurship. There was a need to build a shared vision for the sector and the need to close the gap between 'us and them' - a situation that prevailed between the private sector and Government and emerging entrepreneurs. It was universally agreed that encouraging transformation was essential, but it could only be successful if the category grew in its totality, and not simply through 'reallocating' the current business.

The conference proposed a number of concrete actions and outcomes to resolve the challenges. These recommendations revolved around the establishment of effective partnerships among all stakeholders, based on a shared vision, strategic guidelines and specific action plans. The guidelines and action plans needed to emphasise alignment between public and private sectors and between different sub-sectors of the maritime industry. It also resolved there was the need for effective regulatory measures and models to promote business growth, enterprise development, skills development, job creation and improved contribution of the maritime sector to the Gross Domestic Product (GDP).

The conference brought together over 400 delegates from the public and private sectors and created an effective platform to strengthen the interdependence between maritime sector and country's economic growth strategies.

Conference Proceedings

The Programme Director for the conference was Mr Chris Gibbons, who welcomed the speakers and delegates. He outlined the purpose of the conference, emphasising the need for open and vigorous participation.

Chairperson of the Portfolio Committee for Transport Mr Ruth Bhengu welcomed delegates to the conference. She introduced the Minister of Labour, Ms Mildred Oliphant and the Minister of Transport, Mr Dikobe Ben Martins.

This was followed by an opening address by the Minister of Labour who gave the context and purpose of the conference. Transport Minister Ben Martins then delivered the keynote address, outlining issues relating to the maritime policy development process and the need for the industry to guide the department in formulating the policy. He also highlighted the integrated nature of the maritime sector and the need for the different government departments to collaborate.

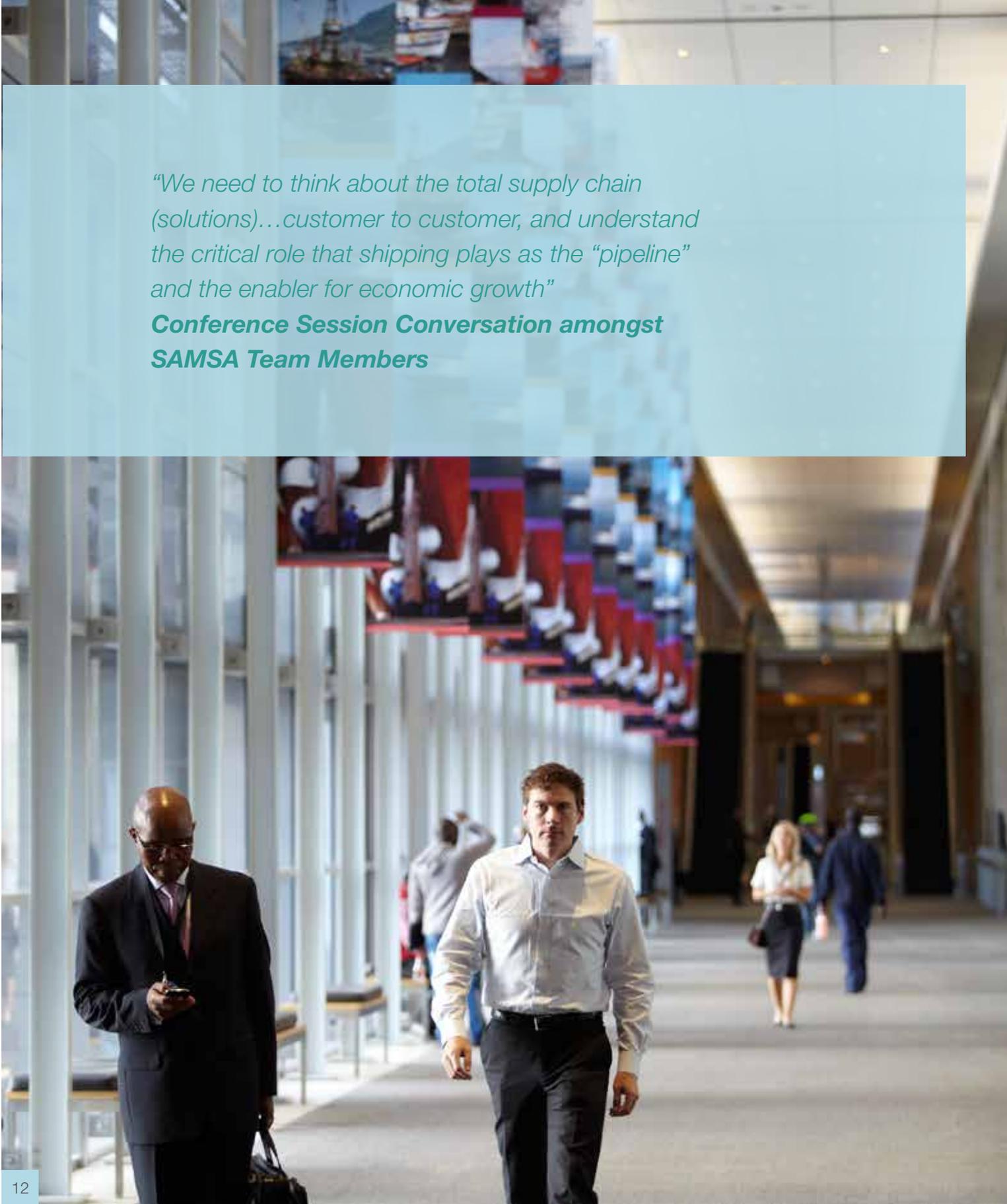
Mr Marlon Rono (Philippines) provided an international perspective on a model for a successful, flourishing 21st century maritime economy from an emerging country's perspective. Professor Patrick Vrancken (South Africa) provided a local outlook on the framework for creating a competitive and job creating maritime economy.

This was followed by a panel discussion, which focussed on the role to be played by government to strengthen policy and legislative blockages that were inhibiting growth, transformation and development of the maritime sector. Another panel looked at the role to be played by the industry to drive growth, transformation and development of the maritime sector. The last panel focussed on funding and financing issues to ensure sustainability of the maritime sector.

In concluding Day 1, it was mentioned that the deliberations from the panels and speakers would be taken into consideration when developing a strategy and action plan for the maritime agenda in South Africa. In closing, SAMSA's CEO thanked all stakeholders for their commitment, and highlighted the importance of collaboration, partnership and leadership in advancing the maritime agenda.

Day 2 of the conference focussed on the sub-sector conferences. The chairperson of each sub-sector conference reported back on all deliberations of their respective sub-sector conferences. It was stated that the sub-sector conference deliberations would be taken into consideration when developing a strategy and action plan for the maritime sector.

Day 3 was a specific symposium on Ship Registry and Coastal Shipping, which commenced with an opening address by the chief executive officer of SAMSA, followed by a panel discussion on the need for National Tonnage, the state of South Africa's Ship Registry and a case study on establishing a national shipping line. The following panel discussion covered issues related to creating coastal shipping and cabotage systems with the specific focus on coastal shipping in Africa, looking at both prospects and challenges. It looked at a case study on the Regional Sea Link Project and another on Cabotage in the Nigerian Regime. The last panel focussed on ship financing, incentives and investment with specific focus on shipping financing in Africa, and dealt with a case study for the Regional Maritime Bank and International Shipping Financing. Day 3 ended with the workshop on 'Where to for South Africa.' This was done through facilitated discussions to find implementable solutions, and identifying and packaging pilot projects for South Africa over the short, medium and long term to create the best way forward.



“We need to think about the total supply chain (solutions)...customer to customer, and understand the critical role that shipping plays as the “pipeline” and the enabler for economic growth”

Conference Session Conversation amongst SAMSA Team Members

EXTRACTS OF ISSUES EMANATING FROM THE CONFERENCE SPEAKERS, PRESENTERS AND PANELISTS

CONFERENCE BREAKDOWN	
DAY 1	
4.1	<p>Welcome Address by Ms Ruth Bhengu, Chairperson of the Portfolio Committee on Transport</p> <p>Ms Bengu said Parliament was excited by the gathering of thinkers, innovators, trendsetters and pace makers, who were focussed on leveraging the full potential of the maritime economy in South Africa. In 1993 South Africa was robbed of an opportunity to continue participating meaningfully in the maritime industry. The country no longer made good use of its seaward environment, which was three times larger than its land mass. It was costing South Africa R37 billion per annum to provide security for ships that were not South African owned. Whereas South Africa's was longer coastline than any other country on the continent, we were not taking advantage of those opportunities. There was a need for the picture to change: we needed to invest in skills and building human capacity to support the sector so that jobs could be created. The portfolio committee would support opportunities arising from the SAMIC conference. All South Africans were urged to be supportive of opportunities and developments arising from the conference, which represented a huge step forward. She said South Africans depended on the wisdom of minds to come up with solutions and to make suggestions to move the country in the right direction.</p>
4.2	<p>Introduction of the keynote speaker by Ms Mildred Oliphant, Honourable Minister of Labour</p> <p>The Minister saw her participation as a great opportunity, as she wanted to understand and assist where a potential existed to create jobs. There was a need to create opportunities for South Africans to be more productive and have pride in what they produce. She urged participants to register with the Department of Labour if there were vacancies and opportunities in the maritime sector. In reiterating that South Africa was a committed member of the International Labour Organization, she requested that where complaints came to the fore internationally that seafarers were exploited, those countries should be dealt with. She committed to work with SAMSA to make South Africa and the continent more prosperous through developing the maritime economy.</p>
4.3	<p>Keynote Address by Mr Dikobe Ben Martins, Honourable Minister of Transport</p> <p>Minister Martins referred to the bold plan outlined by the President in his State of the Nation address to mobilise opportunities in South Africa. The challenge for the country was to establish the maritime industry as a key component of the South African economy. There was a need to use talent and skills at the conference to make maritime an industry of choice and moving it from the background towards the fore. According to the Minister maritime awareness had be created among students for them to consider maritime as a career of choice. A common responsibility was to support the country's job creation agenda. There was a need to engage frankly about failures, as well as areas of improvements, and to identify areas where the department could facilitate change. At the same time there was a need to work closely with sister departments to give hope to the poor people of South Africa. South Africa was also responsible to neighbouring countries and therefore closer ties should be forged. Symbiotic programmes had to be put in place where all would gain to uplift the continent.</p> <p>Besides the DOT's draft Green Paper, it had conducted a study on port efficiencies which was aimed at reducing the cost of doing business through all South African ports, whilst also reducing turnaround time. Government was committed to engaging and prioritising issues to ensure a good linkage with the maritime community in the interests of greater synergies.</p>
4.4	<p>Model for A Successful, Flourishing 21st Century Economy – An Emerging Country's Perspective: Mr Marlon Rono, Fairmont, Philippines - Magsaysay Maritime Corporation</p> <ul style="list-style-type: none"> • Mr Rono said the Philippines was unlike South Africa which had rich mineral resources and agriculture. This made it the 28th largest economy in the world, with Phillipines ranked in 45th place. However, it was rich in human resources, with a population of 92 million people, making it the 12th most populous country in the world. About 14 million (15%) of its population were working in foreign countries from where they remitted foreign currency earnings to support families back home. • Like South Africa, the Philippines had a colonial past, having been colonised by Spain for more than 300 years. With the departure of its colonial masters at the end of the 19th century, they had to rebuild a ravaged nation with little resources, thus relying heavily on trade and aid from the US.

CONFERENCE BREAKDOWN

- 4.4
- In 1950 the Philippines started building a merchant marine fleet which could carry its international trade and serve as a naval auxiliary. Its fleet grew slowly and relied heavily on subsidies and incentives from war reparations which the government felt could rather be used to rebuild necessary infrastructure for the needs of a growing population.
 - Magsaysay was established in 1948 when it saw the opportunity of building an international fleet of vessels to carry the Philippine's trade. Its pool of seafarers grew faster than the fleet, resulting in requests during the 1960s from its network of business colleagues in the international shipping community to utilise some of Magsaysay's seafarers.
 - In the late 70s, local job shortages prompted the Philippines government to encourage the deployment of workers to other foreign countries, and seafarers to work on foreign flagged ships, where they initially served as ratings rather than officers. This limited the career progression of many seafarers.
 - The situation changed in the 90's when foreign shipping companies started losing their source of officers and eyed the Philippines for more seafarers. This resulted in the establishment of the Magsaysay Institute of Shipping, a live-in campus. It intended to deliver a three-month officer cadet course all year round, a preparatory course that sought to prepare sponsored cadets for the one-year rigid shipboard training as a requirement for graduation from maritime college and their sitting for licensure examinations.
 - The shortage of officers increased as many OECD officers were reaching retirement age. The shortfall in 2005 was estimated at 10 000 officers. A 2010 study showed the shortage to stand at 2%. This allowed those involved in training and sourcing of maritime labour to concentrate on improving the quality of people in the pool and instituting programmes to retain quality people in the pool.
 - A number of shipping accidents resulted in the establishment of new standards. The focus was not only on keeping the ship safe and the marine environment protected, but also on concerns about fatigue and the incidence of increasing human error due to shipboard working conditions. According to Mr Rono the ILO had taken steps through the Maritime Labour Convention to address working conditions on board and increase hours of rest for the seafarer.
 - Because of increased poaching, the focus was on building a pipeline as a key strategy to support the supply of qualified maritime personnel. There was already an improvement in the quality of maritime education through a review of the maritime curriculum to make it compliant with the Manila Declaration. The commissioner for higher education was working closely with industry to improve measures and ensure stricter measures related to accreditation systems for maritime schools. There also existed partnerships between members of the industry associations, international shipping industry, maritime colleges and training centres to invest in education, training and scholarships for the development and sustainability of a stable pool that could meet skills competency needs of the global industry. Campaigns were implemented to encourage high school students to consider careers at sea. This was aligned with the **Go to Sea Campaign** of the IMO. Active recruitment among the graduating high schools all over the country was done through career talks and orientation programmes to increase awareness of the seafaring profession. Since 2007 industry associations had annually assessed maritime school students. The assessment was aimed at measuring the quality of students who had the potential to become sea cadet officers or those best suited as ratings. The programme allowed the industry to identify areas where additional academic and practical support and intervention would be required to improve performance.
 - **A partner school programme** made up of eight schools from the different regions of the country had been set up. The focus was on assisting improvements of the curriculum and teacher skills, as well as their library and facilities. Scholarships are provided to chosen students to support their studies and the opportunity to take their last year of academic training in the company's live-in campus before being sent on board for the one-year rigid shipboard training.

CONFERENCE BREAKDOWN

- 4.4
- Mr Rono explained that **on the job training** was provided to aspiring cadet officers, some 20% of who qualify as officers, the remainder becoming ratings. There was a partnership programme with seasoned ship captains and chief engineers to undertake career mentoring on board. This was done with performance appraisals and evaluation systems that allowed them to measure the capability of their crew, and to guide crew managers in the areas where further training may be required.
 - Government had approved a **Bridging Program** which enabled mechanical and electrical engineers to take a licensure examination after a six-month bridging programme. This programme allowed increased access to the engineering pool, and had a walk-in examination to shorten the waiting time to complete licensure. There was a **competency management system** to measure knowledge, competence, skills and attitude. Mr Rono suggested that ship owners be encouraged to provide training subsidy for seafarers. The recent **Hire to Retire Programme** allowed seafarers to aspire for and eventually move to land-based maritime programmes.
 - **Lessons learnt**
 - There was a need for a strong partnership between government, industry sectors and educational institutions to ensure a focussed approach. This would smooth the way to implement the programmes that would ensure the continued improvement of the Philippines' seafarers.
 - By putting together a 'we care programme' which was sensitive to the needs of seafarers, including the provision of scholarships to children of seafarers, families could remain connected, Financial literacy programmes also encouraged seafarers to save for their future.

4.5 **Local Perspective on the Framework for Creating a Competitive and Job Creating Maritime Economy: Professor Patrick Vrancken, Head of Department, Public Law, Nelson Mandela Bay Metropolitan University**

In referring to the history of South Africa Professor Vrancken urged all participants to make a paradigm shift in their paradigm focus on the world. He suggested turning the western world view upside down and see South Africa not at the bottom end of a vast continent, a mere maritime spectator far from the main seats of wealth and power, but in the middle of its own hemisphere. This view placed South Africa at the confluence of three oceans and at the crossroads of maritime trade routes between many of the seats of wealth and power, including maritime routes along the east and west coasts of Africa. He highlighted elements of the framework of a competitive and job creating maritime economy, as the following:

- Collective consciousness, which included learners being taught from the beginning of their school career that this country's national world or territory had a sizeable maritime component. This should be achieved by treating the waters which washes our shores as the 10th province, one which expanded our international and territorial waters.
- Developing human resources and innovation. Human resources should not only be a national priority, but also a regional priority. There was a need to explore whether the maritime university for the 10th province could not be made part of the planned new universities in Mpumalanga and Northern Cape.
- Maritime economy had to feature as a matter of course in all macroeconomic national plans.
- Recognition that coordinating maritime policies was a complicated task which demanded setting up permanent institutional arrangements at national, provincial and local levels which differ from those provided in the current Integrated Coastal Management Act.
- The institutional arrangement to be put in place had to guarantee that the maritime economy functions in a secure and sustainable environment ensured international cooperation and leadership, as well as community participation and benefits within a defined legal environment.

CONFERENCE BREAKDOWN	
4.5	<ul style="list-style-type: none"> South Africa had to free itself from colonialisation and take its rightful place, and no longer be a maritime spectator. The maritime world was dynamic and pivotal. South Africa should not be limited by the confines of its land territory. The country should embrace the maritime possibilities offered by the maritime economy, which included shipping, ports and logistics, oil and gas, marine tourism and leisure, fishing and aquaculture and marine manufacturing. In this it was supported by collective consciousness, human resources development and innovation, state planning and policy, institutional arrangements, maritime integrity and security, international cooperation and leadership, community participation and legal environments.
4.6	<p>Matters arising from Panel 1: How Government can Strengthen Policy and Legislative Blockage that is inhibiting Growth, Transformation and Development of the Maritime Sector</p> <p>There was a need to address South Africa's sovereignty on the international platform and transformation issues which were at the infancy stage. Our oceans should be seen as the 10th province of the country. South Africa had a big enough economy for all of South Africans to participate; all that is required, was operational excellence.</p>
4.7	<p>Matters arising from Panel 2: How Industry can Drive Growth, Transformation and Development of the Maritime Sector</p> <ul style="list-style-type: none"> There was a need to clarify the role to be played by cargo owners as part of maritime sector growth. The opportunity to shape policies and to create mechanisms for regulating the port system and port consultative committees already presented itself. The country had the ability to grow quickly without significant investment in time; what is needed was integration and cohesion of government and the private sector. This should include investment in developing maritime skills, a national maritime impetus to alert the rest of the world what the country had to offer as the maritime economy and most importantly, facilitate access to water, docks to undertake repair. A forum had to be established within the Ministry of Energy and/or Mineral Resources to deal with offshore oil and gas issues. South Africa had to open its attractive destinations to the cruise industry. Destination South Africa should be more accessible for cruise liners. There was a need to consider combining sea and land based holidays and to address security issues in the Indian Ocean. There was a need to encourage entrepreneurship in the maritime sector. Fishing was the last remaining hunting profession on the planet and was affected by climate and environment. The largest challenge was retaining staff and skills in the industry. Escalating fuel prices were impacting badly on the industry.
4.8	<p>Matters arising from Panel 3: Funding and Financing</p> <ul style="list-style-type: none"> There was a need to reinforce legislation with respect to the transportation of raw materials to support local industries. There was a need to address key issues related to mortgage ranking, alignment of government, regulatory framework, national competitiveness in the global economy, empowered entrepreneurs, revenue services and tax regime and Reserve Bank rules. There was a need to adopt a project finance approach as opposed to a balance sheet approach to finance and fund the maritime sector. There was a need to facilitate funding of Black Economic Empowerment projects in the maritime sector.
4.9	<p>Closing Remarks</p> <p>Every person who was in business and making livelihood from the industry had a responsibility to ensure its sustainable growth. Any failure in the maritime sector would be the failure of the economy, which would be the biggest cost to South Africa's ability to trade.</p>

CONFERENCE BREAKDOWN

DAY 2

4.10 Opening Remarks
 The industry knew what it needed in the maritime sector; there was therefore a need to focus on what should be done in the short term. The industry should be clear on the package of legislation it needed to progress. Each sub-sector had to develop a full programme of action and indicate which programmes should be prioritised.

4.11 The Maritime Sector

South Africa's Maritime Sector

South Africa has approximately 3000 km coastline and is located between the Atlantic Ocean, Indian Ocean and the Southern Seas and anchored on one of the world's trade routes. It is the 28st largest economy in the globe with rich deposits of minerals, exporting over 125 million tons of cargo, agricultural produce and a strong tradition in maritime trade. The South African oceans offer extractive economic opportunities in mining, offshore oil and gas, fishing and aquaculture as well as non-extractive economic opportunities in areas such as marine tourism and leisure, marine manufacturing, transportation and other related activities. These economic activities are core industries that make up the maritime sector and key focus areas towards developing the maritime sector.

Marine Tourism and Leisure Sub-sector Conference



Background and Outcomes of the Roundtable Discussions

Marine tourism and leisure was defined as those activities that take place within 60 km radius of the country's coastal area or inland waterways. It included boating for leisure, cruising, ferrying, hospitality, entertainment, marine related sports and recreational activities. The latter comprised recreational fishing, diving, swimming and sailing, while the leisure cluster included eco-marine tourism adventures, marine resorts, as well as adventure activities such as shark cave diving, whale watching and exploring underwater heritage. The conference noted that the marine tourism and leisure sub-sector was not institutionalised. Pockets of activities were taking place in coastal and inland water ways that were not coordinated. As for the cruise tourism study that had been conducted, little was done to drive its implementation except for the launch. The National Tourism Strategy that was approved by Cabinet in 2011 remained silent on marine tourism and leisure issues. The aim of the sub-sector conference was to engage on how marine tourism and leisure could be integrated into the broader tourism value chain, how it could be institutionalised, how it could be utilised to enhance the competitiveness of the tourism sector and how to come up with clear solutions of what needed to be done in the short, medium and long term to support the sector growth.

The Marine Tourism and Leisure Sub-sector identified the following strategic challenges

- Inland regions suffer from considerable ignorance but have a high potential in marine-based region. The inland dams and major rivers provide ecosystem services of considerable economic benefit to the communities, however, they are not deemed important from a tourism development point of view
- There is a lack of adequate cruise facilities to support the envisaged prospects for the cruise tourism industry.
- There is limited awareness of the existence and potential of marine tourism especially on Watersports and marine recreational activities for previously disadvantaged individuals.

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- The absence of an integrated strategy and plan makes it impossible for South Africa to use its water resources to compete globally. This makes marine tourism and leisure a missed opportunity for South Africa.
- South African Tourism currently suffers from not having a unique value offering, hence a need to develop innovative products and just copy what already exists in the world.

Key Action Items

The following interventions were identified as having the potential to promote the Marine Tourism and Leisure Sub-sector in South Africa and address the strategic challenges:

- There was a need to develop marine tourism and leisure as a year-round tourism activity based on the strength of South Africa's weather.
- There was a need to develop products in a way that they sell the strength of each coastal and maritime area to avoid product similarity and to promote differentiation and innovation.
- There was a need to engage the media in publicising opportunities in the industry's marine tourism and leisure sub-sector and to let the media understand marine tourism and leisure. This should be community based and involve communities in surrounding areas.
- South Africa's marine tourism and leisure requires brand development, communication and reputational management.
- Funding models had to be developed to support the development of this nature of tourism and to encourage maximum participation.
- Processes should be put in place to ensure entrepreneurial thinking in approaching marine tourism and leisure. This must look at areas such as national boat owning companies, promoting seabed adventure trips and protect deep sea treasures, establishment of marine leisure and recreational parks and promotion of waterfront real estate developments.
- There was a need to package marine tourism and leisure products as an integral part of destination marketing.
- There was a need for engagement with the national Department of Tourism to unlock the potential of the maritime sector.
- An integrated strategy for promoting and developing marine tourism and leisure with clear institutional mechanisms should be prioritised as a matter of urgency.
- There was a need to package innovative solutions to differentiate South Africa as a marine tourism and leisure destination.
- There was a need to create clusters and institutional mechanisms in all spheres of government to drive the implementation of the marine tourism and leisure strategy.
- A centre for excellence for marine tourism and leisure should be created to provide information on trends and developments and to serve as a knowledge bank for the sector.
- A strategy should be put in place to implement outcomes of the cruise study and to develop cruise tourism in South Africa.
- Marine heritage and events should be an integral part of the strategy.

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- There is a need for an integrated view of the maritime environment in regards to tourism, oil and gas, marine manufacturing, shipping ports and logistics as well as fishing to ensure promotion of responsible and sustainable tourism which ensures preservation of our natural heritage.
- There is a need for stakeholder alignment at all levels of the marine tourism and leisure industry as well as at the broader maritime sector as the industry is currently fragmented.
- Lobby for the integration of marine tourism and leisure into the National Tourism Growth Strategy and inclusion into integrated development plans (IDPs) and provincial growth plans.
- Develop an integrated strategy for marine tourism and leisure which maps the potential for marine tourism and leisure and analyse both supply and demand. Recommend actions and institutional mechanisms to drive implementation, inclusive of the public and private sectors, and involving all spheres of government. The strategy should include elements related to the following:
 - A responsible approach to developing marine tourism and leisure
 - Database of existing stakeholders in the marine tourism and leisure based on the approved definition of the sector
 - Innovative product development and marketing
 - An enterprise development strategy for the marine tourism and leisure sub-sector that benefits communities
 - Marine heritage and eventing opportunities
 - Boat-based adventures and promote recreational fishing
 - Human resource development and safety to support the growth of the sector
 - Research on the impact of marine tourism and leisure on the economy
 - Potential of responsible use of inland waterways and coastal areas
 - Promotion of linkages between fishing and marine tourism and leisure
 - Recommendations for sustainable funding mechanisms
 - A communication plan that is based on the strength of each targeted area and aimed at involving communities
 - Institutional framework for implementation based on public private partnerships.
- Implement recommendations emanating from the cruise tourism study by developing a clear strategy for cruise tourism for South Africa which would be of benefit to coastal communities.

Who to be involved?

Product owners, coastal towns, cities and towns with inland waterways, industry associations, national department of tourism, arts and culture, sports and recreation and organised associations dealing with marine tourism and leisure sports.

Who should champion the Initiative?

The Tourism Business Council of South Africa in partnership with SAMSA to establish an institutional mechanism to represent the strategy, vision and needs of marine tourism and leisure.

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4.12 Offshore Oil and Gas Sub-sector Conference

**Background**

Though South Africa has only small deposits of conventional oil and natural gas, the industry employs an estimated 7500 people and has an estimated annual turnover of R196 billion, with the refining segment of the industry contributing almost 99% of the total industry's turnover. Moreover, the industry accounts for approximately more than 90 000 indirect jobs in the distribution and marketing segment of the industry value chain. The refining segment of the industry is very important to the South African economy as it contributes R5 billion in annual payroll, R40 billion in annual excise and sales taxes and R190 billion in income tax.

One of the biggest problems facing the country is how the industry will guarantee the supply of liquid fuels, an essential component of the economy. Close to 70% of the country's liquid fuels demand is met by imports of crude oil and finished products. This dependence on imported fuel products exposes South Africa to various economic and political risks including security of supply risks should it continue to be transported on the back of foreign vessels. If there was no significant new investment in local refining capacity by 2015, South Africa would have to import about 8.5 billion litres of fuel a year (equivalent to 15000 bbl/d), which would pose a major threat to the country's foreign exchange reserves.

The oil and gas boom, both inshore and offshore, on the East Coast is a phenomenon that is said to surpass any existing reserves in the North Sea and Brent areas. South Africa and Namibia are not as endowed as their counterparts on the West and East Coasts but deposits of significant size for the countries' economies have been found and are exploited by a number of players who are mainly foreign. There is no block on the South African coast that has not been licensed out for exploration and further development.

The sub-sector has a huge potential for South Africa, but is not well marketed. It is characterised by a dire shortage of skills, resulting in the use of external consultants. Government policy is not facilitating investments and there is a need to improve relationships with the continent in developing the sector. Access to resources is limited and there are major issues around infrastructure development. South Africa is not responding to the regional and local opportunities, while global benchmarking is also not applied. There is a need to coordinate and collaborate among different roleplayers in the value chain.

- The Oil and Gas Sub-sector identified the following challenges to the current situation.
- Lack of coordinated process and approach to marketing the country's potential, including diplomatic marketing support in Africa as well as internationally.
- Lack of technical expertise such as engineering, hydrography and geology.
- Fragmented and uncoordinated roles in various departments and state owned enterprises that could be making a contribution in ensuring that there is less red tape and bureaucratic cost of doing business.
- The bunker caller market for South African ports also remains largely untapped. TNPA holds the key to this market both in terms of providing a reliable service as well as differentiating in terms of making it more attractive to potential vessels requiring bunkers.
- South Africa keeps losing vessel repair business as a result of inadequate, poorly maintained and inefficient operations, which do not meet the requirements of modern rigs and drilling vessels.

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- There is a lack of appropriate funding mechanisms for the industry's capital expenditure requirements, particularly infrastructure projects
 - There are major delays in awarding licenses and the cost of red tape related to administrative processes at the Department of Energy.
 - The pricing of bunkers, payment of taxes related to bunkering and the shortage of storage supplies remains a serious challenge.
 - The absence of a single coherent strategic policy impedes its growth and development leaving it behind other regional players that are strongly supported and whose needs are understood by their governments.

The following interventions were identified as having the potential to promote the Offshore Oil and Gas Sub-sector in South Africa:

- A dedicated intervention needs to be implemented to create awareness of careers in the offshore oil and gas industry and to promote mathematics and science education at all level of South Africa's educational system.
- A coordinating structure inclusive of government and the industry must be established to enable effective development of industry related policy and industry development support. This should be in the form of a National Oil and Gas industry coordination structure.
- There is a need to address absence of local involvement and facilitation of new entrants into the sector.
- Transnet must be engaged to ensure that the infrastructure development programme also addresses industry development investment to support the oil and gas sub-sector.
- Legislation regulating the Oil and Gas needs to be reviewed, aligned and customised to support the industry across the various departments that control offshore oil and gas
- There is a need to develop an onshore oil and gas industry supplier base.
- Investment must be channelled to the acquisition of supply vessels to the offshore industry and extension of cabotage rules to this segment of the industry.
- There must be investment in dedicated connecting facilities between ports and offshore structures.
- A feasibility study must be undertaken on the creation of a regional Liquidfield Petroleum Gas Hub
- Communication on opportunities should be improved, which need to include improved stakeholder coordination.
- There was a need to intensify efforts to invest in skills, and research was needed to benchmark against the best in the world.
- There was a need to explore intra-Africa trade which was vital to a sustainable maritime economy
- Challenges related to infrastructure, culture, coordination should be addressed.
- The offshore oil and gas sector has the potential to contribute significantly to the economy. However, it should be noted that it was a very risky and very expensive sector, especially in the exploration phase. There needed to be improved marketing of the sector. Attractive terms and incentives to encourage entry into the market should be encouraged. Processes should be put in place to improve communication between different stakeholders in the sector.
- Petroleum Agency of South Africa (PASA) should evaluate and promote South Africa's oil and gas potential, regulate the upstream oil and gas industry and develop a national archive of all petroleum-related data in South Africa.
- Programmes aimed at improving skills development and capacity-building in the oil and gas sector should be intensified. There was a need to introduce a petroleum agency internship programme to support skills development in the oil and gas sector. There was also a need to explore opportunities for joint initiatives with international exploration companies to provide skills transfer.

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4.12 Who to be Involved?

Department of Energy, Department of Mineral Resources, Petroleum Agency of South Africa, PetroSA, stakeholders from offshore oil and gas sector, black business associations, skills development agencies and research organisations.

Who should champion the Initiative?

SAOGA in partnership with SAMSA and other key government departments to provide leadership in implementing recommendations emanating from the sub-sector conference.

4.13 Shipping Ports and Logistics Sub-sector Conference



Background and Outcomes of the Round-tables

Shipping, Ports and Logistics are vital for South Africa's trade and remain the backbone of the maritime sector. Approximately 12000 deep-sea trading vessels regularly call at South African ports per annum to carry around 98% of the country's internationally bound cargo. Unfortunately all these vessels are foreign-registered and foreign-crewed, employing 240 000 foreign seafarers.

These foreign ships do not contribute in creating wealth for South Africa, but create wealth through transporting South African produce in the jurisdictions where the vessel is registered. This represents an opportunity cost for South Africa. For example, R36 billion is paid annually for shipping services to foreign owners and operators. South Africa thus has no beneficial ownership of seagoing vessels. Moreover, South Africa has not been staking out for even a matching number of jobs related to the movement of its international trade (i.e. over 3.5% of the 1.4 million seafarer jobs, equating 49 000).

There was a need to decide on the sector's priorities in order to inform government of what intervention was required to take the sector forward. There was a need to address issues related to skills development and human capacity. Due to the sector's size, there was a need to invest in understanding the value and extent of each component. There was a need to emphasise the significance of the national ship register. Transformation was slow and this should be improved as a matter of urgency. There was a need to improve alignment between different sub-sectors of the industry.

The Shipping Ports and Logistics Sub-sector identified the following strategic challenges

- Lack of an attractive regime was identified as the cause of the relative decline of the SA foreign trade shipping industry.
- The absence of an enabling integrated maritime policy, which takes into account all the key elements of the maritime sector.
- Adequate targeted investment in maritime infrastructure such as dry docks to ensure that the country does not miss out on key economic opportunities.
- Insufficient bunkering infrastructure across all South Africa ports resulting to the lost of bunkering opportunities.
- South Africa does not have a seagoing cargo carrying vessel on its ship register.

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- 4.13
- The current maritime logistics chain is inefficient and not globally competitive.
 - As long as South Africa ship Free on Board (FOB) SA's shipping industry will not grow and develop the sector.
 - The relationship between cargo and shipping has not been properly defined.

The following interventions were identified as having the potential to promote the Shipping Ports and Logistics Sub-sector in South Africa:

- The introduction of an attractive taxation regime that will align the country's shipping tax regime with fiscal systems of other major nations.
- South African seafarers sailing on South African registered vessels should be exempted from paying income tax.
- There should be a preferential treatment for SA Flagged vessels as prescribed by the Maritime Transport Broad Based Black Economic Empowerment (BBBEE) Charter and through bilateral and regional Foreign Trade Agreements (FTAs). To support this, necessary changes need to be made to the Mineral and Petroleum Resource Development Regulations and Petroleum Products Act by including shipping services in the definition of "services". Additionally, the Petroleum Products Manufacturing Licenses, 2006 should mandate manufacturers or agents of manufacturers to import crude oil on Free on Board (FOB) basis and South African shipping companies to be given the first right of refusal to transport this crude.
- Government must mandate that national flagged vessels be used for 100% cargo movement between ports within its borders.
- Cost, Insurance and Freight (CIF) over FOB, where CIF is preferred international commercial term of shipment.
- An African Regional Coastal Shipping system in line with the African Maritime Charter must be established.
- Maritime Industry Development Fund to provide soft loans for buying ships to be registered in South Africa must be set up and mechanisms must be set up to ensure that shipping companies are able to procure loans in the absence of corporate guarantees.
- The attractive taxation regime that will align the country's shipping tax regime with fiscal systems of other major maritime national must be introduced.
- Government must mandate support for South African companies to form advisory councils.
- There is a need to continually improve the port infrastructure, such as a dry dock for Saldanha and bunkering infrastructure.
- There is a need to unlock the value of maritime logistics through quantifying the impact on the economy.
- Coastal shipping legislation should be developed and implemented as a matter of urgency.
- Transformation of the shipping sector and support service should be fast-tracked to benefit South Africans.
- The cost of doing business in South Africa must be brought down as it hampers South Africa's competitiveness as a maritime nation.
- There had be investment in noteworthy projects that should be acknowledged as an achievement.
- There is a need for improved understanding of the entire value chain that governed the success of the industry.
- There is a need to establish a government advisory council to advise government on the needs of the maritime sector. Different departments that are dealing with infrastructure were not supporting the maritime sector

Who should be Involved?

Shipping lines, port authorities, cargo owners, clearing and forwarding agents, bunker agents, port regulators, SAMSA.

CONFERENCE BREAKDOWN

4.13 **Who should Champion the Initiative?**

SAASOA, Transnet, Port Regulator and SAMSA must provide leadership in sorting out challenges related to the sub-sector. This should be done in consultation with other agencies that are part of the value chain.

4.14 **Fishing and Aquaculture Sub-sector Conference****Background and Outcomes of the Round Tables**

The fishing and aquaculture subsector plays an important role in employment, income generation and food security of South Africa. Most importantly trade in fish represents a significant source of foreign currency earnings for the country. The fishing and aquaculture industry makes about R80 billion turnover annually and contributes 0.5% to the South African GDP. The value of South Africa's catch across 22 commercial fishing industries is also estimated between R5 billion and R6 billion annually. The industry contributes approximately 31500 direct employment and 81 000 indirect employment. It is further estimated that 500000 people participate in South Africa's recreational fishery activities.

The Fishing and Aquaculture Sub-sector identified the following strategic challenges:

- There is poor coordination and communication framework of structure between government and the industry.
- The National Fishing Forum (NFF) has not profiled, positioned and marketed itself and the role it occupies within the fishing industry,
- The current legislative framework related to fishing rights regime does not enable sustainable development of the fishing industry.
- The fishing industry has major overheads due to very high cost of fuel.
- Funding for fishing vessels is difficult to access. The majority of fishing vessels are in the state of disrepair and most of them have reached their useful life.
- The fishing catch is not optimally beneficiated in the country.
- There are inadequate harbour facilities to support the fishing sub-sector.
- Fishing has not been accepted as a major player in the maritime value chain and a platform created to allow industry to openly discuss issues.
- Transformation that had taken place in the fishing sector is not appreciated. The current small-scale fisheries policy was doomed to failure in the sector where large capital investment was required.
- There was a need for far greater improved communication between stakeholders in the fishing and aquaculture sector. Policy makers needed to demonstrate a greater understanding of economic realities facing the sector and address issues, such as access to sustainable and viable fishing quotas, transformation and skills development, employment equity and responsibility and outcomes. To ensure sustainability, there must be improved access to funding and lower cost of operating vessels. Skills development should be improved at all levels.

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- There was a lack of integrated National Maritime Development Policy for the country.
- There were no assistance schemes to improve competitiveness of the fishing sub-sector.
- Allocation of quotas did not take financial sustainability into consideration.
- The limited period in which rights are located, were restrictive to business people involved in the sector.

Actions to be Implemented

The following interventions were identified as having the potential to promote the fishing and aquaculture sub-sector in South Africa:

- There is a need to improve labour productivity in the fishing sector.
- External operating costs needed to be proportional and take into account the current value of the sector.
- There was a need to invest in innovation to ensure that fisheries were developed to remain globally competitive.
- There was a need for on-going lobbying for sustainable and viable fishing quotas.
- There was a need for improved access to funds and human resources to support growth of the sector.
- Subsidies in the form of the Land Bank scenario needed to be explored for the fishing industry.
- Grants must be provided for a maximum possible term to encourage stability and investor confidence.
- Public sector should align itself as a commercial partner and not merely a regulator to ensure sector sustainability.
- The role the vessel owners play in the fight to create employment should be recognised and supported.
- Secondary employment opportunities needed to be identified to alleviate the huge reliance being placed on marine resources.
- Size of allocations needed to factor in the financial competitiveness of fishing as an economic sector.
- Public sector bodies needed to work closer together to ensure no overlapping of legislation occurred which create confusion and frustration.
- Skills development must be directed to outcomes-based training to address skills shortages on the one hand and advancing levels of competitiveness on the other.
- A process must be put in place to ensure the recapitalisation of the fishing vessels.
- The training of fishers and the implementation of dedicated skills development interventions need to be urgently addressed.
- There is a need to facilitate engagement with the development and commercial banking fraternity to align tenure in small scale fishing rights with the fishing vessel funding model to enable funding.
- There is a need for alignment of the National Fishing Forum with a national maritime sector structure to ensure alignment across the various sub-sectors to advance broader maritime sector development objectives and to address potential areas of conflict.

Who to be Involved?

Department of Public Works (DPW), trade unions, political lobby groups, National Fishing Forum, Transnet National Ports Authority (TNPA), aquaculture industry representatives, financial institutions, industry consultants, fishing companies, DAFF, SAMSA.

Who should Champion the Initiative?

National Fishing Forum in partnership with DAFF to address challenges as raised in the sub-sector conference.

CONFERENCE BREAKDOWN

4.15 Marine Manufacturing and Ship Repair

**Background and Outcomes of the Round Tables**

Marine related manufacturing includes all enterprise activities committed to the supply of marine and civil engineering to the primary industry clusters. The cluster includes waterfront and cruise terminals and jetties; marine equipment manufacturing as well as vessel repair and construction.

The lower costs of building ships in foreign shipyards due to low wages, less regulation, and the readily availability of government programmes of support and financial aid have made it difficult for South African shipyards to directly compete. South African's shipyards currently focus on niche small vessels, with local facilities concentrating their efforts on tugs, fishing vessels, patrol and search and rescue vessel and bunker barge-seized vessels.

In contract, the boat building industry has a high degree of international credibility and competitive with respect to price, quality (both in finish and sailing abilities) and durability. Its products are highly acclaimed and have won a number of international awards. It also has a fine reputation among international boat designers, who often allocate orders and refers clients to South African boat builders.

The South African industry's view is that the domestic vessel construction and the ship repairs industry can compete in the world. It is therefore advocated that considerable opportunities exist for existing firms, as well as new investors.

The Marine Manufacturing and Ship Repair identified the following strategic challenges:

- A significant number of Yacht building companies have closed down in recent times because of the financial challenges
- Bank guarantees for projects are much more expensive in South Africa. This has an impact on the cost of project delivery.
- Port charges and dues are perceived to be excessively high and are not in line with international standards.
- There is limited coordination between government and industry to support the sector growth.
- Marine manufacturing industry is not represented at a broader national maritime level.
- Public and private funding institutions are not responsive to the market.
- Access to ports facilities is not effective.
- There is no integrated marketing and awareness campaign to effectively position the value proposition of the country.
- There is a lack of adequate marine manufacturing skills to ensure industry competitiveness.
- There are no qualified lecturers in South Africa to support the development of the sector.
- The current state of South African ship registry restricts the capacity of the industry to do vessel construction and repairs and there are no SA owned vessels.
- The marine manufacturing sub-sector is complex due to the unique requirements of the various building blocks, which included ship building and repair, boat building and repair, yacht building and repair and equipment supply. Therefore, there was a need for a clear strategic and aligned approach.

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- 4.15
- There is no clear policy and strategy that address issues related to infrastructure, human resources, communication, performance culture and marketing.
 - Challenges to be addressed in the sector included developing a high performance culture across government and industry, funding for industry capitalisation, alignment with TNPA and industry facilities planning to lead to international level productivity, as well as the need to align skills development to meet shortages.
 - This required that a professional body be established to deal with government. Government departments must assist to facilitate marketing and access to funding, review TNPA industry policy cooperation and coordination and review the position of designated fishing harbours to increase water access. There was also a need to review sub-optimum skills development in universities and technical education and improve on technical and trade skills.
 - The capital investment to the country was still low compared to other countries. There were still issues related to conflict over access to water. There was a lack of project management skills and there was also a need for government to play a role in equipment manufacturing.

Actions to be Implemented**The following interventions were identified as having the potential to promote vessel / boat construction and repairs in South Africa:**

- More domestic vessels needed to take advantage of a new cabotage marketing, emerging offshore oil and gas development in the region and potential recapitalisation of the fishing fleet.
- Promotion of research, innovation and technology to ensure competitiveness in the global market place.
- A dedicated skills development drive with apprenticeship needs to be implemented to address skills shortages
- Recognise national security interest in having vessel construction industry while also responding to market constraints.
- Development of ship and boat building innovation hubs and industry clusters.
- Introduce programmes to maintain and grow current commercial vessel construction through vessel financing programmes, incentives for marine manufacturing and engineering, technical assistance to aid ship builders in developing and deploying more advanced technologies in the vessel construction process.
- Since the world is unaware of the capabilities of the South African industry, there was a need for an integrated marketing and awareness campaign to effectively and consistently position South Africa's value proposition.
- The present financial support did not support an effective development of the industry as banks failed to understand the industry. Solutions offered did not meet requirements and were slow to be accessed and utilised. Government therefore needed to assist, support and advise financial institutions accordingly.
- There was a need to ensure future sustainability of the industry through alignment, integration and effective communication. A common database for information access and consistent and agreed channels of communication were essential.
- There was a need to improve existing policy and regulatory frameworks to enable the industry to thrive. This would be achieved through a coordinating body to coordinate all efforts related to the industry.
- There was a need to establish a dedicated skills development unit that understood the specific needs of the industry. This would include going back to internships, scholarships and universities to get them involved in developing future innovators. This must also look at establishing facilities at universities for the production of naval architects and engineers.

CONFERENCE BREAKDOWN

4.15 Who to be Involved?

Marine manufacturing, boat builders, marine industry, TNPA procurement, SA Navy procurement, DTI, Department of International Relations and Cooperation (Dirco), HET, DAFF and DEA, operators and fishing industry.

Who should Champion the Initiative?

Dr Brian Gowans to work with SAMSA in establishing a coordinating mechanism to improve competitiveness of the sector.

4.16 Way forward and Resolutions for the Day

- There was a need to create a vibrant maritime culture and instil passion into maritime as the sector that belonged to all South Africans.
- There is a need to challenge perceptions about the industry through marketing and communications.
- There is a need for more innovation in funding models or explore the development of a Maritime Development Fund.
- There was a need for an on-going maritime awareness programme that should be implemented in conjunction with SAMSA. This would support ordinary citizens who had very little idea of what was happening at sea.
- **Marine Tourism and Leisure** should revert to the larger tourism industry with new maritime-based product ideas, and table maritime at the National Tourism Conference to be held in September 2012.
- **Marine Manufacturing and Repair** must continue with the passion and spread the message of opportunities.
- **Offshore Oil and Gas** must capitalise on progress achieved thus far and focus on getting the infrastructure right and on getting the industry and government to work together.
- **Fishing and Aquaculture**, there was a need to support the work of the National Fishing Forum and to establish a task team that would address skills shortages, certification and training in the sector with the main focus on improving conditions of people working in the industry.
- **Shipping, Ports and Logistics** required a shared vision for the industry where all stakeholders would be able to see the value. There was a need to improve transformation in the entire value chain and a need for a team to articulate challenges to government so that barriers could be addressed.
- The conference was able to establish an excellent foundation for the development of an integrated maritime growth strategy with the key issues identified. All South Africans had an obligation to protect our maritime resources and keep them in order. There were greater opportunities to be seized and as a country we had something to sell to the world, now that the conference had enabled us to find each other.

DAY 3

4.17 Opening Remarks

- How do we work together to create frameworks and systems to create a single African shipping network, which enables flow of jobs, finance, people and technology?
- The country should not be locked in ideological situations that offer no solution to the continent. There was a need to discuss how we make coastal shipping in Africa work. How do we create an economy in shipping that unlocks wealth and trade in Africa?
- There was a need to guide the DFIs on how they could engage in the maritime space. There was a need to engage in the discussion with two issues in mind, namely:
 - Given South Africa's strategic defence and security requirements, it was imperative to have vessels to ferry troops and protect our seas. As the first line of defence out at sea, part of the commercial fleet should be at the disposal of the state when required. The national fleet concept should be built into the state security fleet.
 - How do we create shipping companies that were vibrant, creative and responsive to the state's needs?

CONFERENCE BREAKDOWN	
4.18	Summary of Issues arising from Panel 1: Need for National Tonnage
4.18.1	<p>Why the need for National Tonnage? Professor John Hare, Head of Maritime Law Unit, University of Cape Town</p> <p>Prof Hare said South Africa did not want to be a flag of convenience; we needed to be careful before getting into the business of owning ships. It was possible for South Africa to have a viable crew training industry without owning ships to run as cadet ships. There was a need to find a realistic and commercially viable way to getting ships on the South African flag, perhaps starting with the fishing fleet. When setting up an indigenous shipping line, it should not be done out of pride, but rather done properly to ensure that it was commercially competitive and cost-efficient. The question was whether people would be comfortable with the possibility of the state taking over the ships during a crisis? The focus should not owning ships; rather than buying and financing ships, the viable option was to charter. There was a lesson to be found in history and the country should not repeat mistakes of the past.</p>
4.18.2	<p>State of South African Ship Registry: Mr Samuel Nkosi, Executive Head of Policy and Regulatory Affairs and the Ship Registrar at SAMSA</p> <p>In Mr Nkosi's report on the state of South African Ship Registry, he indicated that South Africa did not have commercial vessels on its registry. He shared the history of South African Ship Register which was initiated in the 1940s. Some of the reasons South Africa did not have ships on its register included high taxation, high crew cost, reputation of the flag and state bureaucracy. He highlighted the need for policy makers to pay attention to these issues. South Africa needed to improve its ability to provide technical and consular support when South African vessels find themselves in foreign jurisdictions. Companies owning ships should not focus only on making money, but must show patriotism. All the instruments to improve South Africa's ship registry as indicated in the White Paper on Transport needed to be implemented. Mortgage ranking should be addressed and the policy on maritime transport policy finalised. He recommended the following actions:</p> <ul style="list-style-type: none"> • Collaboration of ministries that have impact on the maritime industry. • Introduction of cabotage. • Implement provisions of the African Maritime Charter together with other protocols. • Speed up review of regulatory frameworks that impact negatively on ship register. • Financial institutions to come to the party with reference to ship owning and or ship charter. • Investigate the feasibility of South Africa having a National Maritime Bank which understood the needs of the maritime sector. • Investigate the feasibility of exporting CIF instead of COB
4.18.3	<p>Case Study on Establishing a National Shipping Line, Captain Olaniyi Labinjo, Nigerian Indigenous Ship-Owner's Association</p> <p>Capt Labinjo pointed to the irony that despite South Africa's market strength and the opportunity for dynamic growth, she was not reaping from the benefits of maritime traffic generated by foreign and domestic trades. He highlighted the characteristics of the maritime industry which included the fact that it was a service industry with huge capital requirements; it is volatile because it was susceptible to the vagaries of international trade and political developments. It was the most international of all industries, hence most nations regulated the industry due to its economic and strategic importance. The state needed to develop and implement policies to regulate the industry in a responsible manner. The economic benefits included time, reliability and cost, based on improved travel speed and translating commodity cost that changed into industry competitiveness and market impact at regional, national and international level. He highlighted the rule guiding the decision to invest in shipping and to register ships, which included costs, enabling laws, services offered by the flag (before, during and after registration), incentives and estimated returns on investments.</p>

CONFERENCE BREAKDOWN	
4.19	Summary of Issues arising from Panel 2: Creating Coastal Shipping and Cabotage
4.19.1	<p>Coastal Shipping in Africa: Prospects and Challenges, Rear Admiral GSA Ombo, Maritime Consultant, Nigeria</p> <p>He defined coastal shipping as essentially an economic as well as a maritime infrastructural wealth force multiplier. It was a very efficient and comparatively cheaper mode of transport that relieved the pressure on road, rail and air transport. Most countries across the world had implemented coastal shipping. The benefits of coastal shipping included employment generation, port infrastructural development, national income distribution, opening up export sales in new markets and the creation of favourable balance of trade and payment opportunities across the continent. An increase in intra- and inter- regional trade would strengthen existing economic cooperation which greatly assist developments in the continent. It would increase the investment climate and human capacity development efforts, while enhancing maritime quality and safety standards. Coastal shipping had great prospects to enhance trade and economic cooperation in Africa. He shared measures that had been implemented to enhance coastal shipping in Africa. In concluding, he urged maritime authorities to develop common maritime policies that would encourage inter- and intra-regional trade and cooperation. Special funds for coastal shipping operators should be set aside at subsidised rates. Member countries should apply special tax concessions to indigenous coastal operators to enable them to obtain loans for acquiring modern vessels. Coastal shipping as a mode of transportation must be patronised as cheaper and more environment-friendly. Investors in coastal shipping should improve on their service delivery in order to attract patronage from regional shippers. Coastal shippers should pool their resources and form strategic alliances, joint ventures and mergers to ensure synergy of purpose along with the current development in the liner-shipping sector. Most importantly, African governments must establish comprehensive national policies and legislation on Coastal Shipping to address passenger movement, cargo transportation, oil field services, port flotillas, security services, as well as tonnage tax and cabotage regimes in line with best global practices, establish dedicated berths for coastal vessels and simplify customs and immigration procedures.</p>
4.19.2	<p>Why a Dedicated Sealink Project: Mr Tidiane Traore, Sealink</p> <p>Mr Traore explained the need for a dedicated sea link project which included amongst others addressing challenges of high cost of transportation and excessive transit times that make intra-regional trade non-competitive. Its main purpose was to commit to enhancing regional trade competitiveness to achieve a state-of-the-art regional maritime service for short sea trade within the West and Central African regions and enhance transport sector logistics and intra-regional trade. He communicated progress to date in the implementation of the project, which included the establishment of a special purpose vehicle (SPV) with a mandate to raise money for the promotional activities of the project, identify investors, raise funds, acquire vessels, amongst others. He concluded that the main purpose of the presentation was to create awareness of a project to address some challenges related to intra-regional trade.</p>

CONFERENCE BREAKDOWN

4.19.3 Cabotage: A Case Study of the Nigerian Regime, Barrister Ibrahim Zailani

Adv Zailani's presentation gave an overview of the Nigerian shipping industry and the role played by the Nigerian Maritime Administration and Safety Agency (NIMASA) in supporting the Nigerian cabotage regime. The latter stood on four pillars:

Cabotage vessel must be built in Nigeria, must be owned by Nigerian citizens, must be manned by Nigerian citizens and must be registered in Nigeria. He referred to the Cabotage Vessel Financing Fund whose purpose was to promote the indigenous ship acquisition capacity by providing financial assistance to Nigerian operators in the domestic coastal shipping. Vessels in the cabotage trade were required to be registered in the special register for vessels and ship-owning companies engaged in cabotage operations. He highlighted the types of registration required by the act, the process to enforce the implementation of the cabotage law. Most importantly, he indicated that the ultimate goals of Nigeria's cabotage regime were to achieve the meaningful participation of Nigeria and Nigerians in coastal maritime trade and ultimately increase the competitiveness of the country in international shipping. He also highlighted some of the challenges of implementing the cabotage regime in Nigeria, which included lack of indigenous capacity, a limited number of vessels built in Nigeria due to the lack of capacity, skilled manpower, legal framework, enforcement and the Cabotage Vessel Financing Fund. However, despite the challenges the authority was playing an important role in ensuring local capacity development in the Nigerian maritime sector.

4.20 Summary of Issues arising from Panel 3: Ship Financing and Investments

4.20.1 Ship Financing in South Africa, Andrew Millard, CEO, Via Capital

He indicated that the role of domestic lenders had been limited to providing financial enhancements such as leasing and structured finance, while international specialist shipping banks provided conventional shipping financing. His main focus was on how one shaped a role for ship financing in South Africa going forward so that it could make a positive contribution to the overall maritime industry development programme. He used an analogy of the word BOAT in communicating hard realities regarding this global industry that participants needed to bear in mind:

- **B – Banking** – the banking sector and those exposed to the shipping sector in particular experienced stress. Many had closed or scaled back their lending activities by focussing on longstanding clients. One should not take it personally if confronted with scepticism from the first few banks approached for financing.
- **O – Ownership** – shipping people have an admirable, infectious obsession and passion for the ship they operated, but it was an expensive obsession. A shipping company with a solid mix of owned and chartered tonnage would be a far less risky and more profitable prospect.
- **A – Assessment of Risk** – ship-owning had proven to be an extremely risky business, largely because of the sensitivity of earnings and values to underlying trade flows and supply/demand dynamics and the high capital cost of ships. This might have an impact on lending to the under-capitalised South African owners, while relying on an untested register and to companies with little history in maritime operation, with smallish fleets and concentrated off-take might be risky.
- **T – Transport Costs** – South Africa had high costs relative to its international competitor suppliers due to non-proximity to export markets, piracy, ageing onshore infrastructure, inefficiencies, monopolies, etc.

CONFERENCE BREAKDOWN

- 4.20.1 He proposed solutions to shipping financing in South Africa by using an analogy of a **“SHIP”**
- **S – Shipping** – he favoured the idea of a dedicated maritime bank to support the industry as it developed greater recognition and priority in the local investment community. The bank must be manned by people with specialised skills. Majority ownership must be the private sector and work closely with DFIs and foreign lenders.
 - **H – Human Resources Development** – ship financing skills should be distributed generally across the industry and among finance professionals, if they were to make a meaningful impact. There should be a maritime skills development programme which included basics, intermediate and advanced courses in ship financing principles with a South African focus.
 - **I – Intra-Governmental Cooperation** – the intra-governmental cluster which included major DFIs in South Africa must continue and expand its role. Specific targets should be set for maritime-related lending. Enabling legislation must be accelerated to remove impediments for lenders in terms of asset security and exchange controls.
 - **P – Partnering** – it was not bad to partner with international, experienced operators to facilitate skills transfer, capital raising and financing in international markets, and to satisfy local cargo owners of a ship-owner's management competence.
- He shared some ideas from the lender perspective in terms of what they look at in rating assessments on shipping companies which included size and diversification, revenue characteristics, operating efficiency and flexibility, cash flow and variability, financial strategy and capital infrastructure and credit matrix. The shipping industry had experienced some losses and the credit bar might be set higher by lenders. He highlighted shipping financing as a critical part in delivering on maritime ambitions and priorities contemplated by SAMIC.
- 4.20.2 **Regional Maritime Bank, Mr Magnus Addico, Secretary-General Maritime Organisation of Western and Central Africa**
- Mr Addico provided an overview of the Regional Maritime Bank (RMB) which was a project to establish a focused sectoral bank that would create the capital base for financing national and regional maritime projects and programmes. This would be done through the mobilisation of the huge financial resources being generated by the region's maritime and ports institutions. The functions of the bank were to provide equity and a working capital by way of loans to indigenous persons, institutions and organisations for medium and long term investments in shipping and maritime commerce at competitive rates and upon such terms as may be required by the board. It also provided technical and financial assistance for the preparation, financing and execution of development programmes, including the formulation of specific project proposals. The establishment of the bank was approved by 25 member states' maritime organisations in West and Central Africa. A preliminary study was conducted across the region and there was overwhelming support for the bank. The proposed equity holding was 25% for member states, 25% for institutions in the region, 15% for African development agencies, 20% for international multilateral financial institutions and 15% for organised private sector. He indicated that the bank could be an Africa-wide bank as Africans share common maritime challenges.
- 4.20.3 **International Shipping Financing, Mr Robert Orya, Managing Director, Nexim Banks**
- Mr Orya provided an overview of the global maritime economy and maritime sector, also looking at the challenges and prospects. He shared some perspectives on trade and development issues and dwelled on the Regional Maritime Bank covering justifications and benefits. He focussed on African international trade levels that had increased by 18.5% to US\$949 in 2010 according to the Afreximbank report, but indicated that intra-regional trade had barely improved and was muted at US\$104.4 billion. This was largely due to short sea trade constraints and other regional barriers. The financial crises and the expanding scope of tighter regulations on banks had constrained credit growth, especially to support unfamiliar sectors like the maritime sector, irrespective of socioeconomic benefits of high employment and revenue generation potential. A sector specific policy bank would help facilitate development, overcome challenges and address market failures with unconventional financial products and banking instruments. He argued that if China could do it, it could be done in Africa.

WORKSHOP ON WHERE TO FOR SOUTH AFRICA

The workshop was aimed at facilitating discussions to find implementable solutions with which to identify and package pilot projects for the short, medium and long terms and to institutionalise the way forward. The summit was divided into four working groups, covering issues of Community Public Private Partnerships, Cabotage, Shipping and Pan African Partnerships. The recommendations emanating from the workshop are indicated in the table below:

5.1 Community Public Private Partnerships

Vision

- To have an integrated collaboration of interested and affected parties for the environmentally sustainable development for the entire maritime sector.

What must be Done?

- Generate national maritime awareness.
- Grow the South African economy.

How?

- Undertake a needs analysis to identify priorities and the best way to create awareness (short term)
- Create opportunities by establishing an institutional framework or enterprises with various maritime divisions (short term)
- Set up a council to create a platform for dialogue and communication between the departments of Transport, Agriculture Forestry and Fisheries, Trade and Industry, Environmental Affairs and Public Enterprises and the private sector.
- Facilitate trade through establishing a SPV which should be championed by communities and non-governmental organisations.
- Establish a partnership between government and industries through cargo reservations and to ensure that service providers are brought on board through training.
- Identify stakeholders and possible clusters via public entities such as TNPA and SAMSA and relevant business communities.
- Implement programmes to realise that we are the greenest seacoast and implement principles of People, Profit and Planet.

5.2 Cabotage

Vision

- To have 80% coastal shipping with the aim of reaching 100% owned by indigenous vessel owners and to aim for regional integration.

What must be Done and How?

- Empower sensitisation through cargo support or understanding of concessioning, as well as regional trade to be championed by SAMSA and DOT and be achieved within a year through a legislative policy.
- Ensure that there is funding for job creation via legislation and policies endorsed by parliament. This must be done within 1 to 3 years to create funding for skills development, registry and bilateral agreement.
- Treasury to drive the creation of a user-friendly registry. The registry must be responsive to the needs of owners with training, information and benchmarking. There must be ease of online registry, which must be simplified.
- Build capacity for entrepreneurs through vessel ownership and provide real incentives for entrepreneurs within the review of legislation.
- Develop entrepreneurial skills to ensure balance of trade.
- Create a maritime bank which will offer security via policy or legal frameworks.
- Develop the skills of seafarers, repairs and services.
- Drive innovation, research and development by maintaining dialogue and working together.
- Ensure that cargo signatories from cargo owners are guaranteed by government.
- Ensure that there are support services in the form of manning and crewing.

5.3 Ships

Vision

- To achieve efficiency in ship registration.

What must be Done and How?

- Undertake a desktop study that identifies which cargo can be secured immediately. This process must be driven by SAMSA and the Maritime Law Association (MLA).
- Ensure that there is an open tender system, rankings of mortgage which will result in the ability to carry high value cargo such as petroleum products and crude.
- Secure government cargo from PetroSA and Nigeria. A task team from SAMSA for the Shipping Chamber must drive this in the next six months.
- Ensure that there is open dialogue with oil traders, DTI, DMR and DOT within a condition for purchase that favours nationals.
- Ensure that there is support required in the form of manning, crewing, maintenance and repairs.

5.4 Pan-African Partnerships

Vision

- Develop skills to enhance the competitiveness of the continent from the maritime point of view.

What must be Done and How?

- Organise fundraising conference for an Africa Maritime Industry Conference with the aim of creating an African maritime body. This must be actioned immediately.
- Create commonality by finding out what vessels are common to all. This must be actioned in the three months.
- Acquire a vessel and a product around which the continent could rally.
- Improve the functioning of the communication platform to ensure effective and constant communication. This must be extended between African countries to enable them to plan forward,
- Ensure that there is an alignment to smooth the way for inter-Africa trade.
- Establish a Centre for Maritime Studies and Excellence.

“Other maritime economies are clear on what they need to thrive and we need to do the same, (because) the maritime sector is vital to the success of the country; competitiveness is essential”

Commander Tsietsi Mokhele, Chief Executive Officer, SAMSA



CONFERENCE ACTION PLANS

ACTION	RESPONSIBILITY
6.1 Creation of an institutional framework to coordinate all maritime-related efforts	
Create an institutional framework to coordinate all maritime-related efforts at national, provincial and local government level consisting of key stakeholders under the leadership of the DOT, with the focus on harnessing the wealth creation potential of the maritime sector.	DOT SAMSA MARITIME STAKEHOLDERS
Adopt a “design us in” approach to ensure that parastatals, companies, the private sector, SMMEs, consultants, institutions, local, provincial and national government are all part of an integrated approach to harnessing the wealth and economic development potential of the maritime sector	DOT SAMSA MARITIME STAKEHOLDERS
Create an institutional mechanism to coordinate all efforts of private industry stakeholders covering all sub-sectors of the maritime industry with the focus on harnessing the wealth creation potential of the maritime sector. This could be in the form of a South African Maritime Sector Development and Competitiveness Council.	DOT SAMSA MARITIME STAKEHOLDERS
Remove blockages and bottlenecks that restrict / restrain the ability of the country to unlock its maritime economic potential	DOT SAMSA MARITIME STAKEHOLDERS
Implement an integrated approach to maritime planning and licensing in order to maximise the potential for South Africa’s maritime economy	DOT SAMSA MARITIME STAKEHOLDERS
Create sub-institutional mechanisms at sub-sector level to coordinate efforts of different sub-sectors of the industry covering: <ul style="list-style-type: none"> • Shipping Ports and Logistics • Marine Tourism and Leisure • Offshore Oil and Gas • Offshore Mining • Fishing and Aquaculture • Marine Manufacturing and Ship Repairs 	DOT SAMSA MARITIME STAKEHOLDERS
Ensure that maritime features in all economic development plans for the country to seize job creation opportunities	DOT SAMSA MARITIME STAKEHOLDERS
Establish SAMIC as a formal coordination and implementation agency to coordinate all efforts of different stakeholders	DOT SAMSA MARITIME STAKEHOLDERS
6.2 Address backlogs related to policy, regulatory and strategic framework	
Review consolidation and updating of the legislation impacting on marine environment and activities	DOT SAMSA MARITIME STAKEHOLDERS

ACTION	RESPONSIBILITY
Finalise a National Maritime Policy in consultation with key stakeholders in the maritime sector	DOT SAMSA MARITIME STAKEHOLDERS
An integrated strategy on harnessing economic potential of the sector must be developed and reviewed periodically. This must spell out a clear vision, high-level goals and integrated actions across policy, governance and business to enable South Africa's maritime potential to be realised	DOT SAMSA MARITIME STAKEHOLDERS
Develop a maritime knowledge, research and innovation strategy for South Africa, which is properly funded and provide direction and focus for maritime related research	DOT SAMSA MARITIME STAKEHOLDERS
There is a need to quantify the direct and indirect contribution of the maritime economy to South Africa's GDP, job creation and transformation	DOT SAMSA MARITIME STAKEHOLDERS
Creation of a research portal to allow information-sharing about the potential of the maritime sector, as well as prospects and opportunities	DOT SAMSA MARITIME STAKEHOLDERS
Development of a national maritime database which must be accessible to all stakeholders in the maritime sector.	DOT SAMSA MARITIME STAKEHOLDERS
Maritime information collected must also be disseminated at local level. Capacity should be built at local level on maritime data collection and interpretation	DOT SAMSA MARITIME STAKEHOLDERS
A national maritime research committee under the leadership of SAMSA must be formed to manage all maritime-related information	DOT SAMSA MARITIME STAKEHOLDERS
A mechanism must be put in place to ensure that emerging entrepreneurs have access to information and data collected on opportunities	DOT SAMSA MARITIME STAKEHOLDERS
Integration of maritime into the macro economic policy of the country including the New Growth Path and plans of the National Planning Commission	DOT SAMSA MARITIME STAKEHOLDERS
A baseline study on the state of the maritime sector in South Africa must be undertaken and reviewed annually.	DOT SAMSA MARITIME STAKEHOLDERS

ACTION	RESPONSIBILITY
6.3 Enhanced Maritime Awareness	
Build South Africa's maritime heritage and strengthen South Africa's maritime identity	DOT SAMSA MARITIME STAKEHOLDERS
implementation of a targeted programme to heighten the awareness and appreciation of the maritime sector as central to the development of South African economy and addressing unemployment challenges.	DOT SAMSA MARITIME STAKEHOLDERS
Ensure that there is engagement and participation by all South Africans in the maritime economy	DOT SAMSA MARITIME STAKEHOLDERS
6.4 Business Development, Marketing and Promotion	
Develop a common message with themes to promote maritime products	DOT SAMSA MARITIME STAKEHOLDERS
Give a clear message to South African and international investors on what South Africa is opening up to	DOT SAMSA MARITIME STAKEHOLDERS
Market South Africa as a world-class maritime nation that is open to responsible business opportunities	DOT SAMSA MARITIME STAKEHOLDERS
Encourage coastal communities to avail themselves of existing and future maritime enterprises and opportunities	DOT SAMSA MARITIME STAKEHOLDERS
6.5 Promote infrastructure development to support the sector growth	
Ensure provision of adequate and timely Maritime Infrastructure Development, particularly by Transnet. This includes access to suitable marine manufacturing sites, harbours, cruise terminals with appropriate infrastructure and regulatory processes that do not inhibit sustainable business operations	DOT SAMSA MARITIME STAKEHOLDERS
Provide funding to support vessel acquisition and other aspects of the maritime sector and improve the ship registry for South Africa	DOT SAMSA MARITIME STAKEHOLDERS

ACTION	RESPONSIBILITY
Maximise the utilisation of existing infrastructure and put in place integrated policies for developing new key strategic infrastructure to support job creation and economic growth	DOT SAMSA MARITIME STAKEHOLDERS
Carry out national, provincial and local initiatives aimed at tapping into the potential of new and existing maritime infrastructure to develop sustainable products, services and jobs	DOT SAMSA MARITIME STAKEHOLDERS
6.6 Promote Maritime Capacity, Education, Training and Awareness	
Capacity building for South Africa's maritime sector will be essential, incorporating the development of technology diffusion and innovation, research and development, business collaboration, supply chain efficiency and capital investment.	DOT SAMSA MARITIME STAKEHOLDERS
Industry to provide leadership in the implementation of the Maritime Sector Skills Study through the establishment of a Maritime Sector Human Resources and Skills Development Forum.	DOT SAMSA MARITIME STAKEHOLDERS
Plan for the appropriate human resources to be in place to efficiently and effectively meet current demands and capture future opportunities in relation to maritime economy	DOT SAMSA MARITIME STAKEHOLDERS
Maintain and build capacity to meet the needs of the maritime sector through tailored education and training programmes and research capacity building by: <ul style="list-style-type: none"> • Identifying skills needs and labour market supply and demand trends • Tailoring basic, higher, vocational education and professional development programmes to meet identified needs • Building maritime research capacity through targeted national and international research funding 	DOT SAMSA MARITIME STAKEHOLDERS
Establish South Africa as an international maritime training destination for the continent and ensure that knowledge of maritime wealth is embedded into the primary and secondary school curriculum	DOT SAMSA MARITIME STAKEHOLDERS
Develop outreach programmes to create awareness	DOT SAMSA MARITIME STAKEHOLDERS
Build the pipeline for the production of seafarers reviewing curriculum to meet international standards, encouraging high school students to consider a career at sea, having maritime assessment school programme, ascertaining the attitude and aptitude of seafarers, encouraging training for cadet officers, providing on board mentoring programmes, introducing bridging programmes for seafarers, implementing competence management system, providing training subsidy for seafarers, hiring retirees and increasing a fleet of vessels to make provision for training on board the working vessel.	DOT SAMSA MARITIME STAKEHOLDERS



ANNEXURE: MEDIA COVERAGE

PRINT COVERAGE

Media House	Page	Date	Title
WITNESS WEEKEND (Pietermaritzburg)	5	14 Jul 2012	Undersea fun resort planned for Durbs
LANDBOUWEEKBLAD	9	13 Jul 2012	Gaan die mooiste Santa ook die vetste in die voerkraal word?
ZULULAND OBSERVER (Weekend)	12	13 Jul 2012	Time to throw economic baggage overboard
CAPETOWNER, THE	7	12 Jul 2012	CAPETOWNER, THE
EDEN EXPRESS (Mosselbaai)	5	11 Jul 2012	Local heads training ship
MERCURY (Early Edition)	7	11 Jul 2012	Maritime wealth must be unlocked
SOWETAN (Late Final)	8	11 Jul 2012	Move to address skills shortage in maritime sector
BURGER (Kaaop Stedelik)	3	10 Jul 2012	Op ons app
BUSINESS DAY	4	10 Jul 2012	Adrift in the global maritime economy
BUSINESS REPORT (Cape Times)	14	10 Jul 2012	Maritime industry
BUSINESS REPORT (Mercury)	14	10 Jul 2012	Maritime industry
BUSINESS REPORT (Pretoria News)	16	10 Jul 2012	Learning from history requires finding solutions
BUSINESS REPORT (Star)	18	10 Jul 2012	Maritime industry
CAPE TIMES (Second Edition)	8	10 Jul 2012	No snub
BUSINESS DAY	2	09 Jul 2012	Maritime authority wants bank for shipping
BUSINESS REPORT (Mercury)	18	09 Jul 2012	Transport Africa 2012 winners served sector well
CAPE ARGUS (AM Edition)	12	09 Jul 2012	ANTARCTIC AHOY!
CAPE TIMES (Second Edition)	8	Jul 2012	Ministers snub maritime industry, ignore sleeping giant
SAKE 24 (Rapport)	5	08 Jul 2012	SA wil weer handelskepe van sy eie he
SUNDAY TIMES, Business Times	14	08 Jul 2012	Appeal for SA to get shipshape
CAPE ARGUS (AM Edition)	18	06 Jul 2012	'SA NEEDS FLEET OF 300 SHIPS'
CAPE TIMES (Second Edition)	5	06 Jul 2012	SA needs merchant fleet, says Samsa
CITIZEN (Second Edition)	3	06 Jul 2012	SA 'needs 300 merchant ships to serve its trade needs'
DAILY DISPATCH	5	06 Jul 2012	SA needs 300 freight ships
DAILY NEWS (Deadline Edition)	6	06 Jul 2012	Getting SA's pupils shipshape
DAILY NEWS (Deadline Edition)	6	06 Jul 2012	Cadets sail to new life aboard SA Agulhas
HERALD (Morning Final)	5	06 Jul 2012	Call for SA to obtain fleet of merchant ships
MERCURY (Final Edition)	5	06 Jul 2012	SA Agulhas heads for Durban on training voyage
NAMAKWA WEEKLY/WEEKBLAD	6	06 Jul 2012	Repairs to oil, gas rigs could create 5 000 jobs
NEW AGE, THE (First Edition)	7	06 Jul 2012	Maritime hits rough seas
BURGER (Kaaop Stedelik)	12	05 Jul 2012	Nuwe rol vir 'oui Agulhas

Media House	Page	Date	Title
BUSINESS DAY	1	05 Jul 2012	Glitzy underwater tourism for KwaZulu
BUSINESS DAY	2	05 Jul 2012	Maritime draft policy 'will soon be given to Cabinet'
BUSINESS REPORT (Cape Times)	13	05 Jul 2012	SA plots to develop maritime industry
BUSINESS REPORT (Cape Times)	13	05 Jul 2012	BUSINESS REPORT (Cape Times)
BUSINESS REPORT (Mercury)	17	05 Jul 2012	SA plots to develop maritime industry
BUSINESS REPORT (Pretoria News)	17	05 Jul 2012	BUSINESS REPORT (Pretoria News)
BUSINESS REPORT (Pretoria News)	17	05 Jul 2012	SA plots to develop maritime industry
BUSINESS REPORT (Star Africa)	32	05 Jul 2012	SA plots to develop maritime industry
BUSINESS REPORT (Star Africa)	32	05 Jul 2012	BUSINESS REPORT (Star Africa)
BUSINESS REPORT (Star)	15	05 Jul 2012	BUSINESS REPORT (Star)
CAPE ARGUS (AM Edition)	8	05 Jul 2012	GETTING SA'S PUPILS SHIPSHAPE
CAPE TIMES (Second Edition)	5	05 Jul 2012	Agulhas shapes future of SA maritime students
CITIZEN (Second Edition), Citi Business	23	05 Jul 2012	Salvaging the maritime industry
HERALD (Morning Final), Business	9	05 Jul 2012	EC youths board training ship
NEW AGE, THE (First Edition)	7	05 Jul 2012	Training vessel unveiled
SOWETAN, Business	14	05 Jul 2012	PLAN TO BOOST PORTS
VOLKSBLAD (Noord Kaap)	14	05 Jul 2012	Rod taxi lig weer sy anker
BUSINESS REPORT (Cape Times)	14	04 Jul 2012	Maritime
BUSINESS REPORT (Mercury)	16	04 Jul 2012	Maritime
BUSINESS REPORT (Pretoria News)	16	04 Jul 2012	Maritime
BUSINESS REPORT (Star)	16	04 Jul 2012	Maritime
CAPE TIMES (Second Edition)	9	04 Jul 2012	Can-do Agulhas gets new role
NEW AGE, THE (First Edition)	7	04 Jul 2012	Conference to tackle key maritime issues
HERALD (Morning Final), Business	7	03 Jul 2012	Bay poised for leading role in maritime sector
CAPE BUSINESS NEWS	10	01 Jul 2012	SAMIC asks for state intervention
INDWE	20	01 Jul 2012	PART 1 OF 4 - INDWE
PUBLIC SECTOR MANAGER	38	01 Jul 2012	PART 2 OF 3 - Buoyed by succes\$
PUBLIC SECTOR MANAGER	39	01 Jul 2012	PART 3 OF 3 - Buoyed by succes\$
HERALD (Morning Final), Business	9	29 Jun 2012	Appeal for maritime job creation
NEW AGE, THE (First Edition)	9	26 Jun 2012	SA pays tribute to hard work done by seafarers
GEMSBOEK, Bylae	7	22 Jun 2012	Nooitgedacht Dorperstoet
SON (Kaap)	3	18 Jun 2012	SEE WINK V1R HULLE

Media House	Page	Date	Title
BUSINESS DAY	4	04 Jun 2012	Saving SA's sinking maritime sector
ISOLEZWE (KZN)	16	28 May 2012	
CAPE ARGUS (AM Edition)	12	15 May 2012	SHIP SALVAGE 'IS AN SA PRIORITY'
CAPE TIMES (First Edition)	3	15 May 2012	Fresh bid to free beached vessel
AFRICAN DECISIONS	1	01 May 2012	AFRICAN DECISIONS
AFRICAN DECISIONS	28	01 May 2012	PART 1 OF 3 - navigating safe waters
MARITIME REVIEW AFRICA	6	01 May 2012	PART 1 OF 2 - MARITIME MINISTRY
MARITIME REVIEW AFRICA	7	01 May 2012	PART 2 OF 2 - MARITIME MINISTRY

RADIO AND TELEVISION COVERAGE

Station / Broadcaster	Time	Date	Title
CNBC Africa (English)	09:22:49	08 Jul 2012	Africa This Week
Kingfisher FM (English)	13:02:54	06 Jul 2012	News @ 13:00
CNBC Africa (English)	09:29:48	06 Jul 2012	Open Exchange
Algoa FM (Afrikaans)	08:30:19	06 Jul 2012	News Update
Cape Talk (English)	08:22:30	06 Jul 2012	Breakfast Show - Kieno Kammies News headlines with EWN
Algoa FM (Afrikaans)	08:01:28	06 Jul 2012	News @ 08:00
Algoa FM (English)	07:31:20	06 Jul 2012	News Update
RSG (Afrikaans)	07:54:19	06 Jul 2012	Monitor
Algoa FM (English)	07:01:56	06 Jul 2012	News @ 07:00
Algoa FM (English)	05:29:53	06 Jul 2012	News Update
Umhlobo Wenene (Xhosa)	18:35:05	05 Jul 2012	Apha naphaya (Current Affairs)
Motsweding FM (Tswana)	18:11:39	05 Jul 2012	Current Affairs (Tsele le tsele)
Phalaphala FM (Venda)	18:40:09	05 Jul 2012	Ndevhe Tsini
Lotus FM (English)	16:02:24	05 Jul 2012	News @ 16:00
Ligwalagwala FM (Swazi)	14:02:51	05 Jul 2012	News @ 14:00
SABC 1 (English)	13:12:33	05 Jul 2012	Lunch Time News
SAFM (English)	07:51:45	05 Jul 2012	AM Live
Talk Radio 702/Cape Talk Simulcast (English)	23:02:56	04 Jul 2012	News Extra @ 23:00
Motsweding FM (Tswana)	18:35:46	04 Jul 2012	Current Affairs (Tsele le tsele)

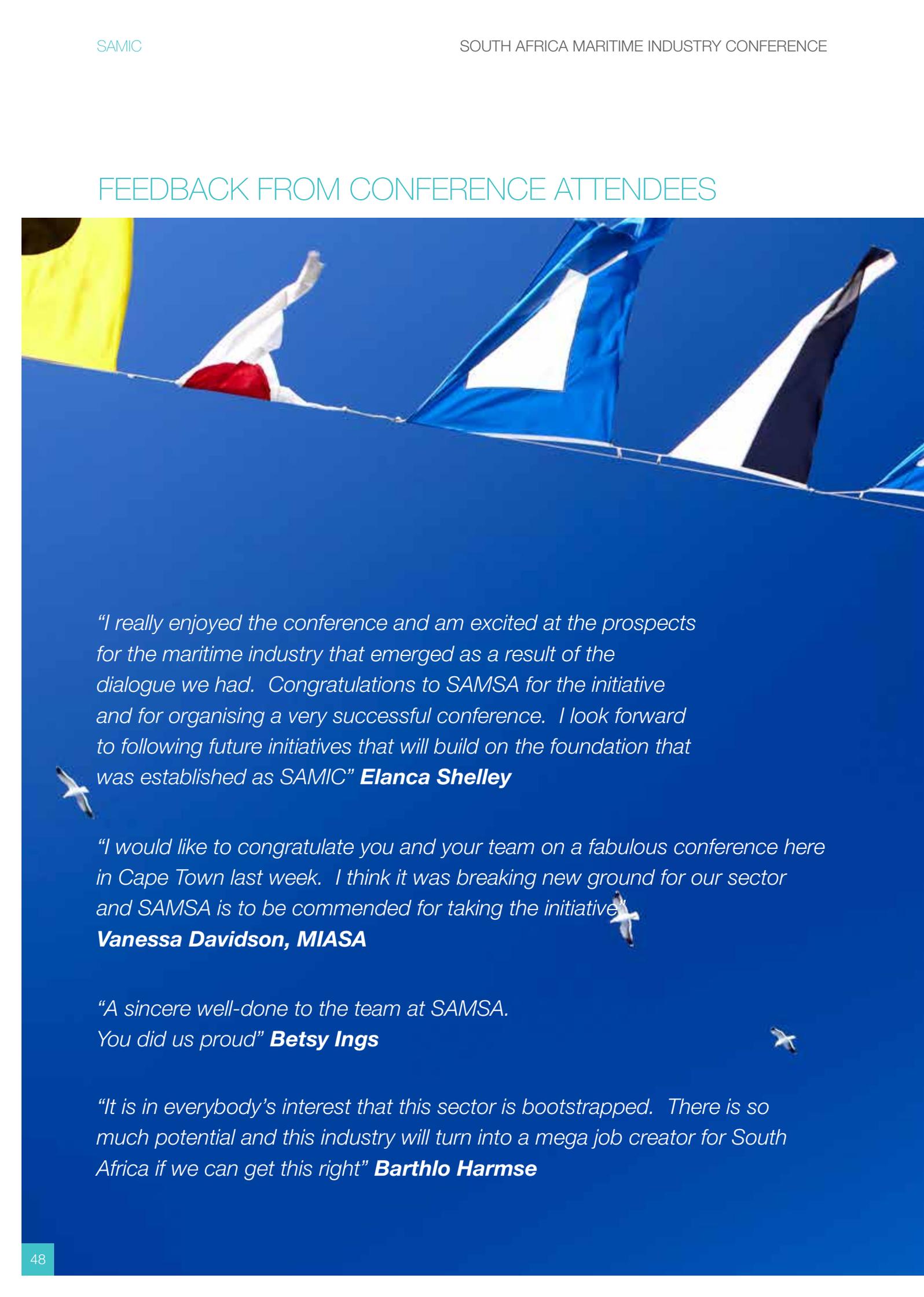
Station / Broadcaster	Time	Date	Title
Phalaphala FM (Venda)	18:48:38	04 Jul 2012	Ndevhe Tsini
CNBC Africa (English)	17:21:31	04 Jul 2012	Closing Bell
SAFM (English)	16:51:20	04 Jul 2012	PM Live
SAFM (English)	11:31:12	04 Jul 2012	News Headlines @ 11:30
SAFM (English)	11:17:49	04 Jul 2012	Morning Talk
SAFM (English)	10:32:54	04 Jul 2012	Morning Talk
SAFM (English)	10:34:07	04 Jul 2012	Morning Talk
SAFM (English)	10:05:46	04 Jul 2012	Morning Talk
SAFM (English)	10:13:01	04 Jul 2012	Morning Talk
SAFM (English)	09:36:57	04 Jul 2012	Morning Talk
SAFM (English)	09:09:04	04 Jul 2012	Morning Talk
SAFM (English)	09:24:15	04 Jul 2012	Morning Talk
SABC 2 (English)	07:12:24	04 Jul 2012	Morning Live
SABC 2 (English)	07:21:07	04 Jul 2012	Morning Live
SABC 2 (English)	07:31:42	04 Jul 2012	Morning Live
SABC 2 (English)	07:40:35	04 Jul 2012	Morning Live
SABC 2 (English)	07:52:04	04 Jul 2012	Morning Live
SABC 2 (English)	06:38:06	04 Jul 2012	Morning Live
SABC 2 (English)	06:48:17	04 Jul 2012	Morning Live
SABC 2 (English)	06:00:12	04 Jul 2012	Morning Live
SABC 2 (English)	06:20:27	04 Jul 2012	Morning Live
Cape Talk (English)	16:04:17	03 Jul 2012	News Extra @ 16:00
RSG (Afrikaans)	13:56:41	03 Jul 2012	Spektrum

ONLINE COVERAGE

Website	Date	Title
Engineeringnews.co.za - Engineering News	13 Jul 2012	State
Eventsnow.co.za - Events Now	12 Jul 2012	Could you be hosting your next event under the sea?
Bizcommunity.com - Biz Community	12 Jul 2012	Samsa's development programme tackles maritime skills shortage
Sowetanlive.co.za - Sowetan Live	11 Jul 2012	Move to address skills shortage in maritime sector
Timeslive.co.za - Times Live	10 Jul 2012	SA Agulhas II on shakedown cruise
Businessday.co.za - Business Day	10 Jul 2012	Adrift in the global maritime economy
Bizcommunity.com - Biz Community	10 Jul 2012	It's swim-or-sink for the highly fragmented maritime sector
Businessday.co.za - Business Day	9 Jul 2012	Maritime authority wants bank for shipping
Fastmoving.co.za - Fast Moving	9 Jul 2012	Appeal for SA to get shipshape
Simplygreen.co.za - Simply Green	8 Jul 2012	South Africa Needs Urgent Action on Incubating Crises Facing our Oceans and Coastlines
Businesslive.co.za - Business Live	7 Jul 2012	Appeal for SA to get shipshape
Sacommercialpropnews.co.za - SA Commercial Property News	6 Jul 2012	R1.5 billion "edutainment" underwater tourism facility for KwaZulu-Natal
iol.co.za/dailynews - Daily News	6 Jul 2012	Cadets sail to new life aboard SA Agulhas
iol.co.za/dailynews - Daily News	6 Jul 2012	Getting SA's pupils shipshape
Thenewage.co.za - The New Age	6 Jul 2012	Maritime hits rough seas
Algoafm.co.za - Algoa FM	6 Jul 2012	SA needs own merchant ships
Bizcommunity.com - Biz Community	6 Jul 2012	Foreign cargo ships "not contributing to SA wealth creation", Mokhele
Engineeringnews.co.za - Engineering News	6 Jul 2012	Cruise operator MSC may start training courses in SA
Fanews.co.za - FA News	6 Jul 2012	South Africa Needs Urgent Action on Incubating Crises Facing our Oceans and Coastlines
Engineeringnews.co.za - Engineering News	6 Jul 2012	SA battles to attract ships to its registry
Engineeringnews.co.za - Engineering News	6 Jul 2012	State
2oceansvibe.com - 2 Oceans Vibe	5 Jul 2012	See-Through Edutainment Submarines Coming To Durban
Citizen.co.za - Citizen	5 Jul 2012	SA needs merchant fleet: Samsa
Businesslive.co.za - Business Live	5 Jul 2012	Maritime draft policy will soon be given to Cabinet
Dieburger.com - Die Burger	5 Jul 2012	VIDEO: Nuwe rol vir 'ou' Agulhas
Moneyweb.co.za - Moneyweb	5 Jul 2012	SA not ready for an oil spill
Busrep.co.za - Business Report	5 Jul 2012	SA plots to develop maritime industry
Businessday.co.za - Business Day	5 Jul 2012	Glitzy underwater tourism for KwaZulu
Thenewage.co.za - The New Age	5 Jul 2012	Training vessel unveiled

Website	Date	Title
Businesslive.co.za - Business Live	5 Jul 2012	Glitzy underwater tourism for KwaZulu
Bizcommunity.com - Biz Community	5 Jul 2012	Ports review seeks to remove blocks, lower costs
lafrica.com - Business	5 Jul 2012	Glitzy underwater park for KZN
Bizcommunity.com - Biz Community	5 Jul 2012	SA maritime industry must “play its rightful role” in local economy
Businessday.co.za - Business Day	5 Jul 2012	Glitzy underwater tourism for KwaZulu-Natal
Businessday.co.za - Business Day	5 Jul 2012	Maritime draft policy ‘will soon be given to Cabinet’
Sowetanlive.co.za - Sowetan Live	5 Jul 2012	Plan to boost ports
Thenewage.co.za - The New Age	4 Jul 2012	Conference to tackle key maritime issues
Moneyweb.co.za - Moneyweb	4 Jul 2012	SA robbed of utilising its sea land – Bhengu
Businessday.co.za - Business Day	4 Jul 2012	Commander highlights SA’s wasted maritime opportunities
Citizen.co.za - Citizen	4 Jul 2012	SA Maritime turnaround needed: minister
Moneyweb.co.za - Moneyweb	4 Jul 2012	Salvaging the marine industry
News24.com - News 24	4 Jul 2012	SA Agulhas takes on new role
News24.com - News 24	4 Jul 2012	Minister: SA maritime turnaround needed
Engineeringnews.co.za - Engineering News	4 Jul 2012	SA could create several thousand jobs in ship and oil rig repairs
Engineeringnews.co.za - Engineering News	4 Jul 2012	SA Agulhas relaunched as dedicated training vessel
Moneyweb.co.za - Moneyweb	4 Jul 2012	Fishing for business
Busrep.co.za - Business Report	4 Jul 2012	Barclays chief voted off murky reality bank show
Eyewitnessnews.co.za - Eye Witness News (EWN)	4 Jul 2012	Eyewitnessnews.co.za - Eye Witness News (EWN)
Businesslive.co.za - Business Live	4 Jul 2012	R37bn a year spent to protect foreign ships
Tabj.co.za - The African Business Journal	4 Jul 2012	Port of Durban
Theherald.co.za - The Herald	3 Jul 2012	Bay poised for leading role in maritime sector 03 July 2012
Link2media.co.za - Link 2 Media	3 Jul 2012	PR-MARTINS-MARITIME-CONFERENCE SAPA PR -- TRANSPORT MINISTER ADDRESSES MARITIME INDUSTRY CON...
Info.gov.za – South African Government Information	3 Jul 2012	Info.gov.za – South African Government Information
Theherald.co.za - The Herald	29 Jun 2012	Appeal for maritime job creation
Bizcommunity.com - Biz Community	27 Jun 2012	Seafarers crucial as 90% of world trade done through shipping
Thenewage.co.za - The New Age	26 Jun 2012	SA pays tribute to hard work done by seafarers

FEEDBACK FROM CONFERENCE ATTENDEES



"I really enjoyed the conference and am excited at the prospects for the maritime industry that emerged as a result of the dialogue we had. Congratulations to SAMSA for the initiative and for organising a very successful conference. I look forward to following future initiatives that will build on the foundation that was established as SAMIC" **Elanca Shelley**

"I would like to congratulate you and your team on a fabulous conference here in Cape Town last week. I think it was breaking new ground for our sector and SAMSA is to be commended for taking the initiative" **Vanessa Davidson, MIASA**

"A sincere well-done to the team at SAMSA. You did us proud" **Betsy Ings**

"It is in everybody's interest that this sector is bootstrapped. There is so much potential and this industry will turn into a mega job creator for South Africa if we can get this right" **Barthlo Harmse**

