

Operation Phakisa to help SA economy

PRETORIA: Operation Phakisa is a good example of government and the private sector coming together to share views and implement plans to improve the South African economy, says President Jacob Zuma.



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The President on Thursday updated the nation on the implementation of the various segments of Operation Phakisa, in Pretoria. He said the methodology does not only bring government and the business sector together, but also invites the South African society and academia on board, and that makes it unique.

The President said significant progress has been recorded in the implementation of Operation Phakisa on Ocean Economy a year later since its launch in July last year. The methodology is designed to implement the National Development Plan (NDP) priorities in key socio-economic sectors.

The Ocean Economy Phakisa was launched with a focus on marine transport and manufacturing led by the Department of Transport; offshore oil and gas, led by the Department of Mineral Resources; aquaculture, led by the Department of Agriculture, Forestry and Fisheries; and marine protection services and ocean governance, led by the Department of Environmental Affairs.

Quantifying the value of our oceans

"On Ocean Economy Phakisa, a study conducted recently by the Nelson Mandela Metropolitan University had quantified the value of our oceans.

"In the initial study in 2010, the oceans around South Africa were estimated to have a potential to contribute about R54 billion to the Gross Domestic Product (GDP), and an estimated 316,000 jobs," said the president. He said further analysis undertaken in 2013, found that nine sectors of South Africa's ocean economy could generate an estimated GDP contribution of R129 billion to R177 billion by 2033, and double the number of jobs estimated in 2010.

He said opportunities are being explored in various areas, like the repairing of rigs and the servicing of vessels. "30,000 vessels pass through South Africa's waters every year, and 30,000 dock in our ports every year. South Africa only does maintenance on 5% of the vessels. In addition, of the 80 rigs in the Western Cape, only four are serviced per year.

"... 300 million tonnes of cargo on foreign-owned vessels are shipped and 1.2 million tonnes of liquid fuel passes along our coast annually. In this regard, significant investment is required in new port infrastructure including rig repairs. The establishment of a Small Harbours Development Authority is thus necessary," he said.

Rehabilitation of harbours

The president said the rehabilitation, upgrade and redevelopment of some small harbours, as well as the identification and proclamation of new harbours and their integration with national coastal projects, has begun in order to unlock the economic potential of coastline. "We have identified Gansbaai, Saldanha Bay, Struisbaai, Gordons Bay and Lamberts Bay for rehabilitation and development.

"A roadmap has also been developed for the proclamation of new harbours in the Northern Cape, Eastern Cape and KwaZulu-Natal," said the president.

He said the finalisation of the Mineral Resources and Petroleum Development Amendment Bill, which is currently in the Parliamentary process, is designed to also assist government to accelerate offshore oil and gas exploration. He also said the aspiration of the offshore oil and gas exploration focus group of the Oceans Phakisa is the drilling of 30 exploration wells in ten years. "... This would produce 370,000 barrels of oil and gas per day. If this is achieved, it would mean the creation of up to 130,000 jobs, with an annual contribution to the GDP of \$2.2 billion, while reducing the dependence on oil and gas imports during the production phase," said President Zuma.

The President said some projects have already commenced and said a total of R9.2 billion is to be spent to develop Saldanha Bay as an oil and gas hub. He said the phased gas pipeline routes have also been defined.

"Environmental authorisation has been approved for the Burgan Fuel Storage facility in the port of Cape Town. This is an investment of approximately R660 million and construction will commence by the end of August 2015," he said.

Aquaculture

The South African aquaculture industry is still emerging and thus the production levels currently remain low, the president said.

He said the team working on the aquaculture sector focus area believe that when interventions to grow the sector are implemented successfully, aquaculture projects will grow the sector's size from approximately R700 million today, to almost R3 billion by 2019. However, Zuma said the industry faces constraints such as the lack of infrastructure including access roads and electricity. He said it also faces challenges such as the prolonged finalisation of leases and the limited tenure of the leases.

The sector also faces difficulties with obtaining Environmental Impact Assessment Authorisations as well as funding for aquaculture projects and access to markets. "All of these constraints are being addressed," he said.

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