

Lack of ships flying SA flag costs billions

South Africa's failure to have any ships flying the country's flag was costing the country some R37bn a year, Transport Minister Sibusiso Ndebele said earlier this week.



(Image: GCIS)

He said in Durban that of the 200 million tons of freight that left South African ports in 2009, not a single ton was carried by a ship bearing the South African flag.

"Sadly today, our country cannot claim to have prioritised this (maritime) sector," he said.

"All of the 200 million tons of our trade are carried by foreign-flagged ships, costing the South African economy in excess of R37bn per year," said Ndebele.

Maritime law dictates that ships have to be registered with a country and fly that country's flag.

Flag of convenience

However, many ship owners fly a flag of convenience. A flag of convenience ship is one that flies the flag of a country other than the country of ownership.

Cheap registration fees, low or no taxes and freedom to employ cheap labour are, according to the International Transport Workers Federation, the motivating factors behind a ship owner's decision to fly flags of convenience.

Countries that have cheap registration fees are Panama, Liberia and the Marshall Islands.

Ndebele said that 80% of the country's trade was by sea and therefore it was a necessity to prioritise the maritime industry.

Ndebele said South Africa was in the top 15 shipping countries in the world when it came to the tonnage that was transported to and from its ports.

Source: *Sapa* via I-Net Bridge

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