

State regulation biggest inhibitor to SA shipping

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5 Jul 2012

State regulation is the biggest inhibitor to growing the SA maritime shipping industry and its development had been neglected in the future planning of the economy, says Commander Tsietsi Mokhele, CEO of the SA Maritime Safety Authority.



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Speaking during a debate at the SA Maritime Industry Conference on Wednesday, 4 July 2012, Commander Tsietsi said the debate over the development of the country's minerals and energy resources had left out the issue of the shipping needed to get raw materials to markets.

He said that it was an assumption that the SA shipping fleet could be highly competitive, but that state regulations around taxation and regulatory factors worked as a disincentive to investors.

"The SA economy is big enough to support a maritime merchant fleet, and the investors have an appetite, but the biggest issue is state regulations that do not support the creation of such a fleet," Commander Tseitsi said.

He went on to say: "If government's R300 billion infrastructure investment goes ahead, it means we will have an increase in export of 60 million tons of raw materials. However, SA has not one ship in its registry (the last having been sold in 2010), but we are number 12 in the world for having cargos transported by sea," he said.

Commander Tseitsi said most key markets were not less than 21 days sailing time from SA ports, but that no planning had gone into developing them to become more efficient or what shipping was needed.

He said that even the development of coastal shipping between African countries shad been left out of the planning even though SA had signed the SA Development Community protocol that was supposed to encourage trade among member countries.

National Planning Commissioner Bridgette Gasas acknowledged that the Commission had not understood the impact or the

value of the maritime shipping sector to the future of the country.

However, Gasa, said that it had featured as parts of several chapters in the draft National Development Plan, such as economic infrastructure and education.

Department of Transport Director General George Mahlalela said that a comprehensive maritime shipping policy framework would be completed by the end of the year.

He said the issues that had to be answered were tactical in nature such as should government have some kind of control to force SA originated cargos onto SA owned ships, if the SA shipping register should be opened to allow for a flag of convenience system, to create a sustainable investment pool for the shipping sector and then how would the policy be implemented.

Mahlalela said that while government supported the creation of SA owned and operated shipping firms, there were no plans or even suggestions of creating a state-owned shipping company.

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