

# Study reveals maritime economy's potential to boost SA's economy, job market

According to a Nelson Mandela Metropolitan University study, South Africa's oceans have the potential to contribute R54bn to the GDP and an estimated potential to create 316,000 jobs. At the launch of Operation Phakisa in 2015, marine transport and manufacturing were estimated to contribute nearly R25bn to the GDP by 2020, and an excess of 15,000 direct and 45,000 indirect jobs within the same timeframe. "South Africa's oceans economy presents an opportunity to stimulate growth in the management of shipyards, dry docks, marine repair shops and similar enterprises," says Damian Bellairs, managing director, marine solutions at Servest.



Federico Rostagno via [123RF](#)

The South African government concedes that despite the enormous contribution that the ocean economy makes to the country's GDP and the role it plays in generating much-needed jobs.

According to figures released by the government, the ocean economy has the potential to contribute up to R177bn to GDP and create just over one million jobs by 2033, increase the number of jobs to 0,8–1,0 million, which is more than double the 2010 level. This will go a long way towards making a dent on the stubbornly high unemployment figures, which soared to 29% in the first quarter of this year according to Statistics SA.

As part of [Operation Phakisa](#), a project that was spearheaded by the Department of Environmental Affairs in partnership with various other departments, the future potential of the ocean economy is highly concentrated within four new growth areas. These sectors were identified as marine transport and manufacturing activities, (coastal shipping, trans-shipment, boat building, repair and refurbishment, etc.), offshore oil and gas exploration, aquaculture, and marine protection services and ocean governance.

According to the South African Maritime Safety Authority, South Africa is a maritime country which accounts for 3.5% of world sea trade and where 80% of trade value being driven by the sea. South Africa is in the top 15 countries that conducts trade on sea by distance.

## Strengthening Africa's trade

According to a 2018 PwC report on [Strengthening Africa's gateway to trade and trade in southern Africa](#), trade in the region is dominated by South African ports, which make up 76% of containerized traffic in sub-Saharan Africa.

The report shows that Durban is the largest container port in the region by far, accounting for almost half of all containers moving through the region's ports. It noted that in terms of factual freight handled, 10 ports in sub-Saharan Africa handle more than 500,000 twenty-foot equivalent units (TEUs) per year, and two of these handle more than a million per year; and only Durban handles more than two million TEUs per year.

In addition, the report shows that four of the eight largest bulk ports are located in South Africa, of which two, Saldanha and Richards Bay are specialist ports handling iron ore and coal respectively.

Bellairs notes: "There are a number of opportunities available in the sector. The maritime economy can also give impetus to eco-tourism as South Africa is blessed with a flora and fauna biodiversity that is found nowhere else in the world, which draws flocks of eco-tourists to the country's shores."

According to Bellairs, South Africa's expansive coast with its sandy beaches, coupled with a variety of ecotourism activities – from snorkelling, whale watching, surfing, game fishing to scuba diving, and shark diving, make South Africa the ideal travel destination and help to position the country as a preferred tourist destination.

## Oil and gas, a focus area for development

In the area of fossil fuels, South Africa's government has identified offshore oil and gas as a focus area for rapid development. The government has also stated that it aims to accelerate the drilling of 30 wells in the next few years as part of Operation Phakisa, and develop infrastructure, such as a phased gas pipeline network.

The discovery of rich sources of natural gas off the southern coast of the Cape bodes well for the development of the gas economy. It has been estimated that South Africa could be home to around one billion barrels of the globe's total resources of gas and condensate.

This was echoed by Mineral Resources Minister Gwede Mantashe, who hailed the discovery of gas deposits in February this year as potentially a major boost for the sluggish economy, which grew less than 1% in the first quarter of 2019. The maritime economy holds immense potential to stimulate economic growth, create employment opportunities and create a thriving ecosystem where entrepreneurs can be incubated and grow.

Operation Phakisa has also identified small harbours as low hanging fruits that can stimulate economic growth and accelerate enterprise development.

## These commercial activities include:

- Infrastructure to support fishers: processing, ice production, cold storage;
- Infrastructure for boat-building and repair;
- Additional berthing and launching facilities;
- New recreational fishing points; and
- Access to better amenities for fishers.

Operation Phakisa also identified ice-making, desalination, yacht mole facilities, water taxis and a variety of tourism ventures as other business opportunities that might work at a small harbour.

"The expansive oceans surrounding South Africa have tremendous potential to spur much-needed economic growth. However, all role-players need to be cognisant of the delicate ecosystem and ensure that all economic activities are undertaken in a sustainable and responsible manner," concludes Bellairs.

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