



REPUBLIC OF SOUTH AFRICA



# OCEANS ECONOMY

## SUMMARY PROGRESS REPORT

JUNE 2019

# OPERATION PHAKISA: OCEANS ECONOMY

DEA, DPME, DOT, DPE, DTI, DMR, DOE, DAFF, DST, DHET, DPW, DRDLR, DOL, DHA, NT, DSBD, DOD, EDD, DOW, NDT, DIRCO, DBE, DWS, Provinces

## OCEANS ECONOMY FOCUS AREAS AND ENABLERS



**Marine Transport and Manufacturing**



**Offshore Oil and Gas**



**Aquaculture**



**Marine Protection Services and Ocean Governance**



**Small Harbours Development**



**Coastal and Marine Tourism**



**Skills Development and Capacity Building**

**Research, Technology and Innovation**

It is estimated that the oceans economy has the potential to contribute up to **R177 billion** to Gross Domestic Product (**GDP**) by **2033** (compared to R54 billion in 2010) and create approximately **1 million jobs** (compared to 316 000 in 2010).

# OPERATION PHAKISA: ENVISAGED ECONOMIC GROWTH

	SHORT TERM 2016	MEDIUM TERM 2019	LONG TERM 2033
Jobs	26 000 jobs cumulative	77 100 jobs	1 million jobs
Economic growth	GDP contribution of R7.5 bn <sub>1</sub>	GDP contribution of R32 bn <sub>1</sub>	GDP contribution of R129-R177bn <sub>1</sub>
Transformation indicator	<ul style="list-style-type: none"> <li>•Monitoring of Maritime BEE Charter and application of BEE Codes in National Ports Act. (min level 4 BEE and focus on Ownership and Operation).</li> <li>•15% transformation (Aquaculture).</li> <li>•Opportunities for SMME's.</li> </ul>	<ul style="list-style-type: none"> <li>•Monitoring of Maritime BEE Charter and application of BEE Codes in National Ports Act. (min level 4 BEE and focus on Ownership and Operation).</li> <li>•26% transformation (Aquaculture).</li> <li>•Opportunities for SMME's.</li> </ul>	<ul style="list-style-type: none"> <li>•Monitoring of Maritime BEE Charter and application of BEE Codes in National Ports Act. (min level 4 BEE and focus on Ownership and Operation).</li> <li>•50% transformation (Aquaculture).</li> <li>•Opportunities for SMME's.</li> </ul>

1. Jobs created through employment multiplier

# OPERATION PHAKISA: ENVISAGED ECONOMIC GROWTH BY 2019

	MARINE TRANSPORT AND MANUFACTURING	OFFSHORE OIL AND GAS EXPLORATION	AQUACULTURE	SMALL HARBOURS	COASTAL AND MARINE TOURISM
Jobs	Jobs from 6 000 to 40 000 - 50 000 created		Jobs from 2 227 to 15 000 created (incl. value chain)	Potential jobs of 12 100.	116 000 jobs by 2026
Economic growth	GDP contribution from R7bn1 to R14-23 bn	Promotes exploration in order to drill 30 exploration wells in 10 years	GDP contribution from R0.7 bn1 to R3 bn	GDP contribution of R6 bn.	GDP contribution of R21,4 billion by 2026
Transformation indicator	•Market share of SA companies to 30%		•Inclusive growth	•Inclusive growth	

# OCEANS ECONOMY IMPACT

## ECONOMIC ANALYSIS OF TOTAL OCEAN SECTORS

### Oceans Economy Sector Economic Analysis:

- 2010: 4.4% of GDP (R 110 billion), and 316 000 jobs (4th quarterly employment survey).
- 2014: 4.6% of GDP (R 125 billion), and 413 356 jobs (4th quarterly employment survey).
- 2015: **4.4% of GDP (R 128 billion), and 425 525 jobs** (September 2016).
- 2016: to be determined.

### The percentage decrease in contribution to the Gross Domestic Product (GDP) from 2010 to 2015 can be attributed to:

- Depressed global and local economic climate; Global trade growth and commodity prices under downward pressure; Low oil prices impacting negatively on the oil and gas sector; and a slowdown in investments especially from the private sector.

### In order to realise the high level targets for the Oceans Economy the following is required:

- To realize a GDP contribution of R 177 billion by 2033, South Africa will require a real growth rate of approximately 1.82% per annum from 2015; and
- To realize the creation of 1 million jobs by 2033 South Africa will require a real employment growth rate of approximately 4.9% per annum from 2015.

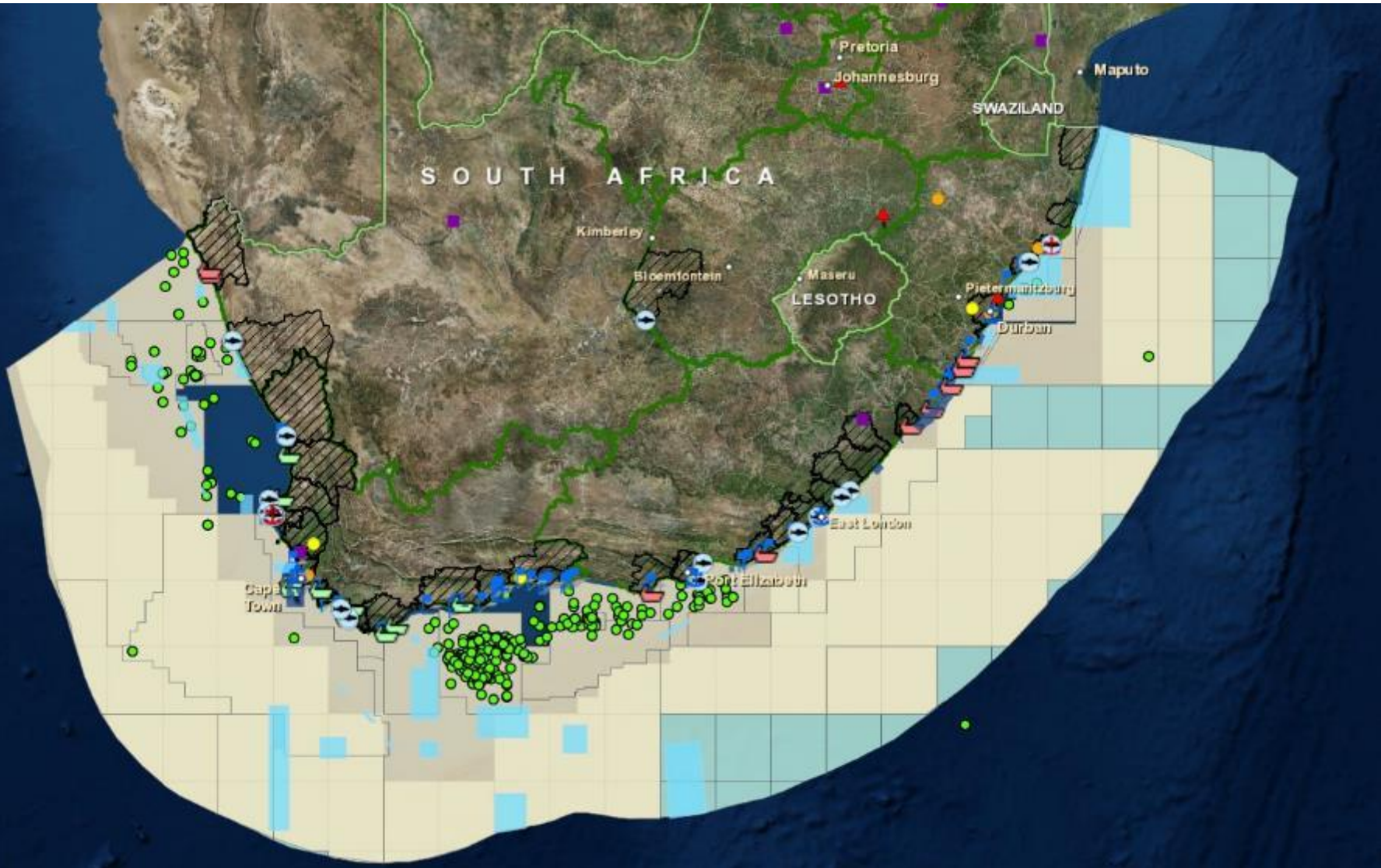
# OCEANS ECONOMY IMPACT

Operation Phakisa: Oceans Economy commenced with operational work after the October 2014 launch. Overall progress to date for directly funded Oceans Economy projects impacts includes:

- Government has unlocked investments amounting to approximately **R 29.4 billion for direct project funding** in the Oceans Economy.
- Over **7 351 jobs** have been created in the various sectors.



# OPERATION PHAKISA: OCEANS ECONOMY FOOTPRINT



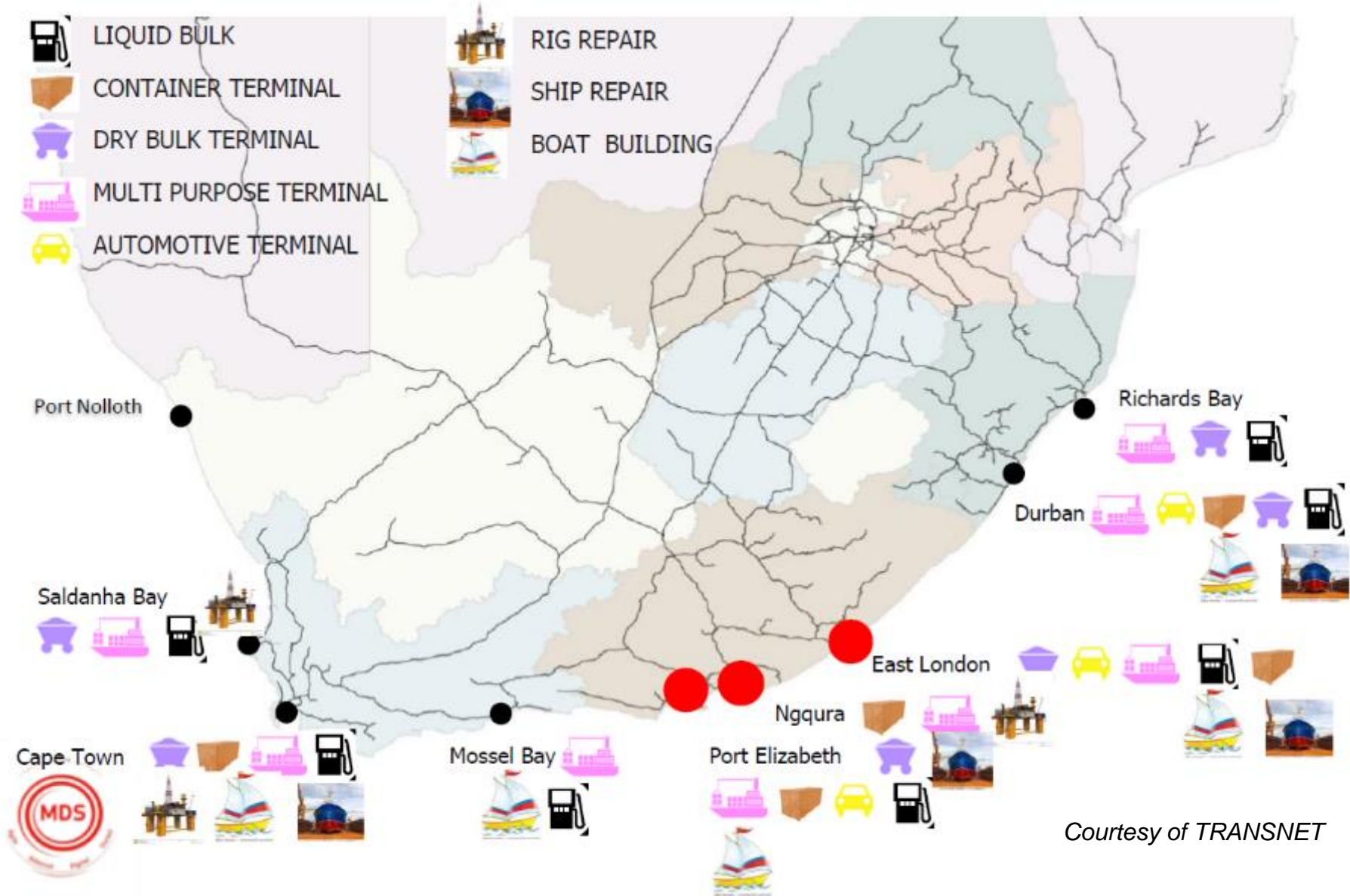


# Marine Transport and Manufacturing





# SOUTH AFRICA HAS EIGHT MAJOR COMMERCIAL PORTS WITH OPPORTUNITIES FOR ECONOMIC GROWTH



Courtesy of TRANSNET

# INITIATIVES

## OVERVIEW OF INITIATIVES

### A Infrastructure and operations

- 1 Create supportive funding and revenue model
- 2 Establish purpose-built oil and gas port infrastructure by appointing facility operators – Saldanha Bay
- 3 Align on implementation of government policy
- 4 Prioritise Transnet and TNPA funding allocation towards marine manufacturing
- 5 Maintain and refurbish existing facilities
- 6 Unlock investment in new and existing port facilities
- 7 Implement a Strategic Prioritised Project – Richards Bay
- 8 Implement a Strategic Prioritised Project – East London

### B Skills and capacity building

- 9 Train 2,550 TVET College graduates on an 18-month workplace-based experiential learner programme in scarce and critical trades over the next 5 years
- 10 Create dedicated OTs for the MTM sector (professional, trades, operators and seafarers)
- 11 Establish trade RPL, CBMT or centers of specialisation in Saldanha Bay and Richards Bay
- 12 Train 18,172 learners as artisans, semi-skilled workers and professionals over the next 5 years
- 13 Increase usage of ESSA system and targeted career awareness services as a high-value recruitment tool for MTM
- 14 Increase capacity to develop skills for ~1,200 ratings and ~720 officers per year

### C Market growth

- 15 Create and implement a public procurement and localisation programme
- 16 Develop a strategic marketing campaign and value proposition for target markets
- 17 Propose inclusion of a preferential procurement clause in the African Maritime Charter
- 18 Support local registry of vessels through incentives and legislation of using SA-flagged ships for cargo and coastal operations (based on UN Conference on Trade and Development and African Maritime Charter guidelines)

#### LEGEND:

	70% on target
	69%-50% on target
	Less than 50% on target

i. TNPA – Transnet National Ports Authority

ii. ESSA – Employment Services of South Africa

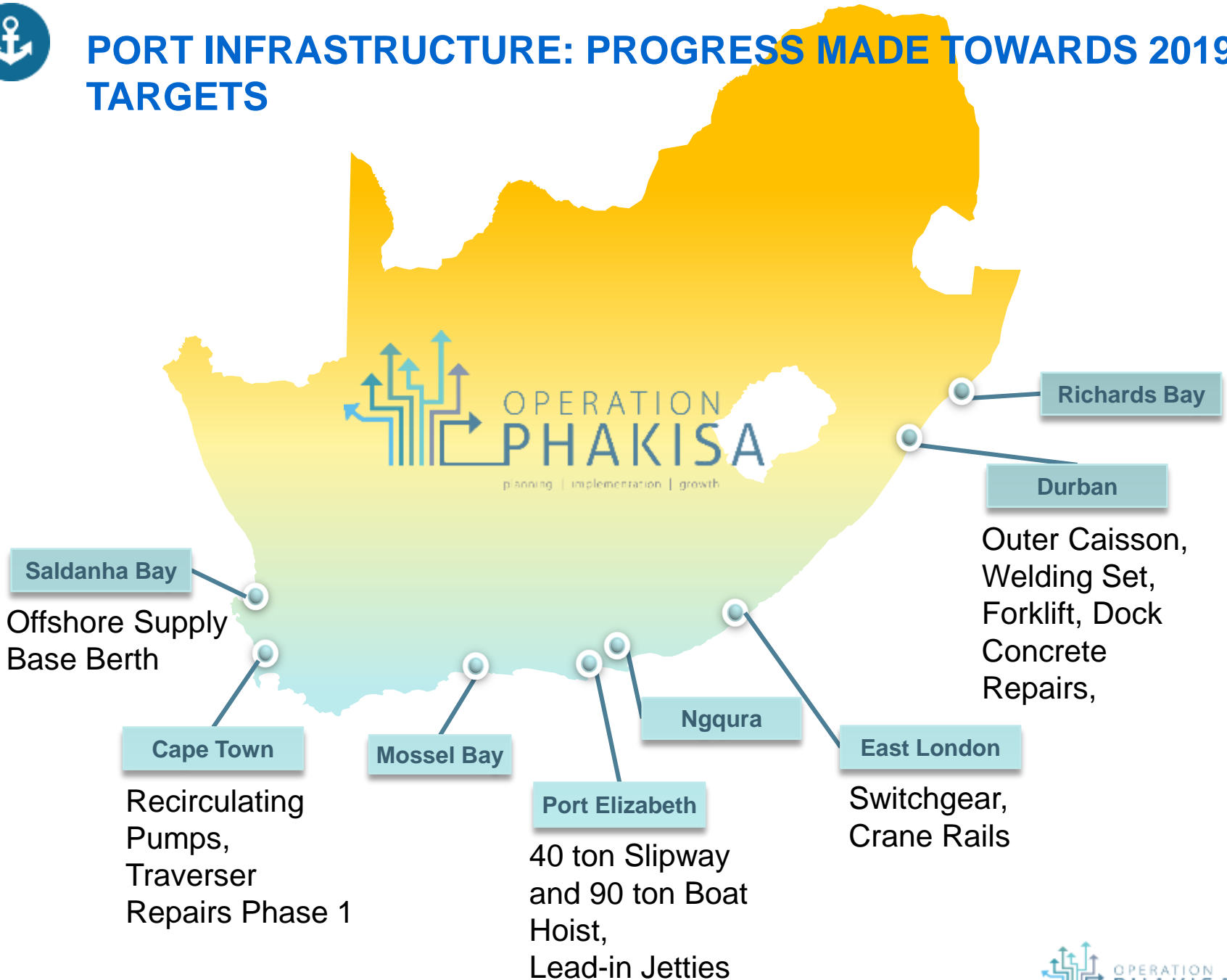
iii. TVET – Technical and Vocational Education and Training

iv. RPL – Recognition of Prior Learning

v. CBMT – Competency-based Modular Training



# PORT INFRASTRUCTURE: PROGRESS MADE TOWARDS 2019 TARGETS



# MARINE TRANSPORT AND MANUFACTURING HIGHLIGHTS

## Infrastructure and operations

### Initiative 1: Create supportive funding and revenue model

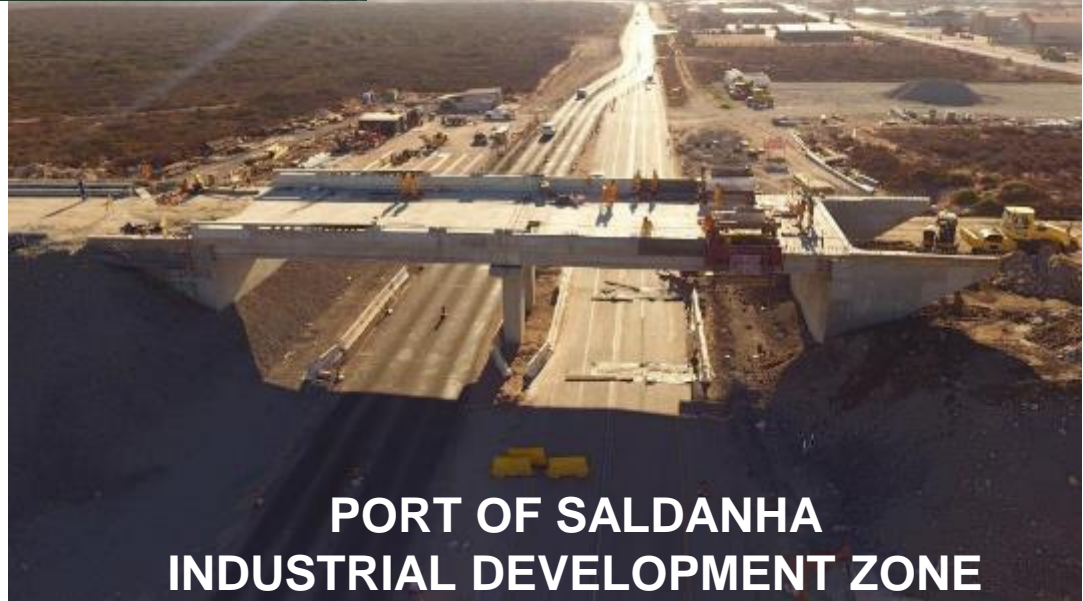
### Initiative 2: Establish purpose-built oil and gas port infrastructure by appointing facility operators – Saldanha Bay

- The Request for Proposal (RFP) for interested parties to design, develop and operate an Offshore Supply Base at the Port of Saldanha (Initiative 2) was issued by TNPA on 29 April 2016 with a closing date of 12 September 2016. The bid closed on 1 October 2016.
- Transnet has issued a port concession to SALDEHCO to fund, build, own and operate an Offshore Supply Base at the Port of Saldanha Bay.
- The Saldanha Bay IDZ and Transnet have concluded a lease agreement of 35ha of land to support Offshore Oil and Gas Hub.
- Expression of Interest (EOI's) for the New Berth 205 and the Extension of the Quay at Mossgas – Port of Saldanha Bay (Initiative 2), has been advertised on 01 June 2016. The EOI's closed on 2 August 2016 and bid evaluation has been completed.
- No clear takers for full private sector funded projects have emerged. Bidders signalled an appetite to utilise existing infrastructure for rig repairs (berth 204 and the current Mossgas Quay) and a possible floating dock in Saldanha until the oil and gas market recovers.
- TNPA has advertised an RFP seeking a Transaction Advisor to develop a “go-to-market” pack and RFP to be issued in October, 2019.

# PORT OF SALDANHA – UPGRADE OF GENERAL MAINTENANCE QUAY



# PORT OF SALDANHA



## PORT OF SALDANHA INDUSTRIAL DEVELOPMENT ZONE

# PORT OF SALDANHA – AQUACULTURE IN THE BAY



# MARINE TRANSPORT AND MANUFACTURING HIGHLIGHTS

## Infrastructure and operations

### **Initiative 3: Align on implementation of government policy**

- The Comprehensive Maritime Transport Policy was launched on 20 July 2017 in Durban.

### **Initiative 4: Prioritise Transnet and TNPA funding allocation towards marine manufacturing**

- Transnet National Ports Authority (TNPA) and Transnet SOC Limited have adopted a Public- Private -Partnership (PPP) model to finance new Operation Phakisa infrastructure at the Ports of Saldanha Bay, Richards Bay and East London. PPP opportunity of approximately R7.2 billion investment in new facilities.

### **Initiative 5: Maintain and refurbish existing facilities**

- TNPA has provided R2.7bn towards the upgrade of existing ship repair facilities. Completed projects – Saldanha OSSB Berth, Durban Outer Caisson, Durban Concrete Repairs and PE Boat Hoist plus Lead In Jetties. This includes R700 mil in dredging and berth infrastructure works that TNPA will fund to enable a concession for a floating dock in Richards Bay to a private investor. R510 million has been spent by TNPA to date since commencement of Operation Phakisa on the upgrade of current Ship Repair Facilities.



# PORT OF PORT ELIZABETH



**NEW 90 TON BOAT HOIST**

**REFURBISHED  
SLIPWAY**

**REFURBISHED 1200 Ton  
LEAD-IN JETTIES**

# MARINE TRANSPORT AND MANUFACTURING HIGHLIGHTS

## Infrastructure and operations

### Initiative 5: Maintain and refurbish existing facilities

- Refurbishment of Existing Ship Repair Facilities: Refurbishment of outer dry dock caisson, procurement of equipment and concrete repairs to the dock in **Durban**; refurbishment of Lead-In Jetty and the commissioning of the 90 Ton Boat Hoist in **Port Elizabeth**. Upgrade of General Maintenance Quay to support the new Offshore Supply Base in **Saldanha Bay** has been completed. The Electrical upgrade and Crane Rails for **East London Dry Dock** have been completed.
- The supply of new equipment at the Durban Shop 24 Workshop valued at R23m has been finalised.
- Whereas the dry dock cranes were planned for refurbishment as part of the scope of Initiative 5, technical studies concluded that they need to be replaced. Replacement of 10 cranes in Durban, 10 cranes in Cape Town requires 1.2 billion.
- TNPA is preparing to issue an RFP for the replacement and operation of the TNPA Durban Floating Dock preferably by a private investor. This will incorporate stringent transformation elements. The estimated cost of refurbishment is in the order of R220m.

**PORT OF CAPE TOWN**



**PORT OF EAST LONDON**



**PORT OF DURBAN DRY DOCK OUTER CAISSON**



# MARINE TRANSPORT AND MANUFACTURING HIGHLIGHTS

## Infrastructure and operations

### Initiative 6: Unlock investment in new and existing port facilities

- The proposed involvement of private sector in the existing ship repair facilities has been reviewed in the new three feet plan. TNPA will own, operate and fund the existing facilities until further notice.
- TNPA is currently executing infrastructure works at the Port of Port Nolloth and preplanning works at the Port of Boegoebaai. The Department of Public Works (DPW) will involve TNPA in discussions on Small Harbours and Coastal Property Development. It was recommended that DPW makes a formal submission to the Minister of Public Enterprises (as the Shareholder) on its initiatives for the small harbours requesting assistance from TNPA. TNPA welcomed the request by DAFF and DEA to collaborate on the development of a market proposition for the Port of Port Nolloth and to invite DPW to the Port Nolloth – Boegoebaai Steering Committee.



# MARINE TRANSPORT AND MANUFACTURING HIGHLIGHTS

## Infrastructure and operations

### Initiative 6: Unlock investment in new and existing port facilities

- TNPA has issued a port concession to KwaZulu Cruise Terminal (Pty) Ltd to fund, build, operate and transfer the Durban Cruise Terminal.
- The right to fund, build and operate the Cape Town Cruise Terminal has been awarded to the V&A Waterfront (Pty) Ltd - operational.



# MARINE TRANSPORT AND MANUFACTURING HIGHLIGHTS

## Infrastructure and operations

### Initiative 6: Unlock investment in new and existing port facilities

- Eight (8) of the nine (9) harbour tugs being built by Southern African Shipyards for TNPA have been launched into the water. Of these 7 have been delivered as follows:

T3013 - MV Mveso	Delivered - 04, April, 2016, Port of Port Elizabeth
T3014 - MV Qunu	Delivered - 08 July, 2016, Port of Port Elizabeth
T3015 - MV Cormorant	Delivered - 31 August, 2016, Port of Saldanha
T3016 - MV Osprey	Delivered - 14 December, 2016, Port of Saldanha
T3017 - MV Ukhozi	Delivered - 05 May, 2017, Port of Richards Bay
T3018 - MV Umbilo	Delivered - 21 August, 2017, Port of Durban
T3019 - MV Usiba	Delivered – 17 November, 2017, Port of Cape Town
T3020 - MV Mkhomazi	Launched into water 17 November, 2017, Port of Durban
T3021 - MV Erne	FIN Q3 – 2018 (Port of Saldanha)

# PORT OF DURBAN – SOUTHERN AFRICAN SHIPYARDS TUGBOATS



# MARINE TRANSPORT AND MANUFACTURING HIGHLIGHTS

## Infrastructure and operations

### **Initiative 6: Unlock investment in new and existing port facilities**

- TNPA has advertised a RFP for a suitable operator to design, fund, build and operate a Liquid Bulk Terminal at Island View in the port of Durban. The tender has closed and evaluation is underway.
- TNPA and Oiltanking Grindrod Calulo Terminals has signed the Terminal Operator Agreement (concession) to fund, build, own, operate and transfer the new Liquid Fuels Terminal at the Port of Ngqura.
- Construction on the development of the Sunrise Energy Liquid Petroleum Gas (LPG) Facility in Saldanha Bay has been completed and the Terminal is operational. The Burgan Cape Liquid Fuels Facility in Cape Town has also commenced operation.





# MARINE TRANSPORT AND MANUFACTURING HIGHLIGHTS



**PORT OF NGQURA**

# MARINE TRANSPORT AND MANUFACTURING HIGHLIGHTS

## Infrastructure and operations

### Initiative 7: Implement a Strategic Prioritised Project – Richards Bay

- Expressions of Interest (EOI's) for a Floating Dock representing flexible ship repair capacity at the Port of Richards Bay (Initiative 7) has been advertised on 01 June 2016. The EOI's closed on 2 August 2016 and bid evaluation has been completed.
  - No clear takers for full private sector funded projects have emerged.
  - Positive responses for a floating dock in Richards Bay but bidders require TNPA to carry the costs of fixed infrastructure works (dredging, quay wall works). The TNPA has budgeted R817m for these additional costs while a private operator will be sourced to fund, install and operate the floating dock. Transnet SOC Ltd has approved the FEL 2 Phase and the FEL 3 studies including the Basic Assessment Report (EIA) process us underway.
  - TNPA has advertised an RFP seeking a Transaction Advisor to develop a “go-to-market” pack and RFP to be issued in June, 2019. Along with the Marine Works, the terminal is expected to be commissioned by March, 2022 or sooner.

# RICHARDS BAY INDUSTRIAL DEVELOPMENT ZONE CONSTRUCTION BY SMME



# MARINE TRANSPORT AND MANUFACTURING HIGHLIGHTS

## Infrastructure and operations

### Initiative 8: Implement a Strategic Prioritised Project – East London

- Expressions of Interest (EOI's) for a boat building facility at the Port of East London (Initiative 8) has been advertised on 01 June 2016. The EOI's closed on 2 August 2016 and bid evaluation has been completed.
  - No clear takers for full private sector funded projects have emerged.
  - Boat building facility - East London. No interest. Bidders suggest a “lease type” right for operators to set up low risk operations. TNPA will be issuing leases. The Fishing Fleet Recapitalisation needs to be fast-tracked to create the demand for these facilities. The Eastern Cape Department of Economic Development, Tourism and Agriculture and the East London IDZ are being engaged to address the demand for marine manufacturing suitable for the allocated site.

# MARINE TRANSPORT AND MANUFACTURING HIGHLIGHTS

## Skills and capacity building

**Initiative 9: Train 2,550 TVET College graduates on an 18-month workplace-based experiential learner programme in scarce and critical trades over the next 5 years**

- See the Skills Development and Capacity Building Report.

**Initiative 10: Create dedicated OTs for the MTM sector (professional, trades, operators and seafarers)**

- See the Skills Development and Capacity Building Report.

**Initiative 11: Establish trade RPL, CBMT or centers of specialisation in Saldanha Bay and Richards Bay**

- See the Skills Development and Capacity Building Report.

# MARINE TRANSPORT AND MANUFACTURING HIGHLIGHTS

## Skills and capacity building

### **Initiative 12: Train 18,172 learners as artisans, semi-skilled workers and professionals over the next 5 years**

- Work is progressing as planned on the Phakisa Training Schools at the Ports of Cape Town and East London. Specialised Phakisa Training programmes to up-skill from communities around the ports are at various levels of planning and implementation at all ports. Port of Durban currently has 24 Apprentices (Coded Welders and Millwrights) from surrounding communities in training at Transnet Engineering depots in Durban.
- The Maritime Youth Development Programme (MYDP), which recruits unemployed youth in South Africa on international cruise liners has entered into an MOU with the Office of the Premier of the Eastern Cape to train 150 candidates from the OR Tambo and Buffalo City Municipalities. 85 youth have been placed as of 30 November 2017. By the end of the 2017/18 financial year, the program will have placed 103 youth since inception in 2016. The provinces of the Eastern Cape and Gauteng have committed to funding the training and placement of 150 youth in 2018/19.

### **Initiative 13: Increase usage of ESSA system and targeted career awareness services as a high-value recruitment tool for MTM**

### **Initiative 14: Increase capacity to develop skills for ~1,200 ratings and ~720 officers per year**

# PORT OF DURBAN – TRANSNET MARITIME SCHOOL OF EXCELLENCE



# MARINE TRANSPORT AND MANUFACTURING HIGHLIGHTS

## Market growth

### **Initiative 15: Create and implement a public procurement and localisation programme**

- Initiative 15 – Growing the marine manufacturing market with reference to the consolidation of the government fleet: The MTM Delivery Unit placed on record concern at the tender that has been issued by the Department of Environmental Affairs (DEA) for the management of the SA Agulhas II – Miriam Makeba. The MTM Delivery Unit will schedule bilateral meetings between relevant Directors-General to resolve the matter on the basis of a proposal on the consolidation of the government fleet.
- More than R700 million earmarked for the Supplier Development Plan entered into between Southern African Shipyards and Transnet's local suppliers, employees and graduates.



# MARINE TRANSPORT AND MANUFACTURING HIGHLIGHTS

## Market growth

### Initiative 15: Create and implement a public procurement and localisation programme

- Since the designation of working vessels for local procurement (60% local content) and the issuance of the instruction note by National Treasury, the achievements include:
  - Southern African Shipyards (SAS) was contracted by TNPA in September 2014 to deliver 9 x 70 ton bollard pull Twin Cyclodial Propulsion tugs for the various Ports in South Africa. These are the latest generation of powerful tugs that are required to escort the increasingly larger size of vessels that are calling on the various ports.
  - SAS was contracted by DNG Energy, a 100% Black Owned South African company, in October 2019 to build an LNG Barge. The vessel at 147m equals the record for the largest ship to be built on the African continent. DNG, as a privately owned company, was not compelled to build the vessel in SA but took a patriot view. It is envisaged that 650 direct jobs being created at SAS and about 4500 indirect jobs at peak production.
  - SAS was contracted by Armscor in February 2018 to deliver a Hydrographic Capability to the South African Navy. This included the following deliverables: A 95m Hydrographic Survey Vessel; 3 x Survey Motor Boats; An Integrated Logistics Support Package (Training, Operations and Maintenance); and the upgrade of the South African Navy Hydrographic Office at Silvermine, Simon's Town.
  - South Africa has not built large vessels since the delivery of SAS Drakensberg by SA Shipyards in 1987. Project Hotel (95m) and Barge Genesis (147m) re-establish SA's large shipbuilding capability and capacity. Project Hotel has also created the capability to build complex vessels at an affordable price which will enable the country to position itself as truly a world class player in the globally competitive shipbuilding industry

# MARINE TRANSPORT AND MANUFACTURING HIGHLIGHTS

## Market growth

### **Initiative 15: Create and implement a public procurement and localisation programme**

- Since the designation of working vessels for local procurement (60% local content) and the issuance of the instruction note by National Treasury, the achievements include:
  - Damen Shipyards Cape Town has been awarded a contract to build three inshore patrol vessels for the Navy worth R 2.4 billion.
  - AMSOL partnered with Damen Shipyards Cape Town to build two new vessels which will carry out supply and support work for the De Beers Group's offshore diamond mining activities in Port Nolloth to the value of R150 million.
  - In 2015 Southey Holdings and Nautic Africa invested R353.3 million and have been approved under the 12I tax incentive. These investments are expected to create 355 direct jobs.
  - Smaller players such as Veecraft (R23 million) and NautiTech (R1.8 million) were awarded tenders to build workboat ferries for the Navy and a Research Vessel for the National Research Foundation's respectively.

# PORT OF DURBAN – SOUTHERN AFRICAN SHIPYARDS



# NAUTIC SHIP BUILDING, PORT OF CAPE TOWN



## PORT OF DURBAN – DORMAC FLOATING DOCK SHIP REPAIR FACILITY

The Dormac ship-repair facility at the Port of Durban opened a composite Floating Dock. The project creates more than 300 jobs. The DTI facilitated this investment through the 12i Income Tax Incentive to the value of more than R160 million (May 2016).



# MARINE TRANSPORT AND MANUFACTURING HIGHLIGHTS

## Market growth

### **Initiative 16: Develop a strategic marketing campaign and value proposition for target markets**

- The South African Oceans Economy value proposition booklet has been published and Ministers were given copies at the previous Ministerial Management Committee Meeting. The purpose of the booklet is to create awareness of South Africa's Oceans Economy. The boat building and ship building industry of South Africa will be showcased.
- The New Business Development Department of the TNPA and Oceans Economy are identifying new business opportunities in the maritime industry.



# MARINE TRANSPORT AND MANUFACTURING HIGHLIGHTS

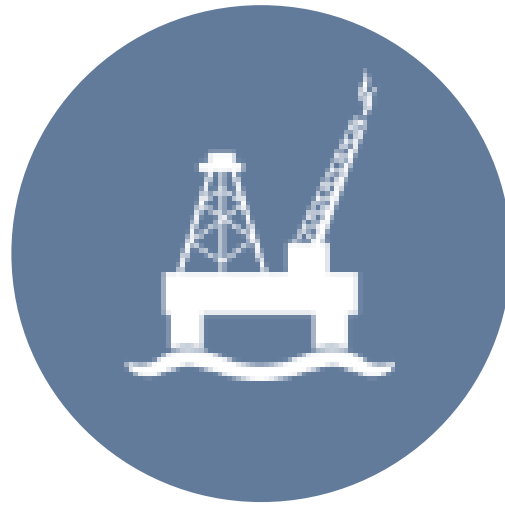
## Market growth

**Initiative 17: Propose inclusion of a preferential procurement clause in the African Maritime Charter**

**Initiative 18: Support local registry of vessels through incentives and legislation of using SA-flagged ships for cargo and coastal operations (based on UN Conference on Trade and Development and African Maritime Charter guidelines)**

- Four ships have been registered on the South African Ships Register: Updated and verified reports on the SA Ships Register remain outstanding.





# Offshore Oil and Gas



# INITIATIVES

## 11 initiatives have been identified for offshore oil and gas exploration

### A Infrastructure

- A1 Develop phased gas pipeline network

### B Environment

- B1 Conduct joint industry/government emergency response drills
- B2 Operationalise IOPC<sup>1</sup> Funds
- B3 Exploit broader research opportunities presented by offshore oil and gas exploration

### C Localisation of Supply Chain

- C1 Develop/implement local content roadmap

### D Capability Development

- D1 Develop/implement skills strategy roadmap
- D2 Develop capability for sub-surface research and data gathering

### E Institutions

- E1 Build end-to-end institutional structure
- E2 Enhance environmental governance capacity of oil and gas regulator
- E3 Promote awareness of oil and gas industry

### F Legislative

- F1 Provide legislative clarity and stability

<sup>1</sup> Internal Oil Pollution Compensation



# OFFSHORE OIL & GAS - POTENTIAL

## PETROLEUM EXPLORATION AND PRODUCTION ACTIVITIES IN SOUTH AFRICA



South Africa has possible resources of ~9 bn barrels of oil and ~60 tcf of gas offshore, but uncertainty is high.

The aspiration is to create an environment that promotes exploration while simultaneously maximising the benefits for South Africa.

# OFFSHORE OIL AND GAS EXPLORATION ANALYSIS OF CRITICAL ISSUES

- Market conditions have significantly changed since the Lab planning process in 2014.
- Prices have spiralled downwards to less than half owing to a confluence of factors.
- The green revolution has exacerbated the situation further, supported by the Paris accord (2017) for lower emissions.
- Gas seems poised to take centre stage in terms of energy mix, however the PETROSA loss and downward revision of gas reserves, has made investors remain apprehensive about South Africa's prospects.
- The above, together with other factors contributed to a lower investment appetite, however this is improving as the oil price is on a recovery mode and there are indications for the resolution of the regulatory environment.

# OFFSHORE OIL AND GAS EXPLORATION HIGHLIGHTS

## ***A1: Development of Phased Gas Pipeline Network***

- A Strategic Environmental Assessment is underway, special studies have been done to determine final corridors in terms of the environment these include social economic, visual impacts, biodiversity, hydrology and geological issues. Peer reviews and public inputs are being sourced and public outreach has taken place and will be continued in the Western Cape, Eastern Cape, Gauteng, KwaZulu-Natal, and Northern Cape.

## **B1: Conduct joint industry/ government emergency response drills/ Interim IMOrg**

- The Legal opinion has been provided for consideration by the IMOrg and DoL regarding the launch of the IMOrg. The work group is waiting for a bilateral between DoT and SAMSA to chart a way forward considering issues raised in the legal opinion.

## **B2: Operationalise IOPC fund**

- The work in terms of the 3 foot plan has been completed.

## **B3: Exploiting the broader research opportunities presented by offshore oil and gas exploration**

- The work in terms of the 3-foot plan has been completed.

# OFFSHORE OIL AND GAS EXPLORATION HIGHLIGHTS

## **C1: Develop Local Content roadmap**

- The work in terms of the 3-foot plan has been completed.

## **D1: Develop a collaborative skills strategy roadmap (Capacity Building)**

- See the Skills Development and Capacity Building report.

## ***D2: Develop capability for sub-surface research and data gathering***

- The joint submission for the subsurface research vessel has been approved by all Director-Generals. The proposal to be discussed with National Treasury.

## **E1: Achieve a streamlined and efficient E2E institutional structure for regulation of oil and gas**

- The Department of Mineral Resources has been merged with the Department of Energy through the president's reconfiguration process recently announced as a results the Petroleum Agency South Africa automatically forms part of entities reporting to the Minister of the recently formed Department of Mineral Resources and Energy. Therefore there is no need for the process of migration to take continue.

# PORT OF CAPE TOWN – BURGAN FUEL STORAGE FACILITY



# OFFSHORE OIL AND GAS EXPLORATION HIGHLIGHTS

## **E2: Enhance environmental governance capacity of the oil and gas regulator**

- The work in terms of the 3 foot plan has now been completed. The capacity building plan/Implementation Plan which is the final deliverable on the 3ft plan is yet to be presented to both PASA Management and Board level for consideration.

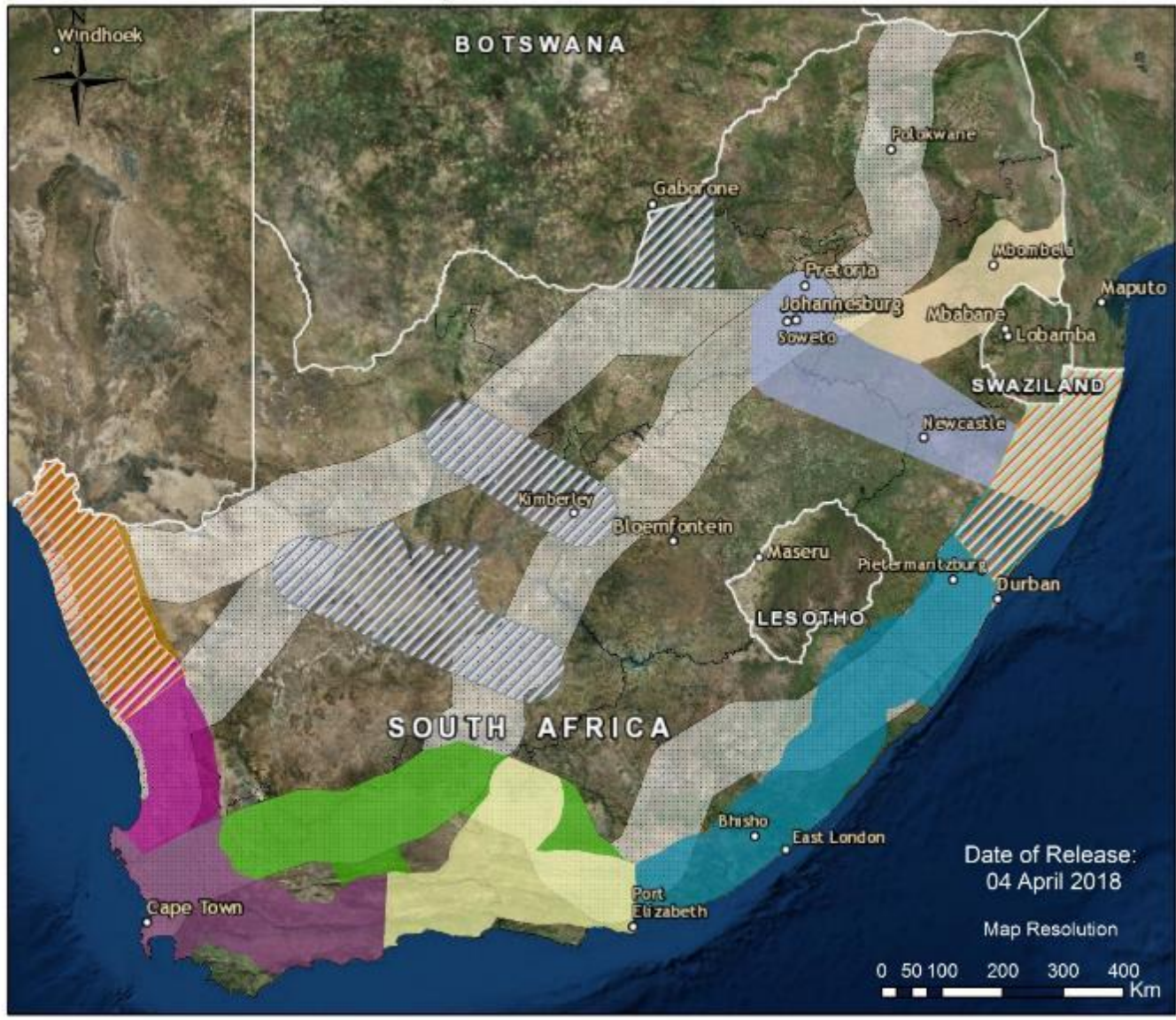
## **E3: Promote awareness of the oil and gas industry**

- The completion of the following outstanding deliverables have been put on hold due to financial constraints until further notice:
  - Sub-activity 3.4: Staff and capacitate the function within the regulator
  - Sub-activity 4.1: Host a national launch to generate hype and awareness of the function to the public
- PASA is in the process of acquiring the services of a service provider to assist in the finalisation of Sub-activity 3.2: Establish a website.
- PASA has taken a decision to maximise on internal capacity by sharing some of the functions required in administration and management of the website amongst internal staff members.

## **F1: Provide legislative clarity**

- The MPRDA Bill has lapsed with the rising of Parliament and the DMR is in the process of developing a separate oil and gas legislation.

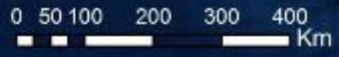
# NATIONAL STRATEGIC ASSESSMENT FOR A GAS PIPELINE NETWORK AND ELECTRICITY GRID INFRASTRUCTURE IN SA



- Phased Gas Pipeline Corridors**
- Phase 1a & 1b
  - Phase 2 & Shale Gas Line
  - Inland Corridor
  - Phase 3
  - Phase 4
  - Phase 5
  - Phase 6
  - Phase 7
  - Phase 8

- Electricity Grid Infrastructure (EGI)**
- Additional EGI Corridors
  - Additional EGI Corridors under consideration
  - Gazetted EGI Corridors

Date of Release:  
04 April 2018  
Map Resolution







# Aquaculture

# THE SECTOR ASPIRATION TO CATALYSE AQUACULTURE GROWTH

## HEADLINES 2019: SA economy reaps the rewards of Operation Phakisa

“...to Aquaculture in South African has shown strong growth in 5 years, with **production from 2014 up 5 fold to 20,000 tonnes...**”

“...The Aquaculture sector in South Africa now **employs 15,000 people in direct and full time jobs.....**”

“Jobs in Aquaculture sector seen as **quality jobs, improving livelihoods in rural communities....**”

“...experts estimate the **revenue contributed by Aquaculture to South Africa's economy to be as much as R 3 Bn...**”



“...exciting momentum built in Operation Phakisa evidenced by **Aquaculture's inclusive growth...**”

**Abalone**



**Oyster**



**Mussels**



**Finfish**



# AQUACULTURE OPERATION PHAKISA INITIATIVES DEVELOPED DURING THE LAB (OCTOBER 2014)

## 1 Selection and Implementation of Catalyst Projects



2 Legislative reform

3 Inter-Departmental Authorisations Committee

4 Globally recognised monitoring and certification system

Regulations



5 Aquaculture Development Fund

Funding



6 Capacity building and skills development

Skills



7 Coordinated industry-wide marketing efforts

8 Government Preferential Procurement

Market



9 Aquaculture Development Zone (New)

# AQUACULTURE HIGHLIGHTS

# INITIATIVE 1: IMPLEMENTATION OF CATALYST PROJECTS

Accepted Aquaculture Operation Phakisa projects = **37**



- **Original projects:** Six (6) of the original 24 projects conceptualised during the lab have been removed and placed on business opportunities and one (1) project, Amatikulu Kob, was incorporated in the new Aquaculture Development Zone (9) initiative.
- **New Projects:** Twenty (20) projects accepted since the Lab in 2014.
- **In Production:** 26 of the 37 projects are producing aquatic animals.
- **New 2018:** 13 new (SMME) projects accepted ,subject to receiving leases in Saldanha Bay

## Hatcheries

In order to supply demand and promote new entrants into the sector, the DAFF is busy with feasibility studies for Hatcheries (Research and Demonstration) in the Northern Cape and Eastern Cape.

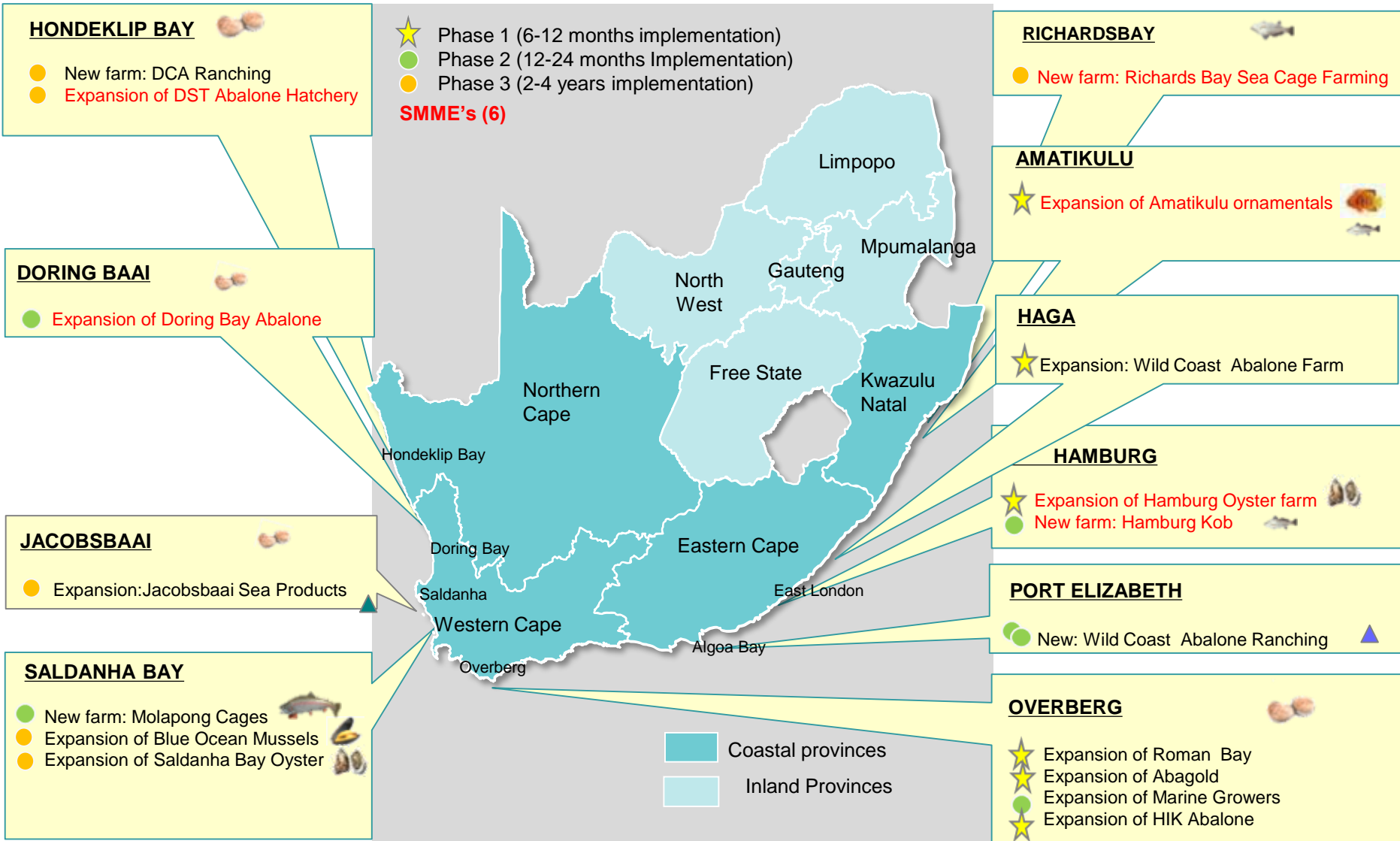
## Transformation Strategy and Small Scale Policy for aquaculture

DAFF busy with transformation strategy and small scale policy for aquaculture to support small scale aquaculture and ensure efficient transformation of the sector.

## CRITICAL ISSUES

- Many projects are experiencing challenges around funding, road repair, poaching, coastal water quality, water leases, land leases and authorisations.

# 24 ORIGINAL AQUACULTURE PROJECTS



**7 projects removed, placed onto business opportunities**  
 Ventersdorp Catfish, ADZ Ventersdorp, Algoa Bay Yellowtail, Oceanwise ELIDZ and Southern Atlantic, Paternoster Oyster, **Amatikulu ADZ removed to Initiative 9 (ADZ)**

# 20 NEW AQUACULTURE PROJECTS SINCE 2014

## KLEINZEE



● Exp: Really Useful Investments

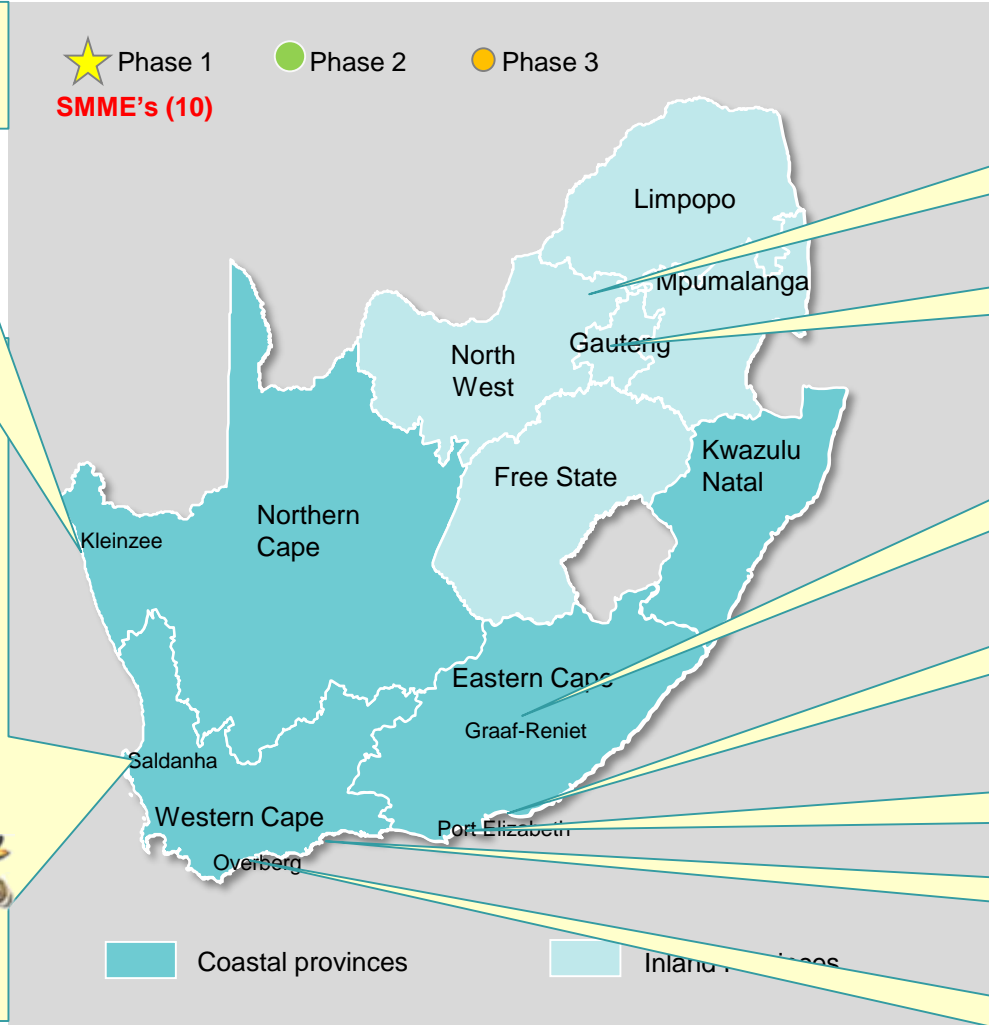
## SALDANHA

- Exp: Blue Sapphire Pearls
- Exp: Imbaza Mussels
- Exp: African Olive Trading
- Exp: Aqua Foods SA
- New: Requa Mussels
- New: Chapmans Mussels
- New: Xesibe
- Exp: Salmar Trading
- New: Oystercatcher
- New: Southern Atlantic Sea farms
- Exp: West Coast Oyster Growers
- Exp: West Coast Aqua

★ Phase 1  
**SMME's (10)**

● Phase 2

● Phase 3



## MORETELE, NW

● New: Blue Geen (tilapia)

## GAUTENG

● New: Northdene (tilapia)

## GRAAF RENIET

● Exp: Karoo Catch

## COEGA

RMS Abalone Farm

## PORT ELIZABETH

● Exp: Zwembesi (oyster)

## EDEN

● New: Abalone Farm Aquinion

## HERMANUS

● New: Hermanus Salmon

# INITIATIVE 1: IMPLEMENTATION OF CATALYST PROJECTS, CONT.



## Karoo Catch (Eastern Cape):

- Three (3) new tunnels being built
- New farm and hatchery management appointed
- New packaging should be ready by April 2018
- National Regulator for Compulsory Standards (NRCS) accreditation just awarded – allows project to sell to retail with new packaging
- Large factory construction underway (Jan 2019).





# INITIATIVE 1: IMPLEMENTATION OF CATALYST PROJECTS, CONT.



## Hamburg (Eastern Cape):

- Sea urchin farming trials are underway at Hamburg
- Dusky kob grown to market size





# AQUACULTURE PROJECT HIGHLIGHTS

- 22 tons of first market size dusky kob harvested in Richards Bay in June/July 2017.
- Fish size ranged from 1.1 to 1.6kg
- Food safety criteria were tested and met.
- Market testing and analysis currently been done on harvested product.





## AQUACULTURE PROJECT HIGHLIGHTS

- New mussel factory opened in Veldrift by a level 1 BEE Operation Phakisa project and employment of additional 47 people which will increase as production increases.





## AQUACULTURE PROJECT HIGHLIGHTS

In the Eastern Cape, the Hamburg Community Project employs 23 people with the capacity to produce 20 tons of dusky kob per annum and has already sold its first harvest to the Cape Town Fish Market at the V&A Waterfront in Cape Town.



Monitoring of kob at Hamburg



Workers from the Siyazama Cooperative



Abalone ranching underway



Growing abalone seeded through ranching

The abalone ranching project in the Eastern Cape seeded 1,8 million spat along 20 kms of the coast. This represented a potential economic value of R26 million to South Africa.



# AQUACULTURE PROJECT HIGHLIGHTS



African Olive Trading opened its processing facility in Veldrift on 1 March 2017.

This processing plant created 47 new jobs (40 factory workers; 7 managers)

It is a BEE level one project and has also added 5 additional rafts on the farm.





# AQUACULTURE PROJECT HIGHLIGHTS

First ocean trout and salmon project has 50 000 fish in the cage and plans to grow the fish to 2-3 kg each by end of 2017



Saldanha Bay  
Oysters, Western  
Cape

Molapong ocean trout harvested and the packaged fillet



Another project in the province was approved as an exporter to both Mainland China and Taiwan for oysters.

# INITIATIVE 2: LEGISLATIVE REFORM



## Aquaculture Development Bill:

- The Bill was approved by Cabinet on 9 May 2018
- The Bill was introduced to Parliament on 15 June 2018. It will be finalized by the 6th administration after the 8th of May 2019 elections.

## Strategic Environmental Assessment (SEA):

Specialist chapters to refine areas identified (9 freshwater areas, 8 measures/standards are being reviewed externally but require a workshop with authors and Expert Reference Group (ERG) to discuss issues raised by expert review.

## Norms and Standards for Abalone

- Norms and Standards for Abalone were gazetted in February 2016 but will most likely be incorporated within the SEA process.

## Coastal Discharge Permit

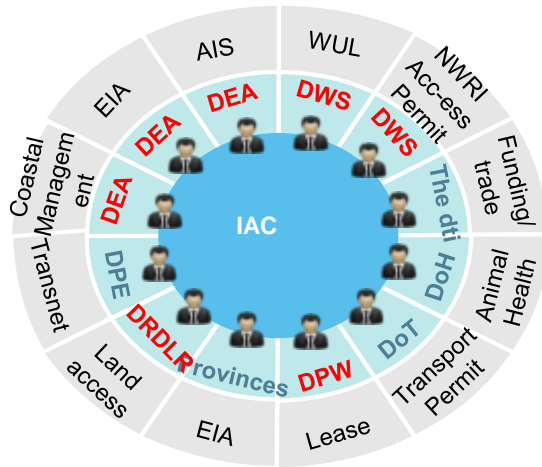
- Draft General Discharge Authorisation (GDA) need to be approved by Minister to publish for comment.
- Coastal Waters Discharge Permit Regulation (CWDPR) 2019 have been published for implementation.

## CRITICAL ISSUES

### Alien and Invasive Species Regulations

- Trout sector has taken DEA to court on the draft regulations published which impacts other species such as Sturgeon
- Nile tilapia mapping needs to be conducted to finalize the SEA.

# INITIATIVE 3: INTERDEPARTMENTAL AUTHORISATIONS COMMITTEE



Working group established since September 2015.

## Streamlining authorisations:

- Outcome of the Interdepartmental Authorisations Committee (IAC) meeting 28<sup>th</sup> of August 2017 includes the creation of a project management centre for aquaculture authorisation at the Department of Agriculture, Forestry & Fisheries (DAFF) to streamline applications in line with the review. Letters to be drafted to relevant DG's.

## Saldanha Bay Aquaculture Development Zone EIA.

- The Minister dismissed three of the appeals and upheld one appeal (regarding minor changes to the conditions) on the 7<sup>th</sup> of June 2018.
- The Requirements to commence have been met such as appointment of Environmental Control Officer, establishment of the AMC, Consultative Forum, etc.

## Algoa Bay ADZ:

- Pre-public consultation for the new Basic Assessment completed.

## COEGA ADZ:

- On 7 February 2018 DEA has granted an integrated environmental authorisation for the development and operation of the Coega Land-Based ADZ in the Coega IDZ.



# INITIATIVE 4: ESTABLISHMENT OF A GLOBALLY RECOGNISED MONITORING AND CERTIFICATION SYSTEM



## Certification framework:

- DAFF is developing a certification framework for aquaculture products in RSA.

## Standards:

- DAFF and National Regulator for Compulsory Standards (NRCS) are working on Dried Abalone Standard.

## European Union (EU) Export approval:

- A **National Residue Programme** was developed and implemented for abalone, finfish and bivalve as per the EU findings but this was not approved by the EU due to concerns around laboratory capacity and verification.
- DAFF is working with relevant departments and laboratories to set up memoranda of understanding (MOU) and validate laboratory and tests.

## Sea Urchin export:

- Risk assessment completed on cultured sea urchins for export purposes. Sea urchin market being tested.

## CRITICAL ISSUES

Opening up the EU market that currently bans all aquaculture products (especially mussels). EU sent follow up request for information which was responded too.

## INITIATIVE 5: AQUACULTURE DEVELOPMENT FUND



The **ADF Working Group** is made up of the following key Development Funding Institutions (DFI's) and departments:

Agriculture, Forestry & Fisheries: CASP & Mafisa Fund; Industrial Development Cooperation (IDC); LandBank; Eastern Cape Development Corporation (ECDC); Eastern Cape Rural Development Agency (ECRDA); Science & Technology; Jobs Fund; National Empowerment Fund; Trade & Industry; Small Business Development; National Treasury Government Technical Advisory Centre (GTAC).

### **Aquaculture Development Fund Model (implementation plan):**

- Submission & Memorandum Of Cooperation (MOC) approved by DAFF DG to be sent to DFI's.

### **Aquaculture Species Feasibility Studies:**

- Completed: marine finfish, oyster and mussels, tilapia, trout, abalone, catfish, freshwater ornamentals, marron crayfish & aquaponic systems to inform new entrants, funding agencies, policy and investors.

**Engagements:** Engaged with Land-Bank and submitted funding application to Treasury.

### **Technology Innovation Agency:**

- Call for aquaculture funding made by TIA in March 2019.

### **Aquaculture Development and Enhancement Programme**

- New ADEP guidelines were published by *the dti* and effective from the 1<sup>st</sup> of April 2019.

# FIRST INVESTMENT SEMINAR FOR AQUACULTURE HELD IN RSA

On the 27<sup>th</sup> of March 2019, the DAFF held the first Investment Seminar for Aquaculture in Durban. Various private and government agencies presented to the full house of over 200 delegates and live panel discussions were held.

YOU ARE CORDIALLY INVITED  
TO THE  
**AQUACULTURE FINANCE  
AND INVESTMENT SEMINAR**  
HOSTED BY  
THE DEPARTMENT OF  
AGRICULTURE, FORESTRY AND FISHERIES

DATE: WEDNESDAY 27<sup>TH</sup> MARCH 2019

TIME: 8.00 AM

VENUE: THE HILTON HOTEL  
12-14 WALNUT ROAD, DURBAN  
KWAZULU-NATAL

*“To stimulate investment into the aquaculture sector”*



## INITIATIVE 6: CAPACITY AND SKILLS DEVELOPMENT



**Skills working group is established and active:**

Workshop held with Universities in October 2018 to identify gaps and structure existing technical qualifications.

### **Scarce Skills:**

In order to address the scarce aquatic veterinarian skills and services available in South Africa, DAFF and Stirling University have signed an agreement for training of aquatic vets and aquaculture specialists. Five (5) provincial veterinarians have completed one year of training. Two DAFF staff members completed three months training. Three new Vets have been sent for another year of training in Sept 2018. Two vets attended short courses (3 Months) at start of 2019.

### **Aquaculture qualifications (through AGRISETA):**

- Aquaculture Farmer and Aquaculture Farm Assistant have been completed, approved by QCTO (Quality Council for Trades & Occupations) and SAQA (South African Qualifications Authority)
- Sub-sector skills committee for aquaculture established in AGRISETA.

# INITIATIVE 6: CAPACITY AND SKILLS DEVELOPMENT

## China-South Africa Agricultural Technology Demonstration Centre.

China-South Africa Agricultural Technology Demonstration Centre (ATDC) is located near Gariep Dam in the Freestate.

ATDC farms with common carp, African sharptooth catfish, koi carp, Mozambique tilapia and goldfish. Production systems include recirculating aquaculture system, ponds and floating cages.

Key functions include:

### EXTENSION:

Advisory services (site visits) as well as fingerlings (catfish) are provided to small scale projects in the surrounding area and provinces.

### RESEARCH:

- Various ongoing research conducted at the centre

### TRAINING:

- One week course (144 farmers, students, interns in 2018)
- 4 months experiential
- One year internship

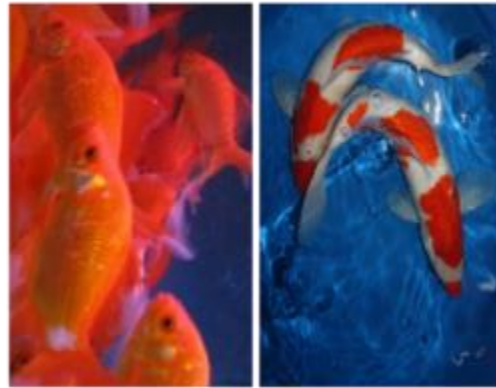
### AWARENESS:

- 510 day visits (2018) by school kids and other stakeholders
- Various aquaculture exhibitions at events.



# INITIATIVE 6: CAPACITY AND SKILLS DEVELOPMENT

China-South Africa Agricultural Technology Demonstration Centre.



# INITIATIVE 7: COORDINATION FOR INDUSTRY WIDE MARKETING EFFORTS



## Marketing and Awareness:

DAFF is busy with the following projects:

- 1) Develop a Public Awareness and Marketing Strategy for aquaculture products and the sector in RSA. Workshops were held with industry and government and the final report is being reviewed.
- 2) Developing short video's and content of local species to promote on local market, aeroplanes, etc. The content has been filmed and production is underway.

## Communication & Awareness:

- Year Three Review publication and recipe book for aquaculture species printed and available on the DAFF website.
- Media content (social media/written) from the Aquaculture Investment Seminar held on the 27<sup>th</sup> of March 2019.

# INITIATIVE 8: PREFERENTIAL PROCUREMENT OF AQUACULTURE PRODUCT



## Research:

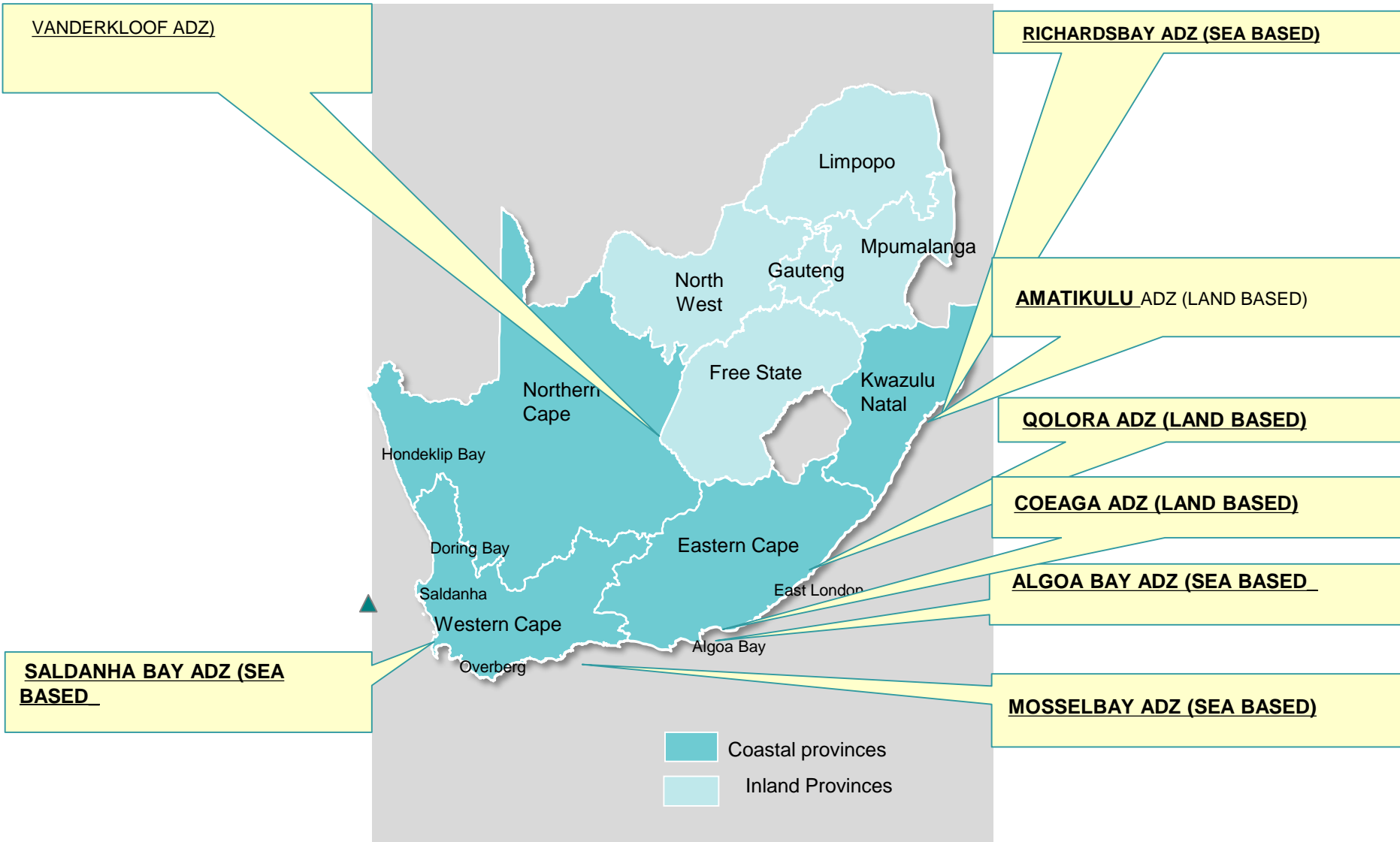
- Research on the current fish consumption of state owned entities and departments is currently underway. Information has been received from Dept. of Correctional Services and SAA (Airchefs).

## Engagement:

- DAFF and Dept. of Correctional Services met in March 2018 and a follow up meeting was planned in May 2018 with their supply chain management. Possible collaboration will be discussed as DCS nutritional guidelines require procurement of fish which is not always available in all the provinces. Follow up meeting held with Deputy Commissioner on the 16th of May 2018. Discussions on hold until DCS procurement processes sorted.
- The Department of Basic Education (DBE) was engaged on the matter however there is no potential collaboration in the near future due to their requirements.



# AQUACULTURE DEVELOPMENT ZONES



# INITIATIVE 9 (NEW): DEVELOP AND IMPLEMENT AQUACULTURE DEVELOPMENT ZONES (ADZ's)

In order to promote investment into the sector and create an enabling environment, the DAFF has embarked on a process to establish ADZ's.



## Amatikulu Aquaculture Development Zone:

- The Environmental Impact Assessment (EIA) commenced on 1 June 2017 and final EIR submitted in March 2019. Decision expected in June 2019.

## Richards Bay Aquaculture Development Zone:

- Feasibility study completed and sent to TNPA for their input. Final to be circulated shortly.

## Qolora Aquaculture Development Zone:

- Require funding for basic infrastructure, all authorisations received. Engaging National Treasury on PPP Process.

## Van der Kloof Aquaculture Development Zone:

- Delays experienced in permits and technical partners. Pilot plan to commence in June 2019.

**Saldanha Bay and COEGA ADZ:** Refer to IAC slide for details.

**Mosselbay ADZ:** Procurement underway to appoint Environmental Assessment Practitioner.



# PHAKISA AQUACULTURE PROJECTS

Romansbay (Aquinion) Abalone, Western Cape



Marine Growers (Abalone), Western Cape



HIK Buffeljags (Abalone), Western Cape



Really Useful Investments (Abalone), Northern Cape





# PHAKISA AQUACULTURE PROJECTS

Southern Atlantic Sea Farms (Mussels),  
Western Cape



Diamond Coast Abalone Ranching,  
Hondeklip Bay, Northern Cape



Abagold (Abalone), Hermanus, Western Cape





# PHAKISA AQUACULTURE PROJECTS





# PHAKISA AQUACULTURE PROJECTS

Blue Oceans Mussels, Western Cape



Blue Sapphire Pearls (Oysters), Western Cape



West Coast Oyster Growers (Mussels and Oysters), Western Cape





# **Marine Protection Services and Ocean Governance**

## 10 key initiatives have been proposed for the MPG

### Integrated Ocean Governance and Protection

#### Integrated framework and governance



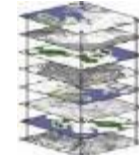
- 1 Ministerial Committee and Secretariat to govern activities
- 2 Enhancement of legislation for the Integrated Coastal and Oceans Management Act or Oceans Act
- 3 Review of ocean-related legislation
- 4 Accelerated capacity-building intervention in ocean governance

#### Ocean protection



- 5 Enhanced and coordinated enforcement programme
- 6 National ocean and coastal information system and extending earth observation capacity
- 7 National ocean and coastal water quality monitoring programme
- 8 Creation of a Marine Protected Area (MPA) representative network
- 9 MPA/MSP discovery, research and monitoring programme

#### Marine spatial planning (MSP)



- 10 Marine Spatial Planning (MSP) process



# MARINE PROTECTION SERVICES AND OCEAN GOVERNANCE HIGHLIGHTS

## 1. Oceans Economy Secretariat

Established and functional in ensuring support to all Operation Phakisa: Oceans Economy Focus areas/Delivery units responsible for the implementation of the Operation Phakisa: Oceans Economy initiatives.

- Entrenches and facilitates interdepartmental (including Phakisa implementing Agencies) cohesion and cooperation in making sure delivery is not impeded.
- Coordinates reporting and consolidates Operation Phakisa: Oceans Economy reports for the Director General Lab Coordinating Committee (LCC) and the Ministerial Management Committee (MIN MANCO).
- Provides Secretariat duties to both the DG-LCC and Ministerial MANCO.

## 2. Enhancement of legislation for the Integrated Coastal and Oceans Management Act or Oceans Act

A formal notice for introduction of the Bill to Parliament was published in Government Gazette in 28 March 2017 (No. 40726 GOVERNMENT GAZETTE, 28 MARCH 2017)

The MSP bill was passed by the National Assembly on 24 April 2018 and signed into law on 29 April 2019.

# MARINE PROTECTION SERVICES AND OCEAN GOVERNANCE HIGHLIGHTS

## 3. Review of ocean-related legislation

This was done as part of the development of ocean legislation – the MSP Bill.

## 4. Accelerated Capacity Building Intervention in Ocean Governance

The initiative had a very dormant start which has posed as a serious challenge to the Marine Protection and Oceans Governance (MPG) and other Delivery Units. Progress thus far:

- 240 occupations were identified for the MPG. The MPG Lab agreed to prioritise 24 of 240 which were considered to be new.
- The South African International Maritime Institute (SAIMI) has secured the services of the International Oceans Institute (IOI) to conduct a Skills Audit for the MPG. Recommendations of the audit will inform the MPG skills and capacity needs.
- The Skills Audit process has been concluded and final reported has been handed to the SAIMI.

MPG Skills Working group held on 19 March 2019

- Considered and discussed the skills audit recommendations.
- Appointed a Task Team to initiate an implementation plan.



# MARINE PROTECTION SERVICES AND OCEAN GOVERNANCE HIGHLIGHTS

## 5. Enhanced and coordinated enforcement programme

A Working Group (WG) was established in March 2016 replacing an interim committee. The WG is operational with sittings scheduled across the four coastal provinces and is responsible for planning, monitoring and operation executions.

The WG has achieved (April 2019 to May 2019):

Provincial Joint operations

- Northern Cape: 18 – 22 April 2019 (Kleinsee, Port Nolloth and Alexander bay)
- Western Cape: 09 – 13 May 2019 (Overberg)
- Eastern Cape: 05 – 10 March 2019 (East London, Port Alfred and Port Elizabeth)
- KwaZulu Natal: 29 April – 03 May 2019 (Durban Central and Durban Harbour)

Operations resulted in some

- Fines, Arrests and confiscations



DAFF  
Offshore Patrol  
Support  
Fleet

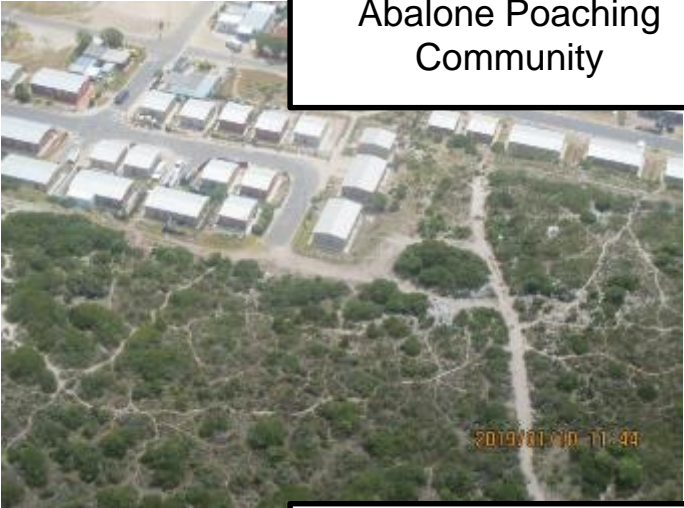
# MARINE PROTECTION SERVICES AND OCEAN GOVERNANCE HIGHLIGHTS

## 5. Enhanced and coordinated enforcement programme

Illegal sand mining – continues – Eastern Cape



Abalone Poaching Community



un authorised Coastal Development – un authorised - Eastern Cape



Arial view abalone poachers



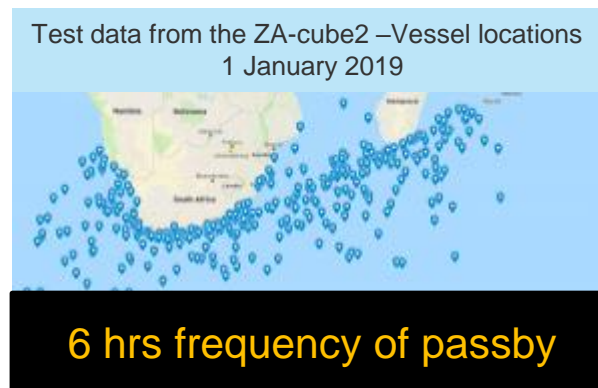
# MARINE PROTECTION SERVICES AND OCEAN GOVERNANCE HIGHLIGHTS

## 6. National Ocean and Coastal Information System (OCIMS) and extending earth observation capacity

- Long waited launch of the **ZA-cube2** cube satellite was achieved on 28 December 2018. Proving successful launch and communication establishment was the receipt of data.
- Data received revealed vessel locations and it shall be utilised to further enhance the Integrated Vessel Tracking (IVT) by complimenting the AIS and VMS data.

The **ZA-cube2** (4kg) is a product of a project by innovative young and previously disadvantaged students from the Cape Peninsula University of Technology. Sponsored by the Department of Science and Technology.

The **ZA-cube2** is a 2<sup>nd</sup> South African nanosatellite to be launched into space after the launch of TshepisoSat (ZA-cube1)(1kg) in 2011.



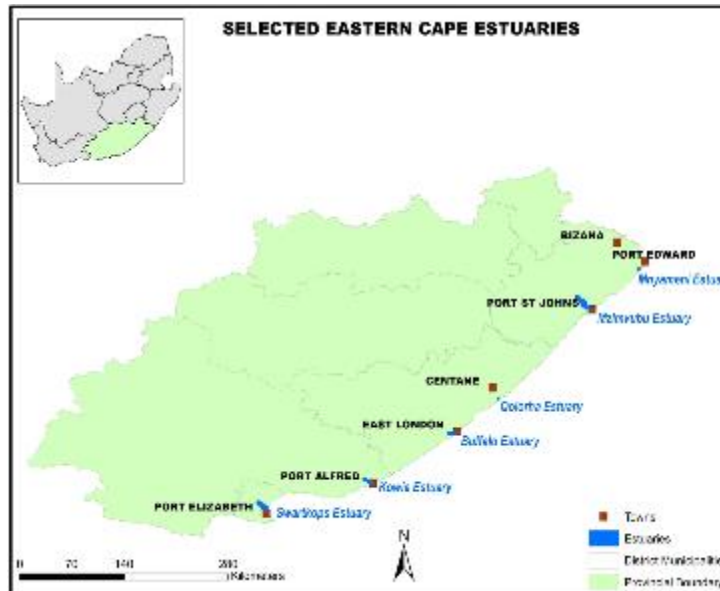
ZA-cube2



# MARINE PROTECTION SERVICES AND OCEAN GOVERNANCE HIGHLIGHTS

## 7. National oceans and coast water quality management.

- The National Pollution Laboratory (NPL) is established, hosted and operated by the Walter Sisulu University (WSU) Mthatha Campus.
- The refurbishment of the Pollution Laboratory space at the WSU has been completed and sophisticated high-tech equipment is installed.
- The laboratory continues to collect and analyse samples at selected sites from three coastal provinces namely KwaZulu Natal, Eastern Cape and Northern Cape.
- Discussions for sampling sites in the Western Cape are continuing whilst the WC maintains its provincial programme.
- Reports confirm that the water quality seems to be acceptable except for the notably high levels of Mercury and Iron that needs to be further confirmed at the laboratory.



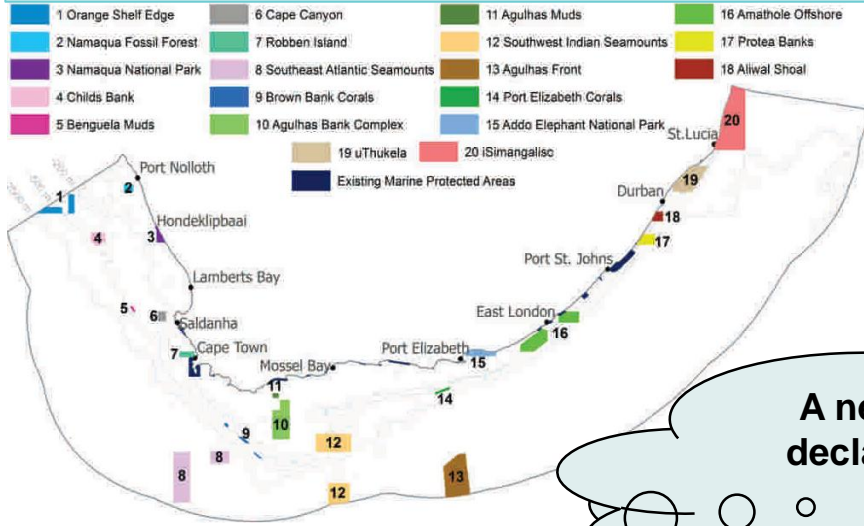
# MARINE PROTECTION SERVICES AND OCEAN GOVERNANCE HIGHLIGHTS

## 8. Creation of a Marine Protected Area (MPA) representative network

Draft Notice of Declaration of 21 MPAs published for comments  
**03 February 2016**

**2016-2018**  
 Public Hearings  
 Receipt of written comments  
 Consolidation of comments  
 Negotiations with affected stakeholders

These MPAs shall provide for 5% of South Africa's total ocean protection an improvement from 0.4%.



Cabinet granted Approval to declare and Gazette 20 MPAs  
**24 October 2018**

A network of 20 MPAs with regulations declared by publishing in a Government Gazette  
**23 May 2019**

# MARINE PROTECTION SERVICES AND OCEAN GOVERNANCE HIGHLIGHTS

## 9. MSP/MPA discovery research and monitoring programme

- Three discovery cruises have been undertaken along the South West Indian Ocean, an area not well studied. The third cruise during July-August 2017 has been a seasonal (summer/winter) cruise undertaken to compare results from the cruise in January 2017.
- Cruise findings and recommendations are currently contained in the African Coelacanth Ecosystem Programme (ACEP) annual report 2016/2017 (pg. 53-57 and 82-85).
- An additional Indian Ocean Cruise has been secured and undertaken on the Dr. Fridtjof Nansen between 20 January and 10 February 2018.

## 10. Marine Spatial Planning process (MSP)

- The National Framework on Marine Spatial Planning was approved and gazetted on 26 May 2017.
- The development of regional and sub-regional Marine Spatial Management Plans has since been initiated on the South Coast as the first planning area.
- Written chapters and Maps for the plan have been revised and submitted to the DEA
- An initial activity pressure matrix has been developed (allows to highlight specifically activities of high conflict which will need intense negotiations, compromise and consensus).
- Data from key departments has been received and being processed on GIS.







# Small Harbours Development

# MAP OF DEPARTMENT OF PUBLIC WORKS STATE COASTAL PROPERTIES



# SMALL HARBOURS DEVELOPMENT HIGHLIGHTS: INITIATIVES

15 initiatives have been identified for small harbours development

## A Establishment of new small harbours and development of coastal properties

- A1 National Framework and Development Guidelines for Small Harbours
- A2 Small harbour development programme
- A3 Coastal Community Commons
- A4 Small harbour Funding Framework
- A5 Stakeholder Engagement Model

## C Socio-economic impact (Job creation, skills and enterprise development)

- C1 Small Medium Micro Enterprises Incubator Hub
- C2 Skills Development
- C3 Economic empowerment, Transformation and community beneficiation

## B Redevelopment and maintenance of small harbours

- B1 Harbour Infrastructure Maintenance
- B2 Harbour Precinct Revitalisation
- B3 Security Partnerships
- B4 Environmental Protection
- B5 Attracting Investment

## D Institutional arrangements (governance and operational management)

- D1 Small Harbours intergovernmental coordination
- D2 Amendment and Development of legislation on small harbour and coastal property



# SMALL HARBOURS DEVELOPMENT HIGHLIGHTS

## Socio-economic Impact

**Initiative C1: Small Medium Micro Enterprises (SMME) Incubator Hub**

**Initiative C2: Strengthening Skills Development**

**Initiative C3: Economic Empowerment, Transformation and Community Beneficiation**

### **Status:**

- To establish **Work Group #3.1: Skills Development** - dealing with skills audit to determine skills requirement for small harbours development value chain; implementation of skills development programmes and creating awareness of small harbours development opportunities (Schools, TVETS, Business).
- To establish **WORK GROUP #3.2: TRANSFORMATION, EMPOWERMENT AND ENTERPRISE DEVELOPMENT** – dealing with a) Transformation and Empowerment (in terms of Promotion of local services; utilisation of local resources; material and content for the benefit and participation of the local communities) b) SMME Development (in terms of Creation of a Virtual Hub which provides business services to all potential SMMEs; identification of local entrepreneurs and supporting them by providing financial and non-financial support to ensure business sustainability)



# SMALL HARBOURS DEVELOPMENT HIGHLIGHTS

## Institutional Arrangements

### Initiative E1: Intergovernmental Coordination

### Initiative E2: Amendment/Development of legislation on small harbour and coastal property

#### Status:

- **Work Group #4: Institutional Arrangement established** – dealing with intergovernmental coordination as well as amendment/development of legislation
- The Terms of Reference as required in the Legislative working Group initiative have been finalised.
- Draft Implementation Protocol has been developed in line with the guidelines of COGTA. Stake holders to be engaged in the proposed Implementation Protocol from June 2019



## Aquaculture Leases:

### 1. New Projects

Aquaculture Project	Status
Hermanus Salmon ▪ (Hermanus)	<ul style="list-style-type: none"><li>▪ Require site for Salmon Farming</li><li>▪ Vacant site (Lot 11, 21 and 23) available</li><li>▪ Site to be advertised 1<sup>st</sup> quarter 2019 for aquaculture purposes</li></ul>
Southern Atlantic Sea Farms ▪ (Saldanha)	<ul style="list-style-type: none"><li>▪ Require site for Mussel Farming</li><li>▪ Vacant site (lot 16) available</li><li>▪ Site to be advertised 1<sup>st</sup> quarter 2019 for aquaculture purposes</li></ul>
Aqua foods ▪ (Saldanha)	<ul style="list-style-type: none"><li>▪ Require site for Mussel Farming</li><li>▪ Vacant site (lot 4&amp;5) has become available due to cancellation of Oystercatcher project</li><li>▪ Site to be advertised 1<sup>st</sup> quarter 2019 for aquaculture purposes</li></ul>



## Aquaculture Leases:

### 2. Existing Projects

Aquaculture Project	Status
<p>Jacobs Bay Abalone</p> <ul style="list-style-type: none"> <li>▪ (Jacobs Bay)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Require site, adjacent to current site, for sections of pipeline</li> <li>▪ Site is available but requires surveying.</li> <li>▪ New lease to be signed</li> <li>▪ New letting out committee to consider</li> </ul>
<p>Diamond Coast Aquaculture (DCA)</p> <ul style="list-style-type: none"> <li>▪ (Kleinzee)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Require site, adjacent to current site, for pumping infrastructure and pipeline</li> <li>▪ Site is available but requires surveying.</li> <li>▪ Previous lease with De Beers mining came to an end when land was returned to DPW</li> <li>▪ New lease application forms sent to DCA</li> <li>▪ DPW Northern Cape regional office in process of submitting to the Regional Bid Adjudication Committee for approval</li> </ul>



## Aquaculture Leases:

### 1. New Projects

Aquaculture Project	Status
Port Nolloth Sea Farms (PNSF) <ul style="list-style-type: none"><li>(Kleinzee)</li></ul>	<ul style="list-style-type: none"><li>Require site for Abalone holding and Processing Facility</li><li>Previous lease with De Beers mining came to an end when land was returned to DPW</li><li>New lease application forms sent to PNSF</li><li>DPW Northern Cape regional office in process of submitting to the Regional Bid Adjudication Committee for approval</li></ul>

**The Letting Out Framework and Circular has been submitted to the DDG: Supply Chain Management for approval**





# Coastal and Marine Tourism




# INTERVENTIONS – PHASED IMPLEMENTATION

## Phase I: Initial Short-term targets

*First results by March 2017*

- Implementation of the Blue Flag Ambassador Programme
- Promotion of Blue Flag as a tourist attraction (marketing)
- Provision of visitor information services

### LEGEND:

	70% on target
	69%-50% on target
	Less than 50% on target

## Phase II: Medium term

*First results by March 2019*

- Marketing, Events and Routes;
- Regulations and Permitting;
- Research and Spatial Planning;
- Beach Precinct Development, Tourism Infrastructure and Tourism Safety;
- Maritime Tourism; and
- Skills development.



# COASTAL AND MARINE TOURISM HIGHLIGHTS

## COASTAL AND MARINE TOURISM



**Potential GDP contribution of R21,4 billion  
Creating 116 000 jobs by 2026**

The Coastal and Marine Tourism Implementation Plan was approved by Cabinet in August 2017. This plan contains tourism projects integrated projects with the creative industries and cultural heritage. Opportunities include enterprise development such as local supplier development (arts and craft and beach front business), access to markets, skills development, and improved infrastructure.

## COASTAL AND MARINE TOURISM LAB ASPIRATIONS



**To grow a world class  
and sustainable coastal  
and marine tourism  
destination that  
leverages South  
Africa's competitive  
advantages in nature,  
culture, and heritage**



# COASTAL AND MARINE TOURISM HIGHLIGHTS

2018/19 projects, implemented in partnership with government entities

## Eastern Cape

- Expansion of six day hiking trail project in Port St Johns
- Feasibility study for Port St Johns Beach Front
- Infrastructure upgrades and development at selected beaches
- Addo Elephant Park
- Tsitsikamma Big Tree Gateway
- Port St Johns - Coffee Bay Master Plan

## KwaZulu-Natal

- Umhlabuyalingana Hospitality Skills and Tourism Business Development Programme
- Bhanga Nek Community Camps

## Northern Cape

- Orange River Mouth Master Plan
- Concept development for Hondeklipbaai and McDougall's Bay Campsites
- Feasibility Study for Northern Cape coastal aviation infrastructure
- Concept development for Kleinzee Beach Precinct
- Hondeklipbaai - Port Nolloth Master Plan

## Western Cape

- Goukamma Nature Reserve
- Tourism precinct plan for Khayelitsha



## COASTAL AND MARINE TOURISM HIGHLIGHTS

- The **Volvo Ocean Race** took place on 24 November - 10 December 2017 in Cape Town.
- **Isingqisethu Cultural Festival** took place on 10-12 November 2017 in Port St Johns.
- The draft **Demand and Supply analysis and implementation plan report for the proposed Indi-Atlantic Tourism Route** is in place. The outcomes of the report are being implemented and Hole in Wall (EC), Harold Johnson Nature Reserve (KZN) and Orange River Mouth (NC) has been prioritised in the 2019/20 financial year.
- DAFF has granted consent to subdivide agricultural land for the development of the proposed **Nonoti Beach Resort**.
- The land use challenges have been unblocked at **Mkambati Nature Reserve** with DAFF. The surveying of the site and whole of Mkambati Nature Reserve is under way.
- In collaboration with DEA, the Department is currently conducting needs assessments at boat launch sites in order ascertain required interventions at each site. A questionnaire has been developed for distribution to **Boat Base Whale Watching and White Shark Cage Diving** (BBWW & WSCD) operators and associations.
- Responsible Tourism Guidelines for CMT have been drafted and circulated to stakeholders for comments.
- UKZN was appointed to conduct a research study to develop a framework to measure the economic impact of coastal and marine tourism in South Africa. The study has been completed with the final report in place.



# COASTAL AND MARINE TOURISM NODAL / CLUSTER APPROACH

The **Coastal and Marine Tourism Plan** will be implemented in a **nodal/cluster approach** which is strategic to tourism development and entails the following:

- prioritises destinations and not individual tourism projects/products;
- supports the enhancement of the general environment in which attractions and products are located; and
- strengthens the linkages between attractions and improves the quality of the tourist experience within destinations.

**The identified nodes/clusters in the First Phase** (0 - 5 years) encompass the following geographic areas:

Node 1: Durban and surrounds (KwaZulu-Natal);

Node 2: Umkhanyakude District including Umhlabuyalingana and surrounds (KwaZulu-Natal);

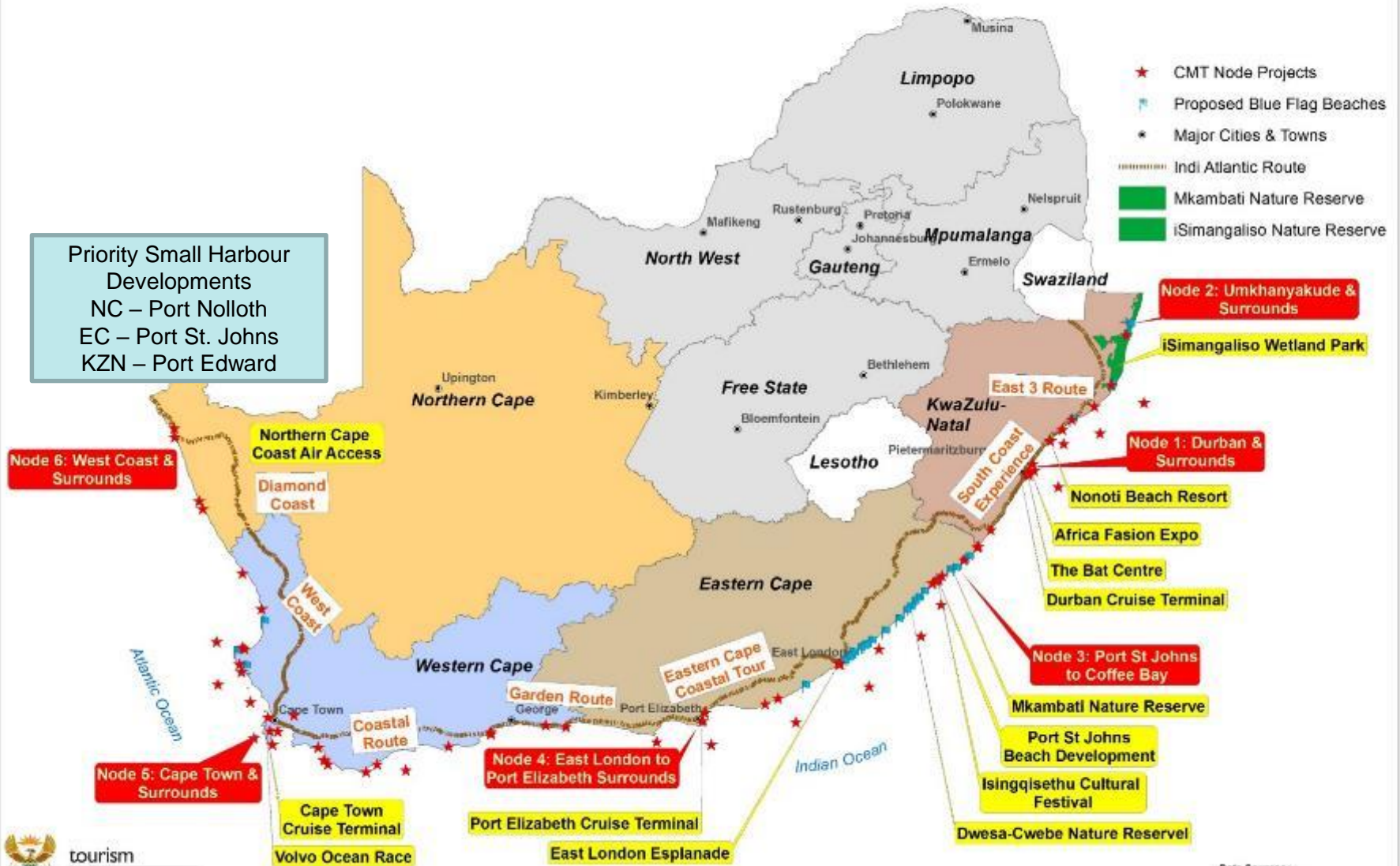
Node 3: Port St Johns to Coffee Bay (Eastern Cape);

Node 4: East London, Port Elizabeth and surrounds (Eastern Cape);

Node 5: Cape Town and surrounds (Western Cape); and

Node 6: West Coast and surrounds (Northern Cape).

# Key Coastal & Marine Tourism Nodes



# Tourism Integration With Other Areas

## Priority Environmental Affairs Projects: Boat Based Whale Watching

- Richards Bay
- St Lucia
- Sodwana Bay
- Durban
- Shelly Beach
- Port Elizabeth
- Cape St Francis
- Kenton on Sea
- Port Alfred
- East London

## White Shark Cage Diving

- Port Elizabeth
- False Bay
- Gansbaai
- Quoin Point
- Mossel Bay

## Priority Transport Projects:

- NC-Kleinsee Airport
- KZN-Durban Cruise Terminal
- WC- Cape Town Cruise Terminal

## Priority Aquaculture Projects:

- Hondekilp Bay
- Doring Baai
- Paternoster
- Jacobsbaai
- Saldanha Bay
- Port Elizabeth
- Overberg
- Hamburg
- Haga-Haga
- Amatikulu
- Richards Bay



## CMT Intergrated Projects

- Project Type**
- Aquaculture
  - Arts and Culture
  - Environmental Affairs
  - Public Works
  - Transport
  - CMT Airport

## Priority Arts and Culture Projects:

- KZN-Bat Centre
- KZN-Africa Fashion Expo
- EC-Port St Johns Beach Water Front Development
- EC-Isingqisethu Wild Coast Cultural Festival
- EC-East London Esplanade and Aquarium

Data Sources:  
 Datasets: AfrGIS, 2014  
 Data: Environmental Affairs, 2017  
 Created on: 04/09/2017





# **Skills Development and Capacity Building**



## SKILLS DEVELOPMENT AND CAPACITY BUILDING HIGHLIGHTS

The Oceans Economy is supported by a **co-ordinated, national maritime skills development plan**. The **South African International Maritime Institute (SAIMI)** manages and co-ordinates five working groups, bringing together education and training providers; Oceans Economy Delivery Units; industry representatives, and academic specialists in order to **develop an integrated national plan**.



The **National Cadet Programme** is managed by the South African International Maritime Institute (SAIMI).

# SKILLS DEVELOPMENT AND CAPACITY BUILDING PROGRESS MADE TOWARDS 2019 TARGETS

## INVESTMENTS TO DATE:

**Private Sector:** R1 275 800 (over a 2yr period) – only one company submitted information

**Government:** R196 million (EC Govt. (2017/18); SBIDZ (2015-2017)); TETA (2015-2018); NSF (2017-2020)

**Other:** R67 717 471 (SAIMI - National Cadet Programme 2015-2017) through the NSF.  
R52 million (SAOGA – 2014 to 2017)

## DISAGGREGATION OF TRAINING TO DATE:

Category	Marine Manufacturing	Marine Transport
Women	614	733
Youth	1 317	1834

***\*These figures do no reflect the full picture as some of the data submitted was not classified into gender and age group.***

## SKILLS DEVELOPMENT AND CAPACITY BUILDING HIGHLIGHTS


- A comprehensive skills needs audit for the Aquaculture sector finalised.
- 12 placements for Aquaculture at DAFF for 2017; 2018 – 42 placements for Fisheries and Aquaculture.
- 614 Apprenticeships and 170 Learnerships recorded for Marine Manufacturing.
- 620 Artisans trained.
- 1 364 people trained on different upskilling programmes (e.g. crane operators, welding inspection, offshore safety, corrosion protection, hydraulics, etc.)
- 634 cadets enrolled on the National Cadet Programme since 2011; 736 cadets enrolled through the TNPA programme since 2012.
- Maritime High Schools: 116 Learners (EC); 65 Learners (KZN); 142 Learners (WC).
- College of Cape Town providing Marine Engineering Workshop Training for 40 CPUT students from Feb 2017.
- Current enrolments 2018: CPUT (148 students), DUT (557 students), NMU (19 students). No of bursaries 2017: DUT (33 for Nautical Studies), CPUT (46 for Maritime Studies and 70 for Marine Engineering).
- Roadmap for cross-sector maritime research, innovation and knowledge management concluded; implementation by SAIMI underway.
- SAIMI to track people trained – to assess employability.

# GLOSSARY OF ACRONYMS

ACEP	African Coelacanth Ecosystem Programme	DoT	Department of Transport
ADEP	Aquaculture Development and Enhancement Programme	DPE	Department of Public Enterprise
ADF	Aquaculture Development Fund	DPW	Department of Public Works
ADZ	Aquaculture Development Zone	DRDLR	Department of Rural Development and Land Reform
AIS	Assimilated Information Systems	EC	Eastern Cape
BAR	Basic Assessment Report	ECDC	Eastern Cape Development Corporation
BBBEE	Broad Black Based Economic Empowerment	ECDED	Eastern Cape Department of Economic Development
BBWW	Boat Based Whale Watching	ECPTA	Eastern Cape Parks and Tourism Agency
BCMDA	Buffalo City Metro Development Agency	ECRDA	Eastern Cape Rural Development Agency
CATHSETTA	Culture, Art, Tourism, Hospitality, and Sport Sector Education and Training Authority	EIA	Environmental Impact Assessment
CBMT	Competency-based Modular Training	ELIDZ	East London Industrial Development Zone
CBMT	Competency Based Modular Training	EOI	Expressions of Interest
CMHI	China Merchants Holdings International Investment Company	ESSA	Employment Services of South Africa
CMT	Coastal Marine Tourism	EU	European Union
CMTTP	Comprehensive Maritime Transport Policy	FAO	Food and Agriculture Organisation
COP	Communities of Practice	FEL	Front End Loading
DAFF	Department of Agriculture, Forestry and Fisheries	FOCAC	Forum on China-South Africa Cooperation
DAFF	Department of Agriculture, Forestry and Fisheries	GC-MS	Gas Chromatograph Mass Spectrometer
DBE	Department of Basic Education	GIAMA	Government Immovable Asset Management
DCS	Department of Correctional Services	GTAC	Government Technical Advisory Committee
DEA	Department of Environmental Affairs	HDSA	Historically Disadvantaged South African
DEDEAT	Department of Economic Development, Environmental Affairs and Tourism	IAC	Inter-departmental Authorisations Committee
DeST	Decision Support Tools	IDC	Industrial Development Zone
DFI	Development Funding Institutions	IMC	Inter-Ministerial Committee
DHET	Department of Higher Education and Training	IMO	Incident Management Organisation
DMR	Department of Mineral Resources	IOPC	International Oil Pollution Compensation
DoH	Department of Health	ITB	Internationale Tourismus-Börse (international tourism trade fair)
DOL	Department of Labour	KSD	King Sabata Dalindyebo
		LCC	Lab Coordinating Committee
		LPG	Liquid Petroleum Gas

## GLOSSARY OF ACRONYMS (2)

MIN MANCO	Ministerial Management Committee	SAMSA	South African Maritime Authority
MOA	Memorandum of Agreement	SAOGA	South African Oil and Gas Alliance
MOFCOM	Ministry of Commerce	SAQA	South African Qualifications Authority
MOU	Memorandum of Understanding	SBIDZ	Saldanha Bay Industrial Development Zone
MPA	Marine Protected Area	SDP	Supplier Development Plan
MPG	Marine Protection and Governance	SEA	Strategic Environmental Assessment
MPRDA	Mineral and Petroleum Resources Development Act	SEDA	Small Enterprise Development Agency
MSP	Marine Spatial Planning	SEFA	Small Enterprise Finance Agency
MTM	Marine Transport and Manufacturing	SIPS	Strategic Infrastructure Projects
MYDP	Maritime Youth Development Programme	SLA	Service Level Agreement
NAMB	National Artisan Moderation Body	SMME	Small, Medium and Micro-sized Enterprises
NCP	National Cadet Programme	SMOC	Submission & Memorandum Of Cooperation
NDT	National Department of Tourism	SSAS	Sector Specific Assistance Scheme
NEDLAC	National Economic Development and Labour Council	TETA	Transport Education Training Authority
NIPP	National Industrial Participation Programme	TIA	Technology Innovation Agency
NPL	National Pollution Laboratory	TNPA	Transnet National Ports Authority
NRCS	National Regulator for Compulsory Specifications	TOR	Terms of Reference
OCIMS	Ocean and Coastal Information System	TVET	Technical Vocational Education and Training
OCSLA	Office of the Chief State Law Advisor	TVET	Technical and Vocational Education and Training
OFO	Organising Framework for Occupations	UKZN	University of Kwazulu Natal
OPM2S	Operation Phakisa Management and Monitoring System	VMS	Vessel Monitoring System
OSSB	Offshore Supply Base	WCRL	West Coast Rock Lobster
PASA	Petroleum Agency of South Africa	WG	Working Group
PPP	Public-Private Partnership	WSCD	White Shark Cage Diving
PSP	Private Sector Participation	WSU	Walter Sisulu University
QCTO	Quality Council for Trades and Occupations		
RBIZ	Richard's Bay Industrial Zone		
RFP	Request for Proposal		
RPL	Recognition of Prior Learning		
SAIMI	South African International Maritime Institute		
SAMREF	South African Marine Research and Exploration Forum		



**Thank you  
Ngiyathokoza  
Ke a leboha  
Ke a leboga  
Siyabonga  
Ndo livhuwa  
Enkosi  
Ngiyabonga  
Dankie**

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