

# OPERATION PHAKISA TO CREATE ONE MILLION JOBS AND GROW SOUTH AFRICA'S ECONOMY

Operation Phakisa focuses on unlocking the economic potential of South Africa's oceans, which could contribute up to R177 billion to the GDP by 2033 and between 800 000 and 1 million direct jobs. 47 detailed initiatives have been identified, which on implementation, will increase the oceans economy's GDP contribution by R20 million and lead to the creation of 22 000 direct new jobs by 2019.

## SIX FOCUS AREAS

By focusing on six priority growth areas, the Oceans Economy will unlock the economic potential of South Africa's oceans, providing significant GDP growth and job creation potential. Two enablers - Skills and Capacity Building and Research, Technology and Innovation, support the six focus areas.



### 1. Marine Transport and Manufacturing

Government will explore the country's natural advantage in maritime transport and manufacturing by capturing the benefits of growing volumes of cargo handling, sea and coastal shipping and supporting transport activities such as storage and warehousing. South Africa has nine major ports with opportunities for economic growth. Increase local manufacturing capacity through 10% increase in usage of local components for boat and ship repair, increase the amount of minerals exported on South African ships.



### 2. Offshore Oil and Gas Exploration

Create an enabling environment for exploration of oil and gas wells resulting in an increased number of exploration wells drilled while simultaneously maximising the value captured in South Africa. The plan is to create 130 000 jobs, add an annual contribution to the GDP of \$2.2 billion, while reducing the dependence on oil and gas imports during the production phase.



### 3. Aquaculture

Enhance growth in this sector through increasing the value contribution of all segments across the aquaculture value chain, creating jobs and improving participation across the industry in supporting the transformation agenda. Focusing on high value, fast growing species, labour intensive sub-sectors and addressing the skills gap.



### 4. Marine Protection Services and Governance

Develop an incremental and integrated approach to planning, monitoring and execution of Ocean Governance and enforcement in the next few years. The lab identified 10 initiatives to be implemented by 2019 which will facilitate the development and implementation of an overarching, integrated ocean governance framework by a way of a Marine Spatial Planning Legislation and the protection of the ocean environment from all illegal activities and promote its multiple socio-economic benefits with results by 2017.



### 5. Small Harbours

To develop un-proclaimed small harbours that have potential for both harbour infrastructure, marine and offshore aquaculture, small towns precinct development, tourism and EPWP job creation in Boegoebaai, Cape St Francis, Hibberdene, Port Alfred, Port Edward, Port Grosvenor, Port Nolloth, Port Shepstone and Port St Johns. The small Harbour Tune-up has indicated that it could create 12 000 new jobs and contribute to the Gross Geographic Product by R6 billion by 2019.



### 6. Coastal and Marine Tourism

To identify the high impact, coastal tourism initiatives, interventions and projects, analyse the current and potential future contribution of Coastal and Marine Tourism to non-urban coastal tourism.



### Enabler 1 - Skills and Capacity Building

The South Africa International Maritime Institute (SAIMI) has been established to coordinate all skills and capacity building activities for all Operation Phakisa Oceans Economy. The Department of Higher Education has made available an allocation of R296 million for the establishment and funding of the National Cadet Programme. New occupational qualifications have been developed for entry-level seafarers. These 25 qualifications will be delivered at seven public technical and vocational education and training (TVET) colleges, which are already being capacitated for this purpose.



### Enabler 2 - Research, Technology and Innovation

The Department of Science and Technology will assist in enabling research in maritime environmental studies. The Minister has launched the South African Marine Research and Exploration Forum (SAMREF) at the Two Oceans Aquarium in Cape Town. SAMREF will facilitate new collaborative offshore studies to increase knowledge of the offshore marine environment related to renewable energy potential, marine biodiversity and ecology, climate change and ecosystem functioning, as well as mitigating the policy conflict between developing oil and gas sector and the development of a low-carbon economy.



### Port Nolloth, Northern Cape

A new port is planned at Boegoebaai near Port Nolloth and the prefeasibility study is under way. Aquaculture projects are: Abalone ranching, Abalone hatchery, Aquaculture facility near Hondeklop baai and an Oyster growing facility in Kleinsee.

### Saldanha Bay, Western Cape

Approximately R9.2 billion investment planned by public and private sectors over the next five years to make this the oil and gas hub of South Africa. Work has commenced on the Offshore Supply Base (30 initial jobs). Aquaculture facilities, brown mussels, Oysters and Abalone in production. Salmon, trout and scallops experimental facilities.

### Cape Town, Western Cape

One of South Africa's major ports, with investments in fuel storage facility (R660 million), two offshore mining vessels (R150 million) and building of workboat ferries for the navy (approx R23 million). A private investor has committed investment of R63.4 million for boat-building infrastructure and, is creating 214 direct jobs.

### Mossel Bay, Western Cape

Currently, this port is undergoing the refurbishment of its slipway.



### Port Elizabeth, Eastern Cape

Catamarans will be built over the next five years, unlocking R1.25 billion in investment contracts and creating 500 jobs. Two bulk carriers registered on the South African Ships register and flying the SA flag. An aquaculture project on abalone is in production phase.

### Port of Ngqura, Eastern Cape

The deepest container terminal in sub-Saharan Africa is planned to accommodate the new generation of giant container ships traversing Africa's southern tip. A manganese terminal will be established. Section 79 approval has been granted. An aquaculture facility is in the production phase.

### East London, Eastern Cape

This is South Africa's boat building hub and electrical and civil upgrades are underway. An aquaculture development zone within the East London Industrial Development Zone is planned.

### Richards Bay, KwaZulu-Natal

Will service the oil and gas industry, ship-repair and boat-building and create secondary industries for manufacturing – procurement strategy has commenced and expression of interest is going to market by 31 March 2016 and identified by December 2016. An aquaculture pilot project commenced with kob farming to compliment an existing fish processing facility (tuna, sword fish and line fish).



### Durban, KwaZulu-Natal

Procurement of equipment such as heavy duty forklift and welding is set for the Durban Dry Dock (Shop 24) – R4 million completed. The contract works on the Durban Dry Dock Caisson at approx R43 million has been completed. The Caisson was floated on 29 January and the dry dock is open for business. The procurement of new dock cranes as well as a new TNPA Floating Dock for Durban is on track for 2016. A private investor has committed investment of R290 million for boatbuilding infrastructure with tax incentives creating 141 direct jobs. An upgrade to the naval station into a fully-fledged Naval Base is planned.

## Each year:

- 30 000 vessels pass by South Africa's waters.
- 13 000 vessels dock in South Africa ports.
- 1.2 million tonnes of liquid fuel pass along the coast.
- 300 million tonnes of cargo on foreign owned and crewed vessels shipped.
- 80 rigs estimated to be in range of the Western Cape.

