

Unlocking South Africa's oceans economy



By Sibongiseni Dlamini-Mntambo

At the southern tip of Africa, perfectly nestled on three sides by the warm Indian Ocean on the east, the cold Atlantic Ocean on the west and further south by the Antarctic convergence lies one of the most beautiful countries in the world — South Africa. The country's indisputably breathtaking and wide-ranging landscape, picturesque beaches with 3,900 kilometres of coastline, vibrant cultural diversity and a host of other attractions make it one of the most sought-after tourist destinations.

South Africa has relied mainly on its land resources to support its mixed economy. The global upsurge in marine and ocean economies has coincided with South Africa's realization that its oceans are a resource that can help it grow the economy and create jobs.

South Africa's oceans have been globally framed as "a new frontier," given their quantities of untapped resources. With a total ocean territory of about 1.5 million square kilometres, exceeding its 1.2 million square kilometres of land territory, South Africa's waters have huge potential to boost economic growth by an additional US\$13.6 billion GDP by 2033. Its 2018 GDP was US\$366 billion.

Driven by an urgency to deliver on its national priorities, the government has introduced a program called Operation Phakisa, loosely translated as "move fast or hurry." Operation Phakisa is premised on the Malaysians' "Big Fast Results" methodology, which allowed Malaysia to transform economically within a short time. The South African government has gathered South African maritime professionals and experts at study labs to re-appraise its maritime sector.

Ocean economy "refers to that portion



South Africa's oceans — the Atlantic and the Indian meet here, at Cape Point — play an important role in its economy.

of the economy that relies on the ocean as an input to the production process or which, by virtue of geographic location, takes place on or under the ocean."

South Africa's approach to oceans economy development is premised on six areas: marine transport and manufacturing, marine and coastal tourism, offshore oil and gas exploration, marine-protected areas and ocean governance, aquaculture and small harbours and coastal property development. This approach has created 7,093 direct jobs and it should create more than one million by 2033.

South Africa is located near the world's major shipping routes, with its exclusive economic zone (EEZ), which sees approximately 30,000 vessels sailing through annually. The ports remain a key link between the east and west in the transportation of goods and a key strategic point of entry into Southern Africa.

South Africa's neighbouring states — especially landlocked Southern African Development Community countries — depend on South Africa's extensive and sophisticated world-class maritime infrastructure to facilitate their trade with the rest of the world. In the South Africa-Canada portion, 2017 merchandise trade totalled \$1.27 billion — \$354 million in Canadian exports and \$917 million in imports from South Africa.

Marine manufacturing, which includes ship and rig repair, refurbishment and boat building, is prioritized to meet the growing demands of shipping and the African offshore oil and gas industry. South Africa currently services four rigs annu-

ally and there are an estimated 80 oil rigs in the Western Cape.

The government has invested US\$4 billion to upgrade ship repair facilities, outer dry-dock caissons, slipway and lead-in jetties. Further expansion includes 20 new cranes and private-sector investment for a large-capacity floating dock to accommodate vessels that cannot be serviced by the existing ship repair facilities.

Coastal and maritime tourism plans aim at growing a world-class, sustainable destination that leverages the country's competitive advantages in nature, culture and heritage. Tourist activities range from boat-based whale-watching to scuba diving and shark cage-diving.

The EEZ has about 9 billion barrels of oil and 60 trillion cubic feet of gas. There are plans to drill 30 deep-water and gas-exploration wells within the decade. Should large-scale exploration take off, 370,000 barrels of oil could be produced each day over the next 20 years.

These projects will put unprecedented pressure on the ocean and should be weighed against the risk of major oil pollution and massive expenditure. Government has put in place measures to balance the preservation of a healthy ocean while increasing economic activity. Those measures include conducting emergency response drills to initiate the creation of world-class oil-spill response capacity.

Aquaculture is a relatively undeveloped area despite its contribution to global food security. South Africa harvests nearly 600,000 tonnes of fish a year; however, its fish stock has become limited. Aquaculture production currently focuses on abalone, oysters, mussels, finfish and trout.

As South Africa celebrates 25 years of democracy, it uses this milestone to reflect on its successes and missteps. The promise of this new frontier allows it to look to the future. Already a G20 member with a diversified economy, it seeks to boost its GDP with the understanding that the success of the ocean economy approach is possible if all stakeholders work together.

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