

Realising the promise of the Oceans Economy

Hundreds of state properties along South Africa's coast are to become sites of new business opportunities and catalysts for economic growth and job creation.

The Oceans Economy is a new strategic opportunity for South Africa. A broad national strategy to tackle projects that will reap benefits quickly—Operation Phakisa— has a number of priority streams, one of which is the Oceans Economy.



As part of the Oceans Economy strategy within Operation Phakisa, a unit within the National Department of Public Works has been created, the name of which explains its mandate – the Small Harbours and State Coastal Property Development unit (SH&SCPD).

The key objectives of the Small Harbours and State Coastal Property Development unit are to:

- attract investment in state coastal maritime infrastructure and properties
- grow businesses
- create jobs
- stimulate economic growth
- redistribute wealth.

The new unit has four main tasks: it lets out state coastal property for economic development; it manages state coastal properties (including all occupied and vacant Admiralty Reserve, land parcels, buildings, estuaries and unproclaimed harbours); it oversees the maintenance of small harbours and coastal properties and it is responsible for a special intervention programme to repair and maintain 12 proclaimed fishing harbours in the Western Cape.

South Africa is bordered by the ocean on three sides. In 2010 the ocean contributed approximately R54-billion to South Africa's GDP and accounted for approximately 316 000 jobs. Studies suggest that the ocean has the potential to contribute up to R177-billion to GDP and between 800 000 and one-million direct jobs.

A series of investment conferences were launched in each of South Africa's coastal provinces in 2017, introducing the investors community to "Small Harbours and State Coastal Property Development". A wide range of sectors in the Northern Cape, Western Cape, Eastern Cape and KwaZulu-Natal are being targeted for investment.

The scheme aims to attract a minimum of R12-billion in investment proposals, generate over 2 000 job opportunities in the short to medium term and 500 permanent jobs over the long term. The products generated should be viable and contribute to growing the economy, small businesses should have a chance to be part of large-scale manufacturing and construction initiatives, and the regularisation of business activities along the coastal belts will promote increased revenue for local

municipalities through the collection of rates and municipal services.

The country's 2 800km of coastline already supports many communities and businesses but the potential to increase and improve yields is enormous. At the moment, there are more than 300 businesses leasing state-owned land in sectors ranging from mining, farming and fishing to logistics, leisure and retail. The SH&SCPD unit wants to increase these opportunities in partnership with other national government departments such as National Treasury, the Department of Agriculture, Forestry and Fisheries and the Department of Environmental Affairs, provincial governments, district municipalities and local municipalities.

Several priority projects have been identified, but the scope for further smaller projects is huge. Much will depend on the initiative of local business people and local municipalities.

The first five priorities identified under the project are:

1. development of the harbour at Port Nolloth, Northern Cape
2. development of the harbour at Port St Johns, Eastern Cape
3. development of a new harbour at Port Edward, KwaZulu-Natal
4. repair and maintenance of proclaimed fishing harbours, Western Cape
5. one priority project per coastal municipality (on Public Works land).

State coastal land and buildings will be available to private-sector investors to achieve any of the following objectives: expand an existing business; create a new business; stimulate the local economy; create new jobs; generate revenue; deepen economic transformation.

Investment proposals will be evaluated on a set of criteria that include:

- scale of investment
- projected growth of business and turn over
- retention and creation of jobs
- degree of empowerment
- project revenue
- appropriateness with regard to zoning
- commitment to support small, medium and micro-enterprises (SMMEs) and localisation.



Local economic development

Economic sectors that have been identified as suitable for local economic development through investment are Education and Training; Renewable Energy; Farming; Fish Processing and Packaging; Food and Beverages; Hospitality; Infrastructure Development; Logistics; Maintenance and Repair (Vessels and Harbour Infrastructure); Manufacturing and Engineering Services; Mining; Pipelines and Pump Houses; Rescue, Safety and Security; Sport and Recreation; Tourism; Transport (Commercial and Leisure); Water and Waste Management.

The range of sectors and business opportunities available to potential investors into the Small Harbours and State Coastal Property Development project is wide. They include:

- Water theme parks
- Fishing and fish processing
- Fuel supply
- Special Economic Zones
- Desalination
- Energy production
- Caravan parks/holiday resorts
- Shipwreck museums
- Yacht mole facilities
- Transport (ferries and water taxis)
- Energy production
- Public beaches
- Slipways
- Warehousing

- Breweries and distilleries
- Aquaculture
- Mariculture
- Small ship/boat-building
- Ship maintenance and repairs
- Restaurants
- Retail
- Fish processing factories
- Offices
- Tourism
- Ice-making and supplies
- Education (Maritime and Aquaculture Training Centres)
- Renewable energy

Small harbours

Small harbours can play a big role in driving new economic activity. Small harbours are also important in terms of safety, security and safeguarding the territorial integrity of the South African state.

As a first step in the small harbours programme, 12 Proclaimed Fishing Harbours in the Western Cape were identified and work began on a series of projects to start the revival process: repairing slipways, towing away sunken vessels and dredging. The repair and maintenance project should be completed by March 2019.

Many more creative and value-adding interventions lie ahead, and are expected to be undertaken



even in areas that are currently not Proclaimed Fishing Harbours. South Africa's four coastal provinces have as many as 50 potential and existing unproclaimed harbours. There is a particular emphasis on developing assets beyond the Western Cape, traditionally the home of maritime activity.

The key is to use small harbours to stimulate the local economy. Activities to promote primary maritime activity could 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
- access to better amenities for fishers.

Business opportunities that might work at a small harbour include ice-making, desalination, yacht mole facilities, water taxis and a variety of tourism ventures.

Tourism could be promoted through relatively simple interventions such as:

- improved pedestrian access
- cleaning and maintenance
- policing
- stalls or shelters to sell crafts

- partnerships with developers to develop restaurant, curio shops, retail, maritime/marine museum or wreck museum and accommodation options
- infrastructure that allows for water recreation and sports.

Steps are being taken to include the country's small harbours as national assets in terms of the Government Immovable Assets Management Act (GIAMA). DPW is the custodian of the state's immovable assets.

The unit intends implementing the Spatial and Economic Development Frameworks (SEDFs) for the 12 proclaimed fishing harbours which were completed in 2014 and develop SEDFs for the remaining small harbours along South Africa's coastline.

An audit of all state coastal reserves needs to be done, and land for aquaculture projects is to be made available for these enterprises. Short-term leases within harbours are also to be converted to three-to-five-year leases so that business owners can have better security of tenure, allowing them to plan and expand.

The 12 existing and Proclaimed Fishing Harbours are all in the Western Cape. Outside the Western

Cape, the Small Harbours and State Coastal Property unit has plans in hand for priority projects at nine locations in three provinces:

- **Northern Cape:** Port Nolloth; Hondeklip Bay and Kleinsee.
- **Eastern Cape:** Port St Johns; Port Alfred and Gonubie.
- **KwaZulu-Natal:** Port Edward; Hibberdene and Port Shepstone.

Operation Phakisa

Operation Phakisa is a national plan that targets sectors that can best achieve quick returns in terms of growth and job creation. Operation Phakisa falls under the National Department of Planning, Monitoring and Evaluation and is aligned with the National Development Plan (NDP) 2030.

The plan seeks to get things done quickly. Phakisa mean "hurry up" in SeSotho and is adopted from the Malaysian method of delivering economic transformation, "Big Fast Results". That operation addressed Malaysia's key priorities such as poverty,

crime and unemployment. It involved setting up clear targets and following up with monitoring process and making the results public. The Malaysian government registered impressive results within a short period.

In the South African plan, there are eight steps. Various knowledgeable and relevant people from the public and private sectors, academia as well as civil society organisations are brought together to collaborate in "laboratories" so there is, for example, a Health Lab, an Education Lab and an Oceans Economy Lab. From these sessions, detailed plans are developed with timelines and delivery dates.

The Oceans Economy has been chosen as one of the key sectors for Operation Phakisa because of the massive opportunity to create value that resides onshore and offshore. There are five target areas within the Oceans Economy strategy:

- aquaculture
- offshore oil and gas
- marine protection and governance
- marine transport and manufacturing
- Small Harbours and State Coastal Property.





Northern Cape

The Northern Cape has a coastline of 313km but the economic value of this asset has barely been touched, despite a growth in the abalone industry in recent years and some fishing and lobster operations.

The province has been allocated an increased quota for landing fish (primarily hake) which makes Port Nolloth more attractive as a site for investors in fish processing. A pilot abalone ranching project located south of Port Nolloth will start operating soon.

Bigger plans are under way to convert Port Nolloth into a deepwater port capable of receiving large vessels. Both a pre-feasibility study and a follow-up Gap Analysis have been done, and the plans have been registered with the provincial and national Treasuries. In terms of the Small Harbours and State Coastal Property Development project, plans for Port Nolloth include the creation of a waterfront for retail and tourist activity, expanding fishing and aquaculture, and developing a boat-building and maintenance industry.

The Namakwa District Municipality is one of five district municipalities in the Northern Cape and the only one with access to the coast. Each of the three coastal local municipalities within Namakwa DM

will be the focus of a project on Public Works land, brokered by the Small Harbours and State Coastal Property Development unit.

Priority projects

Port Nolloth: a new harbour development with economic activities such as alluvial mining, boat-building and maintenance, fishing and aquaculture and the development of a waterfront.

Hondeklip Bay: development of coastal property; with economic activities such as alluvial mining, aquaculture and fishing.

Kleinsee: development of coastal property; with economic activities such as aquaculture and the creation of an economic zone.

**Northern Cape Provincial Government
Department of Economic Development and
Tourism:** www.economic.ncape.gov.za

**Namakwa District Municipality
Website:** www.namakwa-dm.gov.za

Coastal local municipalities: Richtersveld LM; Nama Khoi LM; Kamiesberg LM.

Coastal assets include: Alexander Bay, Port Nolloth, Hondeklip Bay, Koingaas and Kleinsee.

Western Cape

The Port of Cape Town (general trade), Saldanha Bay (exportation of iron ore and trawler fleets), Mossel Bay (gas and trawler fleets) and Simon's Town harbour (naval headquarters) are major port facilities underpinning the maritime sector in the Western Cape.

The Small Harbours and State Coastal Property Development project has committed to a programme of repair and maintenance of the Western Cape's 12 Proclaimed Fishing Harbours. In addition, a capital and maintenance programme valued at R400-million has been outlined.

Several of the smaller harbours being targeted for these repair projects and for further development fall within the metropolitan area of the City of Cape Town; the others are distributed across four of the province's five district municipalities.

Saldanha is a base for deep-sea trawling operators. The port of Mossel Bay is the region's fishing industry base with facilities for fleet maintenance and for processing catches.

The Harbour Road development at Kleinmond near Hermanus has seen the area leading to the sea near the slipway upgraded and transformed: roadside trees shade coffee shops and traders, and bookshops and restaurants line the cobbled road leading to the water's edge. Several new apartments are for sale or available for holiday rental. This kind of upmarket development will not suit every small harbour, jetty or cove along the coast of South Africa, but it highlights what can be done with a bit of imagination and intelligent partnerships between public landowners and private developers.

Priority projects

The unit will implement the Spatial and Economic Development Frameworks (SEDFs) for the 12 Proclaimed Fishing Harbours of the Western Cape which were completed in 2014. Various projects are at different stages in the development pipeline.

On the West Coast there is Lamberts Bay, Laaiplek, St Helena and Saldanha Bay. Within the City of Cape Town lie Hout Bay and Kalk Bay and around False Bay is Gordons Bay. Further east are Hermanus, Gansbaai, Struisbaai, Arniston and Stilbaai. Each of these

harbours has economic activity to a greater or lesser extent, but upgrades and diversification will serve them (and potential investors) well.

By way of example, budgeted amounts for repairs, upgrades, dredging and security for Hout Bay harbour for the period 2015-2018 are set at R14.4-million. Gordons Bay harbour is to have some of its access roads rerouted to create separate zones for operations and tourism/commerce. At Kalk Bay harbour the focus is on creating a dedicated area for small-scale fishers which will also create new cold-storage facilities.

**Western Cape Provincial Government
Department of Economic Development and
Tourism:** www.westerncape.gov.za/dept/edat

City of Cape Town

Website: www.capetown.gov.za

Proclaimed Fishing Harbours: Hout Bay, Gordons Bay and Kalk Bay.

West Coast District Municipality

Website: www.westcoastdm.co.za

Coastal local municipalities: Matzikama LM; Cederberg LM; Bergriver LM; Saldanha Bay LM; Swartland LM.

Proclaimed Fishing Harbours: Lamberts Bay, Laaiplek, St Helena, Saldanha Bay.

Other coastal assets include: Doring Bay, Elands Bay, Ysterfontein.

Overberg District Municipality

Website: www.odm.org.za

Coastal local municipalities: Overstrand LM; Cape Agulhas LM.

Proclaimed fishing harbours: Hermanus, Ganbsaai, Struisbaai.

Other coastal assets: Kleinmond, Hawston, Arniston.

Eden District Municipality

Website: www.edendm.co.za

Coastal local municipalities: Hessequa LM; Mossel Bay LM; Knysna LM; Bitou LM.

Coastal assets include: Port of Mossel Bay, Plettenberg Bay, Knysna lagoon and jetties, Stillbaai and Witsand.

Eastern Cape

The Eastern Cape is perfectly positioned to take advantage of the new interest in developing a maritime economy. The province has 800km of coastline, three ports, two Industrial Development Zones and an academic community geared to maritime research.

The Eastern Cape's maritime sector is anchored by its three large ports in the metropolitan municipalities of Buffalo City (Port of East London) and Nelson Mandela Bay (Port Elizabeth and Ngqura). The Nelson Mandela University has established a campus for Ocean Sciences.

The ports of East London and Ngqura serve Industrial Development Zones, the ELIDZ and the Coega IDZ. Apart from attracting foreign direct investment and boosting employment, IDZs play a role in helping to add new sectors or subsectors to an economy.

Beyond the metropolitan municipalities, three district municipalities host other coastal properties, existing small harbours or areas that could become small harbours.

The tourism potential of the sandy beaches along the Eastern Cape coastline is already well known. With investment and targeted projects, some of the "hidden gems" among the small harbours, bays and coastal properties may turn out to be providers of income and improved turnover in unexpected ways.



Priority projects

Port St Johns: development of a new harbour and development of coastal property, with economic activities such as a new economic zone, fishing and aquaculture and the establishment of a waterfront.

Port Alfred: development of coastal property, with economic activities such as tourism and aquaculture.

Gonubie: development of coastal property, with economic activities such as a mini-waterfront, leisure activities and recreation.

Eastern Cape Provincial Government
Department of Economic Development,
Environmental Affairs and Tourism:
www.dedea.gov.za

Nelson Mandela Bay Metropolitan Municipality
Website: www.nelsonmandebay.gov.za
Assets: Ports of Port Elizabeth, Ngqura.

Sarah Baartman District Municipality
Website: www.sarahbaartman.gov.za
Coastal local municipalities: Greater Kei LM; Sundays River LM; Kouga LM; Ndlambe LM.
Coastal assets: Jeffreys Bay, Port St Francis, Port Alfred.

Buffalo City Metropolitan Municipality
Website: www.buffalocity.gov.za
Assets: Port of East London, Gonubie.

OR Tambo District Municipality
Website: www.ortambodm.go.za
Coastal local municipalities: King Sabata Dalindyebo LM; Nyandeni LM; Port St Johns LM; Ingquza LM; Mbizana LM.
Coastal assets: Port St Johns, Mcwasa, Hole in the Wall.

Amathole District Municipality
Website: www.amathole.gov.za
Coastal local municipalities: Ngqushwa LM; Great Kei LM; Mnquma LM; Mbashe LM.
Coastal assets: Morgan Bay, Kei Mouth.



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The Sea Harvest Group (SHG) story is all about growth and, on the 23rd of March 2017, we reached another milestone in our 53-year journey when we listed on the Johannesburg Stock Exchange. We are driven to ensure that the Group benefits all of its shareholders which includes its staff, as well as their families, local communities and the nation at large.

KwaZulu-Natal

With its two important ports, KwaZulu-Natal is very much a maritime province. Between them, Durban and Richards Bay handle 78% of South Africa's cargo tonnage. Richards Bay, apart from being the country's main site for the export of coal, is also a registered Industrial Development Zone (IDZ) and consequently attracts a range of investors.

The state owns property adjacent to many of the province's fine beaches and these will be used to further develop tourist infrastructure, primarily on the South Coast. The great annual Sardine Run is one of the highlights on the tourism calendar and generally involves thousands of individuals plunging into the surf in search of silvery treasure. Some of planned infrastructure involves fish processing.

The remote destinations in the northern parts of KwaZulu-Natal have been mentioned in some of the preliminary planning for the project, but no details have yet been announced.

Four district municipalities and the metropolitan municipality of eThekweni preside over ports, small harbours and coastal properties in the province.

Priority projects

Port Edward: development of a new harbour and coastal property, with economic activities such as fish and processing, fishing and leisure activities.

Hibberdene: development of coastal property, with economic activities such as the creation of a waterfront and a Music City.

Port Shepstone: development of coastal property, with economic activities such as boat-building and repairs and the creation of an economic zone.

KwaZulu-Natal Provincial Government

Department of Economic Development, Tourism and Environmental Affairs:
www.kzndedt.gov.za

eThekweni Metropolitan Municipality

Website: www.durban.gov.za
Coastal assets: Port of Durban, Umkomaas, Amanzimtoti, Umhlanga.



Ugu District Municipality

Website: www.ugu.gov.za
Coastal local municipalities: Ray Nkonyeni LM; Umdoni LM.
Coastal assets: Port Shepstone, Port Edward, Hibberdene, Shelley Beach.

iLembe District Municipality

Website: www.ilembe.gov.za
Coastal local municipalities: Mandeni LM; KwaDukuza LM.
Coastal assets: Ballito, Zinkwazi beach.

King Cetshwayo District Municipality

Website: www.uthungulu.gov.za
Coastal local municipalities: uMlalazi LM; uMhlatuze LM; uMfolozi LM.
Coastal assets: Port of Richards Bay, Richards Bay IDZ.

uMkhanyakude District Municipality

Website: www.ukdm.gov.za
Coastal local municipalities: Mhlabayalingana LM.
Coastal assets: Kosi Bay, St Lucia.



Small Harbours and State Coastal Property Development

Unlocking the potential of South Africa's oceans economy.

A unit has been established within the National Department of Public Works to focus on the enormous potential that South Africa's coastline holds for economic upliftment and job creation.

The key objectives of the Small Harbours and State Coastal Property Development unit are to:

- attract investment in state coastal maritime infrastructure and properties
- grow businesses
- create jobs
- stimulate economic growth
- redistribute wealth.

Mandate and functions

- Letting out of state coastal property for economic development.
- Management of state coastal properties. (This includes all occupied and vacant Admiralty Reserve, land parcels, buildings, estuaries and unproclaimed harbours.)
- Maintenance of state coastal properties and infrastructure.
- Special intervention programme: repair and maintenance of 12 proclaimed fishing harbours in the Western Cape.

Local economic development

Economic sectors that have been identified as suitable for local economic development through investment are Education and Training; Renewable Energy; Farming; Fish Processing and Packaging; Food and Beverage; Hospitality Industry; Infrastructure Development; Logistics; Maintenance and Repair (Vessels and Harbour Infrastructure); Manufacturing and Engineering Services; Mining; Pipelines and Pump Houses; Rescue, Safety and Security; Sport and Recreation; Tourism; Transport (Commercial and Leisure); Water and Waste Management and others.

National priority projects

DPW intends building three new small harbours in the Northern Cape, Eastern Cape and KwaZulu-Natal provinces.

Phase one: The new harbours to be developed under Phase one are as follows:

- Port Nolloth of Richtersveld Municipality (Northern Cape)
- Port St Johns of PSJ Municipality (Eastern Cape)
- Port Edward of Ray Nkonyeni Municipality (KwaZulu-Natal)

Phase two: Phase two projects under consideration for development of the following areas:

- **Northern Cape:** Kleinzee and Hondeklip Bay.
- **Eastern Cape:** Port Alfred, Gonubie, Port Grosvenor and Coffee Bay.
- **KwaZulu-Natal:** Port Shepstone, Shelley Beach, Mthunzini and Richards Bay La Mercy.

“Ensuring inclusive Economic Growth and Development through the Empowerment of Local Communities”



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