General Notices • Algemene Kennisgewings

DEPARTMENT OF TRANSPORT

NOTICE 183 OF 2017

DRAFT COMPREHENSIVE MARITIME TRANSPORT POLICY (CMTP), 2017

The Executive Authority intends, in terms of section 85 (b) of the Constitution to make the Comprehensive Maritime Transport Policy for the Republic of South Africa. The Minister of Transport hereby gives notice of draft CMTP for public consultation.

NB. The full version of the COMPREHENSIVE MARITIME TRANSPORT POLICY is downloadable on the Department of Transport website www.transport.gov.za and if you require a copy to be emailed to you contact 012-3093331 or 012-3093376

In addition, interested persons are invited to submit their written comments on the Draft policy to the Director General for the attention of Mr Dumisani Theophelus Ntuli within 21 days from publication thereof. The address is the following:

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transport
Department:
Transport
REPUBLIC OF SOUTH AFRICA

DRAFT COMPREHENSIVE MARITIME TRANSPORT POLICY FOR SOUTH AFRICA, 2017

Maritime Transport passage of hope and development

☐ **To facilitate growth and development of South Africa's maritime transport system in support of socio-economic development of the country whilst contributing in international trade**

MINISTERIAL FOREWORD

South Africa is a maritime country defined by the characteristics of its oceans, heritage, international trade patterns and geography and boasts of a significant marine real estate. Although she is situated far from her major trade partners and markets, South Africa occupies a geostrategic location on a major sea-trading route that lies at the heart of the South-South Trade and connects the Asia markets with those of the Americas. South Africa derives its maritime interests from its trade and geo economic structure, its geo-political aspirations and the obligations arising from being a regional power located at the southern tip of Africa.

Since the advent of democracy, the overarching goal of the South African Government has been the creation of a better life for all. In essence this was to be achieved by transforming the country, increasing the economic growth rate and reducing both the unemployment rate and the unequal distribution of wealth and incomes.

The Maritime Transport Sector is a high impact sector, which offers significant contribution to addressing South Africa's developmental challenges. Notwithstanding its importance, the Maritime Transport Sector in South Africa lacks the necessary developmental instruments to expand and play an active role in South Africa's rapid developmental agenda. There exists scope to revive the maritime transport sector and enhance its contribution to the growth and radical transformation of the South African economy. Promotion and development of the sector should be seen within the context of the broader agenda of contributing towards the global competitiveness of the country as a trading nation, so as to take its rightful position among leading maritime nations.

A consideration of the broader strategic and policy frameworks affecting transport in general, and the Maritime Transport Sector in particular is important as these are central overarching policies that shape the environment within which Government and maritime programmes must be aligned to.

For many years there have been several attempts at making a statement of policy in such an important area of responsibility of our democratic Government. As keepers of this resource bestowed on the shoulders of us all, we have a duty to manage and develop for our benefit as a country. The absence of a comprehensive maritime transport policy continues to retard growth, transformation and development thrust of the 1996 White Paper on Transport as there still is no overarching policy to guide the integrated governance, regulation and development broadly of the ocean economy and in particular of maritime transportation in South Africa.

The ability of South Africa to carry its own import and export trade has been in sharp decline since the 1980s. This has resulted in the final absence of merchant ships on the South African ship register and this has affected the country in many ways including the loss of critical and strategic public and private sector maritime expertise, a commercial maritime service capacity, industrial capacity including capacity to do research, development and innovation that a country accumulates from regulating/ owning and operating an indigenous merchant shipping industry.

This policy is an articulation of what constitutes the maritime transport sector; the benefits it holds for the country and most importantly the creation of an environment that facilitates the growth, development, transformation and effective governance and management in such a way that the national interest of the Republic and its peoples and that of customers are protected and that the industry is positioned and equipped to perform optimally and efficiently in meeting its own needs; the needs of the national economy and provision of efficient service to the national and global shipping customers.

The policy provides detailed information on the opportunities that we have and as well as an appropriate institutional framework for the governance and management of the sector. It is specifically focused on maritime transport system. This policy is not the be-and-all of the solutions to a myriad of maritime industry challenges of today but should be understood as being an important chapter of the broader maritime domain policy that is in the making.

The Department will continue to evolve policy positions that will create enabling conditions for the maritime domain to fully play its role in the socio-economic development of our country and its people and the African continent whilst at the same time being of service to customers and the global industry. There is recognition that there may be a need for further elaborations on other broader maritime domain components not fully covered by this policy. And from a national development planning perspective, it is a firm reappraisal of the Maritime Transport Sector in light of its geopolitical positioning and is also clear statement of what contribution the sector could make to employment creation and the facilitation of regional trade.

I therefore present this *maritime transport passage of hope and development* to you, the people of South Africa, industry, coastal communities, maritime transport customers for your comments.

DIPUO PETERS (MP)

MINISTER OF TRANSPORT

2016

Executive Summary

Maritime Transport is the jugular vein of the South African economy. The bulk of South African trade is moved by sea through a system of commercial ports of the country. It is estimated that sea borne trade accounts for between 80 and 90 % of the South African economy.

This Comprehensive Maritime Transport Policy serves as the embodiment of Government's commitment to the growth, development and transformation of South Africa's maritime transport sector. It represents South Africa's long-term vision, the underpinning philosophy and principles that inform its development and the direction that Government has committed to take for the sector to reach its full potential.

The statement of this Policy is based on the need for a Comprehensive Maritime Transport Policy. In being more comprehensive, it is aimed at providing an elaboration to the declared policy directives as of the White Paper on National Transport Policy of 1996 and the subsequent macro national policies, the National Development Plan and the other coterie of interventionist programmes including Operation Phakisa in the ocean economy.

Government, through the Department has successfully implemented numerous strategies and targeted interventions to advance the objectives of the 1996 White Paper, however, what still remains is an overarching national maritime transport policy to provide a national framework to guide the integrated governance, growth, development and transformation of the sector, such that it unlocks its full potential and enhances its contribution to the socio-economic development objectives of the country.

Furthermore, maritime transport has been identified as one of the priority economic sectors towards unlocking the country's oceans economy by heightening its contribution to the Gross Domestic Product (GDP) and creating jobs and employment opportunities for South Africans. It is seen as one of the means through which Government seeks to achieve the objectives outlined in the 2030 National Development Plan and the New Growth Path (NGP).

The fundamental theme of this policy is the proper governance management and development of the Maritime Transport sector to serve the country, the industry and be of service to the global maritime industry. The policy is aimed at realising the vision of developing a maritime transport sector in South Africa that will build on its historic potential in shipping and support industries as potential significant contributors to the economic growth, new business germination and employment opportunities in the country. It is thus developed taking into account domestic, regional and global challenges and imperatives.

Through this policy, an environment that is conducive in facilitating the development and growth of the South African maritime transport sector that supports economic growth and well-being of the people of South Africa will be created. The Policy takes cognisance of the heightened safety, security and environmental concerns at international level. The policy articulates that Maritime Transport must be harmonised with the broader transport policy framework to complement the goals and strategies of Government.

The Policy recognises further that the Revised African Maritime Transport Charter of the African Union is key instrument with potential to restructure maritime transport policy and strategy in Africa. The policy also recognises the strategic importance of partnerships at all levels of the international system in their ability to further advance mutual cooperation and assistance in the development of the sector.

The policy prescribes that the Department initiates a programme to holistically and coherently grow and develop the South African maritime transport sector. This is further complemented by the emphasis on the continuation to recruit suitably qualified officials and promote innovation if we are to establish a world class maritime transport sector.

The policy provides a continuing commitment that the Department shall; through SADC promote integration of the sub region. This is further complemented by the confirmation that South Africa shall continue to adopt and comply with International Maritime Organisation Conventions and other multilateral treaty instruments for the promotion of safety and security of life at sea; the protection and preservation of the marine environment by adopting the highest practicable standards in this regard. The policy prescribes that the Department shall enhance its ship registration framework and service; and will continue to engage with ship owners and operators to promote the implementation of the Maritime Labour Convention and in this way find ways to balance labour practices in South Africa with practices in international shipping.

Contents

Acronyms and Abbreviations

AIS	Automatic Identification System
AtoN	Aid to navigation
AU	African Union
BBBEE	Broad Based Black Economic Empowerment
BEE	Black Economic Empowerment
CIF	Costs, Insurance and Freight
CIWSP	Co-operative Inland Waterways Safety Programme
CMTP	Comprehensive Maritime Transport Policy
DAFF	Department of Agriculture Forestry and Fisheries
DEA	Department of Environmental Affairs
DIRCO	Department of International Relations and Co-operation
DoE	Department of Energy
DoD	Department of Defence
DPE	Department of Public Enterprises
DPW	Department of Public Works
DST	Department of Science and Technology
DTI	Department of Trade and Industry
DWS	Department of Water and Sanitation
ECDIS	Electronic Chart Display and Information System
EEZ	Exclusive Economic Zone
EPIRB	Emergency Position-Indicator Radio Beacon
ETV	Emergency Towing Vessel

FOB	Free on Board
GDP	Growth Domestic Product
GEAR	Growth Employment and Redistribution
GMDSS	Global Maritime Distress Safety System
IALA	International Association of Marine Aids to Navigation and Lighthouse Authorities
IAMSAR	International Aeronautical and Maritime Search and Rescue
ICM	Integrated Coastal Management Act
IDZ	Industrial Development Zone
IHO	International Hydrographic Organisation
ILO	International Labour Organisation
IMO	International Maritime Organization
Incoterms	International Commercial Terms
IPAP	Industrial Policy Action Plan
ITU	International Telecommunication Union
ITU WRC07	International Telecommunication Union's World Radio Communication Conference held in 2007
LRIT	Long- range identification and tracking (of ships)
LUT	Local User Terminal
MARPOL	International Convention for the Prevention of Pollution from Ships
MDA	Maritime Domain Awareness
MTSDC	Maritime Transport Sector Development Council
MTSDP	Maritime Transport Sector Development Plan
MIS	Management Information Services
MoU	Memorandum of Understanding

MSAC	Maritime Security Advisory Committee
MSI	Maritime Safety Information
NDP	National Development Plan
NEMA	National Environmental Management Act
NEPAD	New Partnership for Africa's Development
NGP	New Growth Path
NIPF	National Industrial Policy Framework
NMNCF	National Maritime Navigation Consultative Forum
NOSCP	National Oil Spill Contingency Plan
OPRC	Oil Pollution Preparedness, Response and Co-operation
PSC	Port State Control
RDP	Reconstruction and Development Programme
REC	Regional Economic Community
SADC	Southern African Development Community
SAFREP	South African Ship Reporting System (Voluntary)
SAIHC	Southern African and Islands Hydrographic Commission
SAMSA	South African Maritime Safety Authority
SAN	South African Navy
SANDF	South African National Defence Force
SAPS	South African Police Service
SAR	Search and Rescue
SARS	South African Revenue Service
SASAR	South African Search and Rescue Organisation
SOLAS	International Convention for the Safety of Life at Sea

STCW	Standards of Training Certification and Watchkeeping
UN	United Nations
UNCLOS	United Nations Convention on the Law of the Sea
UNCTAD	United Nations Conference on Trade and Development
VMS	Vessel Management System
VTS	Vessel traffic services
WCO	World Customs Organization
WMO	World Meteorological Organisation
WWNWS	World-Wide Navigational Warning Service

Definitions, interpretations and explanations of terminology

In this document, unless the context shows that another meaning is intended, the following mean:

"**Abuja MoU**" means the West and Central Africa Region Port State Control regime

"**Administration**" means the Government of the state whose flag the ship is entitles to fly (consolidated text of the annex to SOLAS)

"**Aid to Navigation (AtoN)**" is defined by the International Association of Marine Aids to Navigation and Lighthouse Authorities IALA as "a device or system external to ships that is designed and operated to enhance the safe and efficient navigation of ships and/or vessel traffic". AtoN includes, but is not limited to:

- a lighthouse, lightship, buoy, beacon, day-mark,

- an electronic aid, including radio navigation services or radio device that is used as an aid to marine navigation, such as, but not limited to radar transponder beacons (racons), Automatic Identification System (AIS), Positioning, Navigation, and Timing (PNT) devices or systems, terrestrial satellite navigation system, or terrestrial global positioning systems, etc.), Vessel Traffic Services (VTS), or

- any other light, signal or mark (fixed, or floating), device or apparatus that is an aid marine navigation and includes all buildings, moorings and other works associated therewith, but does not include any device or apparatus that forms part of the equipment of a vessel (unless the vessel is a lightship).

  Examples of AtoN include, but not limited to lighthouses, beacons, breakwater/quay/jetty lights, leading/transit (range) lines, buoys (lit or unlit), light ships, day marks (day boards), traffic signals, audible (fog/sound) signals[1], Racon (radar transponder beacon), Automatic Identification System (AIS) AtoN, Global Navigation Satellite System[2] (GNSS), Differential GNSS[3] (DGNSS) and Loran.

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[1] It has been IALA policy since 1985 that audible (fog/sound) signals are not classed as an AtoN, but merely a warning device. A fog signal is able to assist ALL marines in its vicinity, acting as a back-up in case of an emergency. SAMSA shall determine whether a hazard requires an audible signal, or not

"AIS": The Automatic Identification System (AIS) is an automatic tracking system used on ships and by vessel traffic services (VTS) for identifying and locating ships by electronically exchanging data with other nearby ships, AIS base stations, and satellites.

"Artefact" means any object manufactured or modified by human beings;

"Authority" means an official body that is set up by Government to administer an area of activity that has the right or power to enforce rules or give orders, is a source of reliable information on a subject and has the required knowledge, skill, or experience worthy of respect.

"Cabotage" is trade transit of a vessel along the coast (cabotage trading), from one port to another within the territorial limits of a single nation.

"CIF" means Cost, Insurance and Freight. It is a trade term requiring the seller, supplier or intermediary to arrange for the carriage of goods by sea to a port of destination, and provide the buyer with the documents necessary to obtain the goods from the carrier; in this case the seller is responsible for the freight.

"**Coastal Shipping**" means –

(a)   any navigational service carried out in a port in the Republic to serve a ship and a port facility or any navigational service carried out for logistics support of a ship and a port facility in the sea in the activities of prospecting and mining of minerals and hydrocarbons; or

(b)   the carriage of cargo by a ship from one place in the Republic or above the sea to any other place in the Republic or above the sea, either directly or through a place outside the Republic and includes the carriage of cargo in relation to the exploration, exploitation or transportation of the mineral or non-living natural resources of the Republic, whether in or under the sea, provided that this shall not apply to cargo which is consigned on a through bill of lading to or from a port outside the Republic and is unloaded at a port within the Republic for transhipment purposes only; or

(c)   the towage of any ship from or to any port or point in the sea.

(d)   the carriage of fee paying passengers by a ship from any place in the Republic either directly or through a place outside the Republic to the same

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[2]   This includes Global Positioning System (GPS)

[3]   This includes Differential Global Positioning System (DGPS)

place or to any other place in the Republic without any call at any port outside the Republic, other than as an in-transit or emergency call;

(e)   the carriage of a passenger other than a fee paying passenger by a ship from any place in the Republic to any place above or under the sea, or from any place above the sea to the same place or to any other place above or under the sea where the carriage of the passengers is in relation to the exploration, exploitation or transportation of the mineral or non-living natural resources in or under sea; and

(f)   any ocean research activity in the sea using a ship.

(g)   Any ship related service provided to an installation

"Coastwise traffic and coasting ships" as defined in the Customs and Excise Act 91 of 1964 as amended

"Commission" in terms of maritime safety information system is where an institution or person makes a mistake (negligence) that causes damage or loss. The accountability remains with the coastal State.

"Competent Authority" means any person or organisation that has the legally delegated or invested authority, capacity, or power to perform a designated function.

"Comprehensive Maritime Transport Policy" is that component of national policy relating to all forms of transport by sea (waterborne transport) and intermodal links (including inland ports) of the state. It is concerned with creating the conditions for a safe, secure and stable environment within which all national maritime assets can develop and be utilised for the socio-economic growth and prosperity of the nation.

"Cospas-Sarsat" is a satellite-based search and rescue (SAR) distress alert detection and information distribution system that was established in 1979. It is best known as the system that detects and locates emergency beacons activated by aircraft, ships and backcountry hikers in distress.

"Department" means the Department of Transport

 "e-Navigation" is defined as "the harmonised collection, integration, exchange, presentation and analysis of maritime information on board and ashore by electronic means to enhance berth to berth navigation and related services, for safety and security at sea and protection of the marine environment".

"Exclusive Economic Zone" has the same meaning assigned to that expression in the Maritime Zones Act, 1994 (Act No. 15 of 1994)

"FOB" means Free on Board. It is a trade term requiring the seller to deliver goods on board a vessel designated by the buyer. The seller fulfils its obligations to deliver when the goods have passed over the ship's rail. When used in trade terms, the word "Free" means that the buyer, receiver or intermediary is responsible for the freight.

"General navigation" means all navigation that does not involve the entry, or departure into a port, harbour, marina, river, etc.

"Governance" in terms of this White Paper, is considered to mean the "rules, processes and behaviour that affects the way in which powers are exercised particularly as regards openness, participation, accountability, effectiveness and coherence".

"Hydrography" is the branch of applied sciences which deals with the measurement and description of the physical features of oceans, seas, coastal areas, lakes and rivers, as well as with the prediction of their change over time, for the primary purpose of safety of navigation and in support of all other marine activities, including economic development, security and defence, scientific research, and environmental protection.

"**Indian Ocean MoU**" means the Memorandum of Understanding on Port Control for the Indian Ocean Region, Pretoria, 1998

"INMARSAT" is a British satellite telecommunications company, offering global, mobile services. It provides telephone and data services to users worldwide, via portable or mobile terminals which communicate to ground stations through geostationary telecommunications satellites.

"Installation" has the same meaning assigned to that expression by the Maritime Zones Act.

"International Customary Law" refers to the *Law of Nations* or the legal norms that have developed through the customary exchanges between states over time, whether based on diplomacy or aggression. Customary international law can be distinguished from treaty law, which consists of explicit agreements between nations to assume obligations.

"Laissez-faire" is French for describing an economic system in which transactions between private parties are free from Government interference, such as regulations, privileges, tariffs, and subsidies.

"LRIT" is the Long-Range Identification and Tracking of ships established as an international system on 19 May 2006 by the International Maritime Organization (IMO) as resolution MSC.202 (81). This resolution amends Chapter V of the International Convention for the Safety of Life at Sea (SOLAS), regulation 19-1 and binds all Governments which have contracted to the IMO. The LRIT regulation applies to the following ship types engaged on international voyages:

- All passenger ships including high-speed crafts

- Cargo ships, including high-speed craft of 300 gross tonnage and above, and

- Mobile offshore drilling units.

"Maritime Transport passage of hope and development" means the Comprehensive Maritime Transport Policy for South Africa.

"Maritime Safety" means the safety of life, ships, goods and the environment arising from activities that may occur at sea, coastal, or inland waterways*.*

*"Maritime **S**afety Regulation"* can be described as the protection of life and property through regulation, management and technology development of all forms of waterborne transportation

"Marine Domain Awareness (MDA)" means the comprehensive fusion of data from every source/agency (and nation) to improve knowledge of the maritime domain. No one country, department, or agency holds all of the authorities and capabilities to have effective MDA on its own. However, by combining separate pieces of information from agencies at the national, provincial and local level with information from the maritime industry and other non-Governmental organisations, it is possible to keep track of the status of every ocean-bound and sea-bound ship.

"**METAREA VII**" is that particular geographical sea region of the World Ocean in respect of which South Africa, as the member of the World Meteorological Organization, has been assigned to assume the responsibility for co-ordinating the transmission of meteorological information to mariners on international voyages through international and territorial waters. This region is part of the Global Maritime Distress Safety System (GMDSS)

"**Nairobi Convention**" means the Nairobi International Convention on the Marking and Removal of Wrecks

"**NAVAREA**" means an area in the World-Wide Navigational Warning Service (WWNWS)

"NAVAREA-VII" is that particular geographical sea region of the World Ocean in respect of which South Africa, as the member of the International Maritime Organisation and International Hydrographic Organisation, has been assigned to assume the responsibility of co-ordinating, compiling and disseminating maritime safety information (MSI) messages.

"Nautical publication and nautical chart" means a special-purpose map or book, or a specially compiled database from which such a map or book is derived which is authorised by the Hydrographic Office, designed to meet the requirements of marine navigation or other relevant Government institution.

"Navigational Warning" means a broadcast message that conveys navigational information.

"Offshore installations" means oil & gas installations, renewable energy devices (wind turbines, tidal & wave devise) and aquaculture (fish farming).

"Omission" in terms of maritime safety information system is where an institution or person is aware of a danger and fails to react and "commission" is where they make a mistake (negligence) that causes damage or loss. The accountability remains with the coastal State.

"Oversight" is to monitor and oversee related actions to ensure compliance

"Pleasure vessel" has the same meaning assigned to that expression by the Merchant Shipping (Small Vessel Safety) Regulations 2007

"Public Consultation" for the purpose of this Comprehensive Maritime Transport Policy means a structured public engagement, which involves seeking, receiving, analysing and responding to feedback from stakeholders.

"Regulation" can be defined narrowly to mean primary legislation enacted by the legislature and secondary legislation (Statutory Instruments) enacted by the Ministers/MECs empowered under primary legislation. Depending on the context, 'regulation' can also mean 'to regulate' in the economic and social sense of the word.

"Regulator": A Regulator generally refers to any one of a number of public bodies with responsibility for regulation of specific aspect on behalf of Government.

"Stakeholder": For the purposes of this White Paper, a stakeholder is broadly defined as any individual or organisation with a direct or indirect interest in the maritime transport policy.

"Safety of Navigation" can be described as *the process of planning, recording and controlling the movement of a craft safely from one place to another.*

"Ship" has the same meaning assigned to that expression by the Merchant Shipping Act, 1951.

"Small vessels" has the same meaning assigned to that expression by the Merchant Shipping Act, 1951.

"South African ship" means any ship that is manufactured in South Africa; or a ship owned by a South African entity or a ship that is registered in South Africa**.**

"VDS": Vessel Detection System using Synthetic Aperture Radar allows the detection of ships from satellite. The advantage of such system is the all-weather and day/night vision capability as well as its non-cooperative nature (meaning that ships are imaged regardless of their actions). These features make VDS the ideal source of data to combine with other cooperative sources (AIS, LRIT) and non-cooperative (VMS) for Maritime Surveillance and Fisheries Enforcement.

As new satellites become available (Radarsat2, Terrasar, Cosmo/Skymed) resolution has increased to 1 m providing new details about ships. Satellite acquired Automatic Synthetic Aperture vessel detection (VDS) provides the position of vessel targets during the image acquisition time. However, in most cases, it is impossible to identify the vessel from only its SAR signature. Therefore, fusion with other positional data (namely AIS, LRIT, VMS tracks) is essential.

"Vessel" means any ship or craft irrespective of type and purpose

"Vessel Traffic Services" means a navigational service with guidelines for vessel traffic services adopted by the International Maritime Organization to improve the safety and efficiency of vessel traffic and to protect the environment, as in force from time to time.

Introduction and background

1. In 1996, the democratic Government of South Africa adopted the Reconstruction and Development Programme (RDP) as the overarching policy framework for addressing the socio-economic development challenges of the country in an attempt to structurally transform and eradicate the hegemony of the apartheid system of governance.
2. The RDP was preceded by an adoption of the 1996 Growth Employment and Redistribution (GEAR) strategy, which formed the basis for the development of the 1996 White Paper on the National Transport Policy. The White Paper on National Transport Policy laid the foundation for an integrated and systematic way of developing all modes of transport including maritime transport in South Africa.
3. Since the promulgation of the White Paper on National Transport Policy in 1996 the Government through the Department has initiated and adopted specific policies, legislation and programmes to promote and restructure certain aspects of maritime transport regulation and operations.

4. The 1996 White Paper on National Transport Policy paved the way for the development and adoption by Government of several significant pieces of policies and legislation in maritime transport, namely the SAMSA Act of 1998; the Commercial Ports Policy of 2002 and the National Ports Act of 2005. These formed the foundational basis for establishing the South African Maritime Safety Authority (SAMSA) in 1998 and the Ports Regulator in 2005. The incorporation of the National Ports Authority as a company in terms of the National Ports Act is the most outstanding provision that has is yet to be implemented.

5. A National Freight Logistics Strategy was developed and approved in 2005. The Strategy identified challenges facing the South African Freight Logistics system at different levels and recommended strategic interventions to address the challenges. The Department also developed the Integrated and Sub-Sector Broad-Based Black Economic Empowerment (BBBEE) Charters of Transport in 2008 to guide transformation and give impetus to equitable representation across the maritime transport industry; though to date there still remain significant challenges with regards to transformation.

6. Subsequently, some regulatory and operational aspects of maritime transport policy have been statutorily assigned to agencies established for defined purposes. In this regard, the South African Maritime Safety Authority; Transnet National Ports Authority; Transnet Port Terminal and Ports Regulator of South Africa were established for the implementation of some of the Government's initiatives envisaged in the 1996 White Paper on National Transport Policy.

7. In 2003, the Department initiated the development of maritime transport policy and after a series of consultation and research, a draft National Maritime Policy was published in 2008 whose basis is the foundation on which we are not building.

8. In 2009, a conference of African Ministers responsible for Maritime Affairs met in Durban, South Africa to revise the 1994 African Maritime Transport Charter. The Revised Charter was later adopted in 2010 by Heads of States and Governments at an AU Summit held in Kampala, Uganda.

9. In 2013, the AU Summit approved the 2050 African Integrated Maritime Strategy (2050 AIM Strategy). The 2050 AIMS Strategy seeks to develop and implement cross-continental programmes to position and grow the blue economy of the continent.

10. Operation Phakisa is a Government initiative established to unlock the ocean economic potential of South Africa. The decision by Cabinet in 2013 to develop an integrated approach to ocean governance led to the Ocean Economy Lab in 2014. This initialled ambitious programmes to unlock the untapped resources of its vast oceans.

11. Since the advent of democracy South Africa has increased participation in international forums concerned with maritime transport and associated activities through organisations such as the International Maritime Organisation (IMO), the International Labour Organization (ILO); the United Nations Law of the Sea Convention meetings and at the International Seabed Authority in New York and Jamaica respectively while continuously striving to promote South Africa as one of the major players in seaborne trade.

12. South Africa's geographic location relative to its main trading partners makes it imperative that maritime transport is as efficient as possible. Transport makes up a significant element in the pricing of South African traded goods, which have to be delivered to markets around the world at competitive prices. Quality products available at competitive prices in South Africa cannot earn foreign exchange unless they can get to the world markets in time, cost-effectively, efficiently, safely and securely.

Situational Analysis

Policy Environment

13. This section describes the current environment underpinning the formulation of this policy on maritime transport. The policy is consistent with, and, compliments the Government's broad strategic, economic and social objectives. The broad Government policy is contained in various policy documents, and is implemented through various Acts of Parliament.

14. As it is with the other modes of transport, maritime transport cannot be considered in isolation. For the reason that it functions within the context of a wider national Transport network, it must integrate with this network. At the same time, it functions predominantly in an international arena which is commercially competitive and subject to unique international political and regulatory regimes, while the physical environment in which it operates is ever challenging in its nature and complexity.

15. The general national policy environment and related instruments have relatively evolved over the years. This evolution has necessitated an appraisal of the current policy environment as it relates to the approaches that should be adopted to achieve the socio-economic development objectives of Government through a co-ordinated effort that is aimed at developing the maritime transport sector.

16. Since the dawn of democracy, the overarching goal of the South African Government has been the creation of a better life for all. In essence this was to be achieved by transforming the country, increasing the economic growth rate and reducing both the unemployment rate and the unequal distribution of income and wealth.

17. The advent of the New Growth Path (NGP), the National Development Plan (NDP) and the Industrial Policy Action Plan (IPAP) macro development plans have heightened the significance of South Africa's trade performance and global competitiveness as a critical input for the creation of jobs and rapid economic development of the country.

New Growth Path (NGP)

18. In 2010, Government released the NGP, which committed Government to making employment creation the main criterion for economic policy by adopting a labour-absorbing growth path.

19. It proposed sector-specific interventions and a package of macro-economic and micro-economic policies designed to ensure that the economy became more competitive and employment friendly. It supported the pursuit of a developmental state as an approach and leveraging state resources and regulatory capacity to achieve alignment of market outcomes with development and transformational needs, based on a clear understanding of national economic challenges.

National Development Plan (NDP)

20. In 2012, Government launched the NDP, which argues that the key challenge facing South Arica is that of significantly reducing the level of poverty and inequality. It suggests that employment needs to be raised significantly if the socio-economic challenges facing the country are to be sustainably addressed.

21. The NDP proposes that several complementary areas of public policy must work in harmony and in an integrated manner for success to be achieved, including a constantly improving education and training system; expanded and better functioning infrastructure; higher rates of fixed investment; more integrated cities and rural spaces, increased productivity, and higher exports.

22. It asserts that promoting South African exports requires higher competitiveness, better infrastructure and better skills. Stimulating domestic demand is important but has its limitations because of our low savings rate, and our lack of resources to invest in new capital and infrastructure. It thus envisages a strong role for the industrial sector that is able to grow value added export trade and create sustainable jobs as the fundamental thrust of its overarching objectives.

23. It acknowledges that "South Africa is a maritime nation with 3000km coastline straddling a major strategic shipping route and that close to 80% of international trade is by sea, but the country has a weak maritime industry that does not adequately complement its land and aviation national infrastructure and services and it concludes by stating, South Africa needs to reappraise the Maritime Transport Sector in light of its geopolitical positioning and ask what contribution it could make to employment and regional trade."

24. Therefore, a scope to revive the maritime transport sector and enhance its contribution to the growth and to a radical transformation of the South African economy exists. Promotion and development of the sector should be seen within the context of the broader agenda of contributing towards the global competitiveness of the country as a trading nation, so as to take its rightful position among leading maritime trading nations.

National Industrial Policy Framework (NIPF)

25. The National Industrial Policy Framework (NIPF) is not a new policy direction, but a logical evolution of Government economic policy. It defines traditional infrastructure as referring to predominantly transport, electricity and water, required to support the production and distribution of goods. It suggests "the efficiency of transport infrastructure takes on particular importance given the relatively large distances involved in moving goods (from) South Africa."

26. The core objective of the NIPF was to set out Government's approach to South Africa's industrialisation trajectory and hence help align both private and public sector efforts towards this end. Although the NIPF aims to improve growth and employment conditions across much of the economy generally, its primary focus is on the relatively low-skill intensity industries: non-traditional tradable goods and services in the primary, manufacturing and services sectors of the economy. By "tradable" it means both exportable and import competing goods and services.

27. It further asserts that Industrial policy is not the domain of a single Government department but requires intensive co-ordination across a range of Government departments. It can only be implemented successfully if it is aligned with other associated and supporting sets of policies. The NIPF therefore recognises the inherent intra-Governmental nature of industrial policy.

28. A consideration of the broader strategic and policy frameworks affecting transport in general, and the maritime transport sector in particular is important as these are central overarching policies that shape the environment within which Government and maritime programmes must be aligned to.

National Transport Policy

29. As was highlighted in the 1996 White Paper on National Transport policy, maritime transport must be fully integrated with the other modes of transport. Shipping must be considered as a link in the transport chain with policies informed by factors such as inter-modalism, development corridors, regional transport strategies and major commercial and industrial initiatives in South Africa and the region.

30. Broadly, the 1996 White Paper on Transport charts the following vision for the South African transport system:

"Provide safe, reliable, effective, efficient, and fully integrated transport operations and infrastructure which will best meet the needs of freight and passenger customers at improving levels of service and cost in a fashion which supports Government strategies for economic and social development whilst being environmentally and economically sustainable."

The General Maritime System

31. The maritime transport sector includes all the commercial and non-commercial ships that navigate our inland waters, seas and oceans as well as encompassing the laws, regulation and governance support services, enabling maritime human capital, marine construction and infrastructure, technologies, commercial support services, research, various cargoes and passengers carried on the back of these ships. Maritime permits a variety of complex marine operations at sea, as well as the carriage of people and cargoes from one destination to distant locations and by so doing connecting suppliers to markets and enabling global international trade.

32. There are two distinctly different sets of regulatory functions and requirements that affect the maritime system, namely:

    (1) Safety, security and environmental regulatory functions and requirements - referring to policies, legislation and requirements to achieve an appropriate level of safety, security and environmental compliance in the system both on shore and out at sea. These also include accident and incident investigations and related matters.

    (2) Wider regulatory functions and requirements - referring to policies, legislation and requirements such as infrastructure planning, licensing of maritime services.

33. The maritime transport system is also influenced by four categories of stakeholders, namely:

    (1) **Governance stakeholders** – the Department and its safety agency, SAMSA as responsible for policy, enabling and regulatory legal instruments and carrying out the requirements of various IMO instruments. Other governance related stakeholders include the Ports Regulator, competition authorities, Department of Environmental Affairs, Department of Public Enterprises as it relates to shareholder status in ports; Department of Defence in relation to strategic coastal security; Department of Public Works (DPW); South African Revenue Service (SARS) as it relates to the customs regulation of goods, persons and conveyances entering and departing the Republic, places of entry and various role players in international shipping, and the provincial and municipal Government departments currently responsible for small harbours and leisure dams, where appropriate;

(2) **Commercial stakeholders** - normally associated with buying goods and services such as ships, maintenance and fuel, the provision of maritime transport services, general maritime services, ships and navigation training and with selling goods and services for use in the maritime transport system. This group includes all ship owners, ports, ship agents', seafarers training schools and navigation training academies, ship yards; they are also represented by various industry associations and clubs;

(3) **Support stakeholders** - normally facilitating the operational aspects of the maritime transport system such as ship agents, insurance companies, banks and shippers of cargo;

(4) **Society stakeholders** - comprising groups outside the maritime transport system, but with a direct interest in what goes on inside the system and what the system produces. This group is also interested in the economic, safety, security and environmental performance of the maritime transport system. The group includes shippers; passengers, entities which use freight services, civil society, environmental groups and residents near sea ports, organised labour and the news media.

34. The earth's land area is politically divided into different states. The sea area, with minor exceptions, is traditionally considered an international common space where ships are free to sail without adherence to the prescription of any one state. This situation has changed significantly with the development of an international regime to govern the sea, which reached a milestone with the adoption of the United Nations Convention on the Law of the Sea (UNCLOS) on 10 December 1982. UNCLOS forms the basis on which a littoral state's jurisdiction, rights, privileges and obligations at sea are built.

35. According to Operation Phakisa Lab report, South Africa has more ocean space than land and the extended continental shelf claim will double the size of its ocean geography.

36. South Africa as a party to UNCLOS, and having passed a Maritime Zones Act 15 of 1994, has accepted the responsibility to exercise the rights and obligations of a coastal state in its maritime zones. The responsibility was accepted in order to properly govern the ocean territory according to the regimes applicable to the various zones including obligations such as providing for safe navigation, search and rescue services, conservation of the marine environment, research and policing.

37. In essence it can be expected that a coastal state will ensure an environment in which seafarers and other people active at sea can go about their lawful business in an atmosphere of safety, security and fairness. These diverse obligations may be further amplified by the state's position on the whole range of functional international, regional or bilateral treaties and agreements.

38. It is thus incumbent on a coastal state to maintain a General Maritime Policy that creates an orderly and structured environment in which maritime transport can flourish.

Maritime Transport Definition

39. Maritime Transport is an integrated system that involves the design, construction, operation, management, servicing and maintenance of merchant, leisure and other ships in the service of seaborne trade, conducting offshore operations and transporting people by sea and inland waterways from point A to B.

40. It includes a network of maritime navigation infrastructure and ancillary services that enable these ships to safely interconnect to the hinterland's trade facilitation Centers[4] through a gateway of seaport and harbour complexes providing operations and commercial services, which facilitate the movement of goods and people through a port connected roads and rail infrastructure to and from destinations of consumption and production points in the country; throughout the region and into the world (maritime corridor).

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[4] These centres are sometimes referred to as dry ports and or transhipment hubs and these include the City Deep terminal and others similar that may be established in the future.

Context analysis

Global

41. Maritime transport as an industry and as a subset of the Maritime Sector, has global dimensions, and does not render itself to full national policy framework without being circumscribed by multilateral instruments and considerations. Some of the key international regimes that play into the maritime transport space include the UNCLOS, the International Convention for the Safety of Life at Sea (SOLAS); the Marine Environment Protection Convention (MARPOL) and many more with the IMO or other related global bodies.

42. Between these and other institutions, there have emerged a number of conventions and protocols dealing with compliance to measures introduced to deal with amongst others, pollution prevention (both marine and atmospheric), security, and safety of navigation, surveillance, and many more.

43. Modern production and consumption patterns in a globalising world economy demand of any transport system to be highly networked, visible, reliable and efficient. To the extent that a country has disintegrated systems, participation in the global economy will be highly constrained, and by extension be a binding constraint on the growth of its domestic economy.

44. Shipping is one of the most competitive global industries with international supply and demand of shipping services determining international freight rates that should be protected against manipulation by any single country. The ever-increasing volumes together with on-going technological advances have the following possible consequences on the shipping industry:

    (a)   Increases in ship size and specialisation, requiring larger, deeper ports and specialised terminals;

    (b)   The globalisation of ship operations is resulting in larger international shipping corporations.

(c)   Automation and satellite data transfer is facilitating smaller crews and remote landside monitoring of navigation and on-board operating systems;

(d)   E-navigation strategy being implemented by the IMO will provide the mariner with on-board real-time electronic navigation information;

(e)   The international standardisation of legal, insurance and documentation requirements for the door-to-door movement of goods in a paperless environment is becoming urgent; and

(f)   The international standardisation of labour practices within the framework of the International Labour Organization (ILO) Maritime Labour Convention.

45. The world fleet grew by 3.5 per cent during the 12 months to 1 January 2015, the lowest annual growth rate in over a decade. In total, at the beginning of the year, the world's commercial fleet consisted of 89,464 ships, with a total tonnage of 1.75 billion DWT. For the first time since the peak of the shipbuilding cycle, the average age of the world fleet increased slightly during 2014. Given the delivery of fewer newbuilds, combined with reduced scrapping activity, newer tonnage no longer compensated for the natural aging of the fleet.

Domestic, Regional and Continental

46. Trade will remain the key beam of the nation's economy and upon which growth and social development are dependent.

47. A robust, growing, competitive and modernising South African economy is essential for a healthy Southern African Development Community (SADC) regional economy as it is for much of the continent. The pull effects of a vibrant and growing South Africa are thus wide and important for intra-regional trade which translates into regional and continental industrialisation.

48. The Growth outlook for Africa, south of the Sahara remained a challenge as a result of the prevailing global negative growth. This has been worsened by a decline in commodity prices, tighter financing conditions, and a severe drought in southern and eastern Africa.

49. However, the full pull effects are only possible through a deliberately linked regional micro-economic agenda. This policy seeks to unlock the micro-economic bottleneck of the country and the region as it pertains to ocean economy.

50. The National Development Plan acknowledges that Transport is one of the five (5) infrastructure areas that require targeted investments in order to support the country's medium and long-term objectives. The Maritime Transport Policy supports Government's fundamental policies and guiding frameworks for socio-economic development including Operation Phakisa in the ocean economy.

51. The transport system has a major role to play in the growth and development of the region. Maritime transport, save for ports, does not necessitate the major infrastructure development required by road and rail networks but can make a significant contribution to the growth and development of the Southern African region.

52. Within the regional context the South African Transport system is highly developed. However, it cannot be considered in isolation and cognisance must be taken of its interconnectivity with the Transport systems of other states of the region. In particular, landlocked states in the region have varying degrees of dependence on South Africa's maritime transport system.

53. The development of the African Integrated Maritime Strategy known as AIM 2050 Strategy of the AU is a long term vision to address the continent's multifaceted maritime challenges and opportunities.

Legislative

54. The Constitution of the Republic of South Africa, 1996, Section 85 (2) (b) mandates the President and other members of Cabinet with the responsibility of developing national policy. This mandate places a huge responsibility on the Minister of Transport to ensure that any development and implementation of national transport policy by the Department addresses the mobility needs of all citizens.

55. The development of this Comprehensive Maritime Transport Policy is guided by the White Paper on National Transport Policy of 1996, the Maritime Zone Act of 1994, Sea Shore Amendment Act No 190 of 1993, the Merchant Shipping Act No 57 of 1951, the National Ports Act No 12 of 2005 and the White Paper on National Commercial Ports Policy, National Environment Management Act (NEMA), National Environmental Management Act: Integrated Coastal Management Act of 2008; Skills Development Act, of 1989, Competitions Act No 89 of 1998, the Broad – Based Black Economic Empowerment (B-BBEE) Act of 2013 and the South African Maritime Safety Authority Act No 5 of 1998.

Conclusion

56. South Africa's maritime transport policy can thus not be developed as a purely domestic matter. It has to take cognisance of how the international industry functions, as well as the heightened international safety, security and environmental consciousness amidst concerns that fierce competition in the maritime transport sector might compromise shipping standards.

57. The confluence of the above major block factors: domestic imperatives, industry developments and global forces have collectively made the development of the Maritime Transport Policy a challenging task. However, these factors are very instructive as to the Statement of the policy and policy responses needed to adequately address the maritime transport challenges faced by our nation. Operation Phakisa in the ocean economy has created a momentum that should now be translated into a comprehensive maritime transport policy.

Maritime Transport Problem Statement

58. South Africa's seaborne trade affects people and industries throughout the entire country, including those living far away from the coasts. The vast majority of all products that consumers regularly consume are conveyed from international destinations by sea, through the nation's ports, where they are distributed through our rail and road transport networks to inland ports, warehouses, retailers and finally to consumers across the country.

59. South Africa is basically a primary goods export-oriented economy. The total cost of importing foreign produced products and delivering their agricultural produce, minerals and other industrial outputs to foreign markets is impacted significantly by the transportation element. Transport is a significant trade input cost due to our distant location from the markets that we serve. There is therefore the need to continuously strive for national transport cost efficiencies in order to remain globally competitive as a country.

60. Although this validates South Africa as a maritime trading country, it is however, not yet a significant ship owning or ship operating nation. It is currently a consumer of international maritime transport and hence this component represents a significant expense item for South Africa's international trading system. This creates an economic imbalance, which if not addressed, will continue to facilitate the loss of much needed revenue, economic opportunities and related jobs for South Africa and the South African Maritime Transport Sector.

61. The ability of South Africa to carry its own import and export trade has suffered a negative growth since the 1980s.

62. This sector has the potential to offer significant employment opportunities for thousands of South Africans across the diverse expertise required in the various disciplines of the sector which include marine manufacturing and related services, seafaring, maritime law, research, marine engineering, etc.

63. An Achilles heel of the South African Navy is the country's lack of a merchant shipping fleet, which has a force multiplier effect and is critical to delivering supplies and troops for operational deployments at sea and on land in wartime as well as in peacetime.

64. The unfortunate loss of South Africa's shipping capacity had an impact of an annual loss of net foreign earnings estimated at over R 40 billion annual earnings for maritime transport services, which is paid to foreign owners and operators.

65. This scenario affects the country's international trade competitiveness, its balance of payments, loss of much needed jobs, loss of tax revenue, heightened geo security and political risks, reduces our influence on global maritime affairs and has crippled our maritime and related industries.

66. South Africa's governance arrangements for the exercise of rights and responsibilities over the maritime domain and supporting the full release of our maritime potential is spread across numerous Government departments, stakeholder, state owned enterprises and agencies. The fragmented management of government vessel fleet is course for concern.

67. This has led to a silo pursuit of potentially conflicting and non-aligned objectives by these entities and the relegation of national strategic maritime interests for the narrow pursuit of the particular interests of each individual department, stakeholder and/or agency. The lack of a coherent philosophy and framework for maritime development and governance has created a poorly aligned set of maritime goals and objectives for the country.

68. From an international maritime regulation and operations perspective global trends impact on national policies and legislation because from time to time there may be new developments they may require a change of course and or focus in order to accommodate these new global demands for action, be it maritime security, environment, piracy etc.

69. Perishable food security due to distance to markets is an important matter in South Africa as it impacts negatively on South African perishable goods producers, retailers and consumers

The Aim and Scope of the Policy

Aim

70. The aim of this Policy is to create a policy environment that facilitates the growth and development of South Africa's maritime transport sector to reach its full potential in support of economic development; growth and sustainable social development of our country and the ultimate benefit of all South Africans.

71. While this Comprehensive Maritime Transport Policy is in support of national goals, South Africa will do so as a member of the African and International Community of nations with respect for international law, international treaties, conventions and protocols and the need to protect and protect the sensitive marine environment that we share.

Scope

72. The need to review general maritime policy in South Africa to ensure that policies and strategies emanating from the different maritime, customers and Government departments, with responsibilities at sea are consistent and complement each other, is clearly recognised. The focus of this policy, however, is limited to policy relating to maritime transport. It is specifically focused on maritime supply chains of which shipping and ports are the link in an integrated and inter-modal transport system joining South Africa and, the region's exporters and importers with their international markets or sources of supply. And from a national development planning perspective, it is a firm reappraisal of the Maritime Transport Sector in light of its geopolitical positioning and is also clear statement of what contribution the sector could make to employment creation and the facilitation of regional trade.

Section 2

Guiding Principles, Vision, Mission, Goals, and Strategic Objectives

Background

73. Located at the southern tip of Africa, South Africa is on one of the world's strategic maritime trade routes. The country has an open economy with the aggregate value of imports and exports constituting well over a third of Gross Domestic Product (GDP). The majority of the country's imports and exports (by volume and by value) flow through the Ports of Cape Town, Durban, East London, Mossel Bay, Ngqura, Richards Bay, Port Elizabeth, and Saldanha Bay.

74. Given the distances to markets, to be competitive as a country, exports and imports must be transported as cheaply as possible. While globalization has made the relative distance between regions of the world much smaller, the physical separation of these same regions is still a very important reality.

75. The greater the physical separation, the more likely freight can be damaged in one of the complex transport operations involved. Some goods can be damaged by shocks while others can be damaged by undue temperature variations.

76. For a range of goods labelled as perishables, particularly food (produce), their quality degrades with time since they maintain chemical reactions which rate can be mostly mitigated with lower temperatures. It takes time and coordination to efficiently move a shipment and every delay can have negative consequences, notably if this cargo is perishable. To ensure that cargo does not become damaged or compromised throughout this process, businesses in the pharmaceutical, medical and food industries are increasingly relying on the concept of cold chain. Challenges associated with transportation of South African perishable cargo due to distances to markets and in the context of food security must be given due attention.

77. South Africa thus needs an efficient transport value chain to overcome the barriers created by these distances and the shipping link is critical to keeping Transport costs to a minimum. It is necessary to improve the maritime connectivity between South Africa and other countries and to make the domestic market more attractive to shipping companies.

78. South Africa over the years has generated an average of just below 300million tonnes of global seaborne trade activity. This constitutes just over 1% of the total global seaborne trade. In 2014, however, only about 0.13% of global carrying capacity is presently controlled by South African companies (through ownership or long term charter). Although this partly validates South Africa as a maritime trading nation, it is not, however, a significant ship owning or ship operating nation. There exists an imbalance, which if addressed, has potential to create economic opportunities for South Africa and the South African shipping industry.

79. Ships owned by South Africans and ships sailing under the South African flag have drastically diminished. This occurred incomprehensively during one of the fastest growth periods in international trade volumes experienced by South Africa and it led to a significant loss of critical public and private maritime expertise, auxiliary support and commercial maritime services, industrial capacity, the potential for research, innovation and development that a country accrues from owning and operating indigenous ships. We need to gradually work toward rebuilding South Africa's presence in global shipping trade.

80. Shipping is, but one element of the Maritime Transport sector. Through associated industries and linkages, the Maritime Transport sector supports a host of other enterprises offering diverse employment opportunities and other economic activities. In its own right, the maritime transport sector is an important contributor to the national economy.

Guiding Principles

81. Maritime transport lies within the broader transport industry. The Maritime Transport Policy must thus be in harmony with the broader national policy framework so that it complements other policies that are supportive of the goals and strategies of Government from a national, continental and international perspective. This policy is guided by the following principles:

(a) Constitutional provisions

The Constitution of the Republic of South Africa, 1996 is the supreme law of the country providing for functions and a governance structure.

(b) National Transport Policy

1) The 1996 White Paper on National Transport Policy identified six strategic goals for transport in South Africa. Shipping can contribute significantly to these goals, and the Comprehensive Maritime Transport Policy is specifically aimed at providing a safe, secure, reliable, quality and speedy service to improve South Africa's trade competitiveness globally.

2) Government has recognised transport as one of its five main priority areas for social and economic development. The Maritime Transport Policy supports Government's fundamental policies and guiding frameworks for socio-economic development.

(c) Regional considerations

1) South Africa is committed to the development programme of the AU, the NEPAD, regional development initiatives of the SADC, western and central Africa, and the multilateral and bilateral co-operative developments around the Indian, Ocean Rim and the South Atlantic. Government is particularly committed to the transport components of development corridors in the South African Customs Union and the landlocked states dependent on South Africa's maritime transport system. The maritime transport policy takes cognisance of and supports these initiatives.

2) The African Maritime Transport Charter revised and approved in 2009 by Conference of Ministers of Maritime Affairs in Durban, South Africa and later adopted by Heads of States in 2010 in Kampala, Uganda providing policies and strategies for the modernization and regulation of the African Maritime Transport sector. South Africa in support of the AU Resolution has accelerated the ratification of the Charter. The Charter is yet to come into force pending ratification by other states.

(d) International law and practice

South Africa is a party to a range of international agreements and protocols such as UNCLOS which provide coastal States with sovereign rights for the purpose of exploring and exploiting, conserving and managing marine resources, whether living or non-living in its waters. It further provides for economic exploitation and exploration of maritime zones, such as the production of energy from the water, currents and winds; and the protection and preservation of the marine environment.

Policy Vision

82. An effective maritime transport system that is safe, secure, reliable, economical and well regulated. It should be environmentally sustainable within the global logistics chain, and contribute to South Africa's socio-economic development and growth.

Policy Mission

83. To meet the needs of South Africa's international trade through a safe, secure, reliable, effective, well regulated, environmentally efficient and integrated maritime transport system in line with the fundamental principles and strategic objectives of the South African Government.

Policy Goals

84. The goal of the policy is to guide the development and maintenance of South Africa as an international maritime centre in Africa with sophisticated but integrated maritime supply chain systems within a complex of logistical environment of people and machine, able to serve international trade; regional trade and support the goals of the broader national interest and specific Government developmental programmes and initiatives.

Policy Strategic Objectives

85. The strategic objectives of the policy are:

   (a) To develop and grow South Africa to be an international Maritime Centre (IMC) in Africa serving its maritime transport customers in particular and world trade in general.

   (b) To contribute in Government's efforts of ensuring the competitiveness of South Africa's international trade by providing customer focussed maritime transport infrastructure and services through an innovative, safe, secured, reliable, effective, profitable and integrated maritime supply chain, infrastructure and systems including safety of navigation;

   (c) To promote the growth and broadened participation of local entrepreneurs in the shipping industry and marine manufacturing and related services while vigorously through incentives and continuous improvement in ship registration promote the increase of ships under the South African flag registry;

   (d) To Promote marine transport; manufacturing and related services;

   (e) To provide guidance to the maritime transport sector stakeholders and customers with regard to institutional arrangements, governance and regulatory interventions while ensuring effective and efficient co-ordination across Government on matters of common interest to the growth of the maritime transport sector; and

   (f) To provide a clear framework around which operators, customers, investors and funders can freely participate in maritime transport market so as to improve growth, performance and competitiveness of the total Maritime Transport sector.

(g) Establish where feasible a sustainable funding and financing mechanisms and or facility for the growth of the broader maritime transport sector to facilitate infrastructure development and possible acquisition of ships and equipment necessary to meet the needs of customers in particular and the South African economy in general.

(h) To create and enhance viable and sustainable opportunities for historically disadvantaged entrepreneurs especially, women and youth to participate in maritime transport initiatives.

(i) To ensure efficient and effective regulation and clear separation between maritime operations and maritime regulation and these to be a reflected in the institutional and governance frameworks.

(j) From an economic development perspective, create conducive climate for South African perishable goods businesses to take part in the global perishable products market either as producers or as consumers.

Section 3

Policy Statements

International Maritime Governance (A)

86. The maritime sector, of which maritime transport is a key element, is vital for South Africa's economic prosperity. There are a number of general legislative, policies and multilateral instruments governing the conduct and operations at sea and maritime facilities. The UNCLOS forms the basis on which a littoral state's jurisdiction, rights, privileges and obligations at sea are built.

87. South Africa, as a party to UNCLOS and having passed the Maritime Zones Act has accepted to exercise the rights and obligations of a coastal state in its maritime zones. There are a number of other instruments that regulate issues like safety of life and property at sea, maritime environment including pollution, security, safety of navigation, surveillance and many more.

88. Interaction between maritime transport and the general policies is important to ensuring that the conduct of international transport is in an atmosphere of certainty and can be done efficiently. However, specific policy concerning general maritime issues is not developed within this policy due to the "transport" focus of this Comprehensive Maritime Transport Policy.

89. Notwithstanding the ring-fenced transport mandate of this policy, wherever possible, Statement is suggested regarding general maritime issues for the purposes of ensuring better coordination, socio-economic efficiency and growth.

90. The fundamental theme of this policy is the appropriate governance of the maritime transport sector. The future development and growth of the Maritime Transport sector will depend on whether South Africa is able to implement the policy and provide appropriate service to meet the needs of the national economy; customers and the general provision of world class service to the global industry. Although these two dimensions of governance are not mutually exclusive, they do function separately due to factors such as the provisions of the Schedules of the Constitution, the responsibilities of different departments and delegations to public entities that act on behalf of Government.

91. As is the case with all forms of transport, certain support measures ensure its efficiency, such as safety, security, protection of the marine environment, sustainability and administration. These and other similar measures create the environment in which industry can flourish. Policy formulation and service delivery on these different aspects are spread between the Departments and different departments and agencies, such as the Environmental Affairs; Defence (DOD); Public Enterprises (DPE); the South African Maritime Safety Authority (SAMSA), Ports Regulator of South Africa (PRSA), Transnet National Ports Authority (TNPA), and the South African Revenue Service (SARS) being the nodal points in their specialist fields of work in South Africa.

Continental Maritime Governance (B)

92. South Africa, as part of the continent, participates in promoting the development of the Maritime Transport Sector in Africa under the auspices of the AU.

93. On 26 July 2010, the AU adopted the Revised African Maritime Transport Charter. The Revised Charter makes provisions on a number of issues, including the harmonisation of policies, which are capable of promoting sustained growth and development of African merchant fleets. It promotes funding and the undertaking of research studies by national institutions that encourage the promotion and development of co-operation in maritime and inland waterways transport and port operations among States and regions.

94. The Revised Charter furthermore promotes the establishment of national and regional shipping lines and provides them with assistance necessary for their success. Other areas of interest are the promotion of seafarer employment with decent working conditions and training of seafarers; and the development of integrated multimodal transport system.

95. In 2012 the AU adopted the 2050 African Integrated Maritime Strategy (2050 AIM Strategy), and its strategic objectives include the creation of economic wealth, and to build and sustain maritime capacity for the continent within the broader drive to develop and grow the concept of 'blue economy'.

Regional Maritime Governance (C)

96. At regional level, South Africa is part of SADC which was formed to complement the role of the AU in order to further socio-economic co-operation, integration, as well as political and security co-operation among its Members. Further, there are other regional arrangements of which South Africa is a member of through memoranda of understanding (MoUs).

97. As a Regional Economic Community (REC) SADC complements the AU in the Southern region of Africa, driving the regional integration agenda. Accordingly, SADC co- operates on all matters, including maritime, with other RECs in the continent such as the East African Community (EAC) and the Economic Community of West African States (ECOWAS).

98. In 1996 SADC adopted the SADC Protocol on Transport, Communication and Meteorology in order to promote economic and social development of the region, by developing and implementing harmonised international and regional transport policies in respect of the high seas and inland waterways. This Protocol seeks to inter alia maximise regional and international trade and exchange, promote a safe and clean marine and inland waterway environment, and to promote the establishment of an integrated transport system.

99. West and Central Africa Region on Port State Control (Abuja MoU) and the Indian Ocean Region on Port State Control (Indian Ocean MoU)

100. During the 1990s, the IMO adopted Resolution A.682 (Regional Co-operation in the Control of Ships and Discharges) to promote the establishment of the Regional Port State Regimes with a view to eradicate substandard ships in various regions of the world. South Africa is a Member State to both the Abuja MoU and the Indian Ocean MoU.

National Maritime Governance (D)

National Development Plan

101. The key policy intervention of the National Development Plan (NDP) is to significantly reduce the triple challenges of poverty, unemployment and inequality. It suggests that employment needs to be raised significantly if the socio economic challenges facing the country are to be sustainably addressed.

102. The NDP proposes that several complementary areas of public policy must work in harmony and in an integrated manner for success to be achieved, including a constantly improving education and training systems; expanded and better functioning infrastructure; higher rates of fixed investment; more integrated cities and rural spaces, increased productivity, and higher exports. Although there are no outputs clearly meant for the maritime transport sector, there is however a clear invitation given to the nation to reappraise the Maritime Sector in light of its geopolitical positioning and begin to ask what contribution it could make to employment and regional trade.

103. It calls for a more efficient and competitive infrastructure and in this regard envisages an infrastructure that will facilitate economic activity that is conducive to growth and job creation and that an approach will be developed to strengthen key services such as commercial transport, energy, telecommunications and water, while ensuring their long-term affordability and sustainability.

New Growth Path

104. The New Growth Path (NGP) commits Government to making employment creation the main criterion for economic policy. The NGP articulates this sentiment, as made clear in its aim of establishing a more labour-absorbing growth path.

105. The NGP builds on the long-term Government stance, reflected amongst others in the RDP, ASGISA, the NDP and the National Industrial Policy Framework (NIPF).

106. All these policy instruments argue that restructuring the economy is essential to ensuring a more inclusive and sustainable growth

Policy Statements on policy, strategy and sector performance monitoring and review (1)

(a)   The Department will in consultation with relevant organs of state and stakeholders of maritime transport sector formulate coherent strategy to ensure the development and growth of the maritime transport sector. The strategy will include but not be limited to:

1)   Ensuring and enabling a better regulation, governance and sustainable use of the oceans environment

2)   Introduction of arrangements to ensure the establishment and maintenance of a formalised maritime transport platform within Government for purposes of planning, cooperation, sharing of information and communication within Government on the governance of the maritime domain.

3)   Creating the Maritime Transport Sector Development Council (MTSDC) to develop a multiyear Maritime Transport Sector Development Plan (MTSDP) and to review and monitor overall performance of the sector. The Department shall table the MTSDC annual report to Cabinet.

Policy Statements on Maritime transport function in Government (2)

> The Department is the centre for all matters of maritime policy, strategy and therefore shall ensure highest level of skilled and competent team of officials are appointed to serve in specific areas within the Department and in agencies that report to it.

Growing the Maritime Transport sector

107. The Department recognises the critical role of shipping in the Transport of South Africa's bulk and containerised cargo imports and exports; that shipping and the associated enterprises constitute a potentially major industrial opportunity for South Africa and that these are essentially export industries generating foreign exchange having the potential for job creation locally and beyond the domestic economy. The Department acknowledges the fact that it is not the sole department with a role in the maritime sector and that some of the proposed interventions would require further elaboration by relevant departments in providing details on the implementation of specific policy outputs.

108. There is a need to create a public/private permanent structure whose function is going to be the development and coordination of the strategic development of the Maritime Transport Sector.

109. The current state of maritime and related sectors skills is a matter of concern. The shortage of naval architect knowledge and skill requires an urgent attention.

110. The policy recognises that without investment in research and innovation, the chances of success in growing the sector are reduced by the low level of skills base to support its growth and therefore investing in strategic skills and in research and innovation must become our priority.

111. The policy recognises the significant role played by the SARS in the ports environment particularly in the designation of ports, licensing of port facilities within the ports for customs and excise purposes and in the general administration of the various Trade and Industry incentives as well as tax incentives.

Policy Statements on Growing the Maritime transport sector (3)

(a) The development and implementation of the Maritime Transport Sector Development Plan (MTSDP) is essential in mapping and launching the maritime sector development path.

(b) The Department will develop and ensure implementation of an aggressive strategy that ensures the development and growth of the sector.

(c) In partnership and collaboration across various sectors, the Department shall further ensure that shipping matters are a priority of the nation.

(d) The Department will review all legislation impacting on the proper functioning and growth of the maritime transport sector

(e) The Department in cooperation with relevant departments and relevant organs of state, will coordinate efforts in unlocking the potential of the oceans economy and in particular implement radical measures that will ensure that within the next five (5) years of the adoption of this policy a significant targeted percentage of exports and imports are moved by South African Ships.

(f) The Department in consultation with relevant organs of state, shall within the framework of building national shipping capacity, promote and initiate an industry driven development, implementation and maintenance of a transhipment framework and legislation.

(g) The Department in collaboration with Department of Science and Technology, the Department of Trade and Industry and relevant organs of state, shall encourage the science and engineering community to work toward developing and or enhancing capacities and capabilities to support marine transport and manufacturing through science, engineering and technology

(h) The Department in line with the principles of cooperative governance shall provide support and cooperate in any manner possible with other departments and relevant organs of state in initiating and implementing those aspects of this policy on shipping that will benefit from jointly coordinated approaches.

(i) A targeted program to develop and recruit where essential critical sector skills required in growing the Maritime Transport Sector must

be developed.

(j) Develop a bunkering infrastructure and service strategic framework.

(k) Promote the provision of accommodation, shopping, catering and water supplies to passing ships

(l) Promote the Development of infrastructure and service to support South African perishable goods businesses from a global, regional and local cold chain perspective.

(m) The Department will expand and adopt a revised Maritime Services Broad Based Black Economic Empowerment to include the Offshore Industries and Maritime Security Services provision.

Maritime and Ports infrastructure planning, management and operations

112. The 2002 Commercial Ports Policy is acknowledged as the current policy on the operation and regulation of the South African ports system.

113. South Africa port capacity is provided ahead of demand, in order to ensure their efficient operation, there must be an approved port land spatial planning framework. Ports must form part of integrated nodal points in the value driven supply chain system. Ports play a strategic role in the economic and social development of a country. They require massive investment in infrastructure, innovative technology, proper management and clear understanding of their evolving role in a globalizing world economy.

114. Encouraging private sector participation in port infrastructure development and services may reduce the burden on the state and improve efficiencies in port operations.

115. The White Paper on National Commercial Ports Policy of 2002 sets out the vision of South Africa's commercial port system and outlines the overarching appropriate regulatory framework in the port sector, the National Ports Act 12 of 2005 amongst others seeks to define the appropriate industry structure and strengthen Government's hand in driving sound economic regulation oversight over the port sector through an independent Ports Regulator.

116. The National Ports Act makes provisions for the development of port infrastructure, operations and services and ownership and participation in infrastructure and operations by other role players. However, the absence of a port land spatial planning framework requires an urgent attention.

117. Ports infrastructure development plans must integrate with a broader Government integrated infrastructure development plan.

118. The ports-community-wide system of consultative Committees is the pillar of the South Africa's democratised ports environment where users and regulators are able to exchange ideas and share information of the direction pursued by the ports.

Policy Statements on Ports infrastructure planning and management (4)

(a) The 2002 Commercial Ports Policy shall be reviewed taking into account developing trends and challenges

(b) The Department will prescribe the introduction and requirements of a port land use spatial planning framework.

(c) The Department will supplement the provisions dealing with private sector participation in the commercial ports as provided for in the commercial ports policy and the ports Act by introducing monitoring and evaluation instruments.

(d) The Department will continuously monitor and in consultation with TNPA and port users ensure the competitiveness of the South African port system.

Off Shore Assets, Outermost regions and Islands

119. The growing responsibilities of the South African Government to its "other province" - the sea - has to be seen in the need for it to protect and safeguard its far-flung regions and islands, including the reefs and the continental shelf.

120. The vast resources and riches that lie underneath the sea may also be related to the sunken ships, ship wrecks and the cargo that ships would have been carrying. Normally, the finds of this nature are assigned to heritage communities.

121. With growing investments in offshore oilfields, and the oceans now providing a source for some of this much needed fuel sources, the leveraging of these resources to offset the shortages that are being experienced by countries near those off shore assets should be part of the policy.

Marine manufacturing and related services

122. Marine Manufacturing and related services involves value chain activities engaged in the design, fabrication, construction, alteration, maintenance and repairs of a wide range of ships as well as the design, manufacture and installation of onboard technology systems and all related equipment. This involves the operation of boat and shipyards, which are fixed facilities with dry-docks and fabrication equipment. They also include the production of prefabricated ship and barge sections, and other specialized services.

123. The industry may also include manufacturing and other facilities outside of the boat and shipyard, which provide specialist original equipment, parts or services for boat and ship building activities within a yard.

124. SARS plays an important role in administering the various Department of Trade and Industry incentives, as well as tax incentives.

125. The technology and equipment manufacturers provide for among other things electronic navigational devices, communication equipment, radar and sonar, marine robotics, sub-sea vehicles, imaging equipment and marine application programming and are an integral and essential part of the marine manufacturing and related services industry and can enhance its competitiveness.

126. Shipbuilding, once dominated by Europe, has migrated to Asia's developing countries. Europe has moved up the value chain and seeks to remain there through a series of policy instruments given to their industries. Most if not all of these new ship-building nations had no better infrastructure, skills and other key resources of the country by the time they ventured into this industry.

127. There is a greater need to continue learning from the best in the world if we are to turn around ship building capacity and capability. The multiplier effects of ship building industry are large even in those countries that do not have the natural resources like iron ore, chrome and related products.

128. The country's shipyards focus on the niche small vessels that include fishing ships, yachts and similar ships and these would require continuous monitoring with a view to repositioning their future long term role envisaged in this policy. The Transnet National Ports Authority (TNPA) identified projects valued at R16.8-billion to facilitate the growth of the local ship-repair, ship-building and oil and gas sectors.

129. The DTI supported opening of a R660 million Burgan Terminals fuel storage project in Cape Town will result in about 350 jobs to be created. The UK company Hunting PLC established a new R300 million manufacturing facility in the Western Cape (WC) to supply the African Oil and Gas market. The R650 million invested in Coega and Saldanha Bay for refining of used oil will result in about 100-150 initial jobs to be created. The investment by Chevron South Africa of some R450 million in the construction of a multipoint ground flare in Milnerton, Western Cape.

130. Southey Holdings and Nautic Africa have invested R289.9 million and R63.4 million respectively, supported under the 12i tax incentive and expected to create about 355 direct jobs and the Smit Amandla Marine has partnered with Damen Shipyards Cape Town to build two new vessels in an overall investment package worth R150 million.

131. These above are a display of a greater multi-sectoral confidence to marine manufacturing and related services sector.

132. South Africa has remained stronger in local boat building market and any policy should take this advantage as a building block for future possible expansion of capacity to handle an increase in demand and or bigger sized ships.

133. The Ship repair industry in South Africa is largely concentrated in Cape Town and Durban. While South Africa enjoys a fairly good repairs reputation, it requires a more robust and strengthened infrastructure. A developing, maintaining, upgrading and strengthening ship repair capability is of strategic and economic significance. It also helps ensure a high degree of transport safety as it does ensure environmental protection. Investment in shipyards also contributes to lowering costs of operations and thus the attractiveness of the location.

134. A cluster approach to the management, support and advancement of the maritime industry is the best possible way of growing marine manufacturing and related services sub-sector.

135. A recent study has shown that, South African builders have been slow to adopt the latest innovations in materials technology, and do not measure up well against their larger European counterparts with regard to production methods, labour skills and productivity, public sector infrastructure and Government support;

136. Unlike their European counterparts, South African companies have difficulty raising capital because of South African banks' reluctance to use "work in progress" as collateral.

Policy Statement on Off Shore Assets, Outermost regions and Islands (5)

(a) The Department working in collaboration with the DMR and DoE and relevant organs of state shall promote provision of maritime transport and infrastructure to support offshore industries.

(b) The Department working in cooperation with relevant organs of state shall create conducive climate for the development of a safe, secured and environmentally friendly framework to govern exploration and exploitation of offshore marine assets.

(c) The Department in cooperation with relevant departments and organs of state shall maintain a system of marine pollution preparedness and response for offshore, outermost regions and islands under the jurisdiction of South Africa.

Policy Statement on Marine Manufacturing and related Services (6)

(a) The Department working in collaboration with the Department of Trade and Industry as well as the Department of Public Enterprises and other relevant organs of state will encourage and support the growth, development and sustainability of Marine transport and Manufacturing and related services sector.

(b) The Department working in collaboration with National Treasury, the Department of Trade and Industry and any other relevant organs of state shall secure as appropriate support to a package of marine transport and manufacturing incentives (including input costs such as steel) that sustains the domestic Marine Manufacturing and related services sub-sector.

(c) The Department shall promote research development and innovation in marine manufacturing and related services sub-sector.

(d) Create through legislation a conducive environment for the growth of marine transport, manufacturing and related services sub-sector

(e) Promote integrated fleet management solutions incorporating all government owned vessels within a clearly defined regulatory framework

Shipping & Maritime Logistics

137. The geographical remoteness of South Africa from virtually all its key markets (Asia, Europe and the Americas) combined with the dependence on international trade for its economic and social development prospects, make shipping a very critical element in the price for goods and services. This is an important policy consideration, especially as it pertains to sea Transport itself, ownership and development of this aspect of the industry.

Modal Integration

138. The promotion of shipping in South Africa would add value to other modes of transport such as road and rail, as these modes are complimentary to each other. If ships are adequately supplied, the delays and congestions at ports will be addressed and the export-led economic growth of SA will be realized. The costs of Transport cannot be seen only as contributed by only one mode, but by a whole logistics chain, and there is therefore a need for the analysis of costs across the value chain to include but not limited to the following:

(a) Port efficiencies in relation to cargo handling, ships turnaround time and documentation handling, amongst others;

(b) Port service and port related services costs;

(c) Shipping lines;

(d) Freight forwarders and agents

(e) Safety and security issues related to Transport;

(f) Ship repair and other services to assist ship owners locally; and

(g) The amount of competition in the industry.

Policy Statement on Modal Integration (7)

(a) The Department shall ensure the development of the Maritime Transport Sector as part of the matrix of transport logistics rather than a stand-alone industry with due consideration given to the adoption of relevant international treaties including but not limited to those promoting modal integration and coastal shipping.

(b) The Maritime Transport is a core part of the logistics chain, and therefore any bottlenecks in the freight logistics system shall be tackled through joint programmes.

Small Harbours

139. Small harbours which run along the coastal water-land border interface, in support primarily of the near-shore and offshore industries of fishing, aquaculture and other maritime economic activities, have deteriorated to a state of near collapse, through lack of maintenance, safety and security measures, as well as investment thereby denying the offshore industries the much needed launching, landing, processing and service sites which connect fishing, aquaculture farm as well as other maritime economic activities.

140. The critical challenges/constraints are the non-existence of the following:

(a) a cohesive legislative and regulatory framework on small harbours responsible for ensuring oversight, custodianship, management, operations and regulations of the country's small harbours; and

(b) a small harbours public agency or authority suggested 'Small Harbours Development Authority' serves as a single-point of accountability on the country's approximately fifty (50) small harbours (including public proclaimed, non-proclaimed and potential harbours, private harbours as well as landing sites).

141. South Africa has not constructed new public small harbours from 1960s.

142. Since the disbandment of the technical department and the corps of harbour masters of the Fisheries Development Corporation (FDC) in 1986 during the Cape Provincial Administration, there has been a huge capacity gap in sustaining and developing marine technical professionals and harbour management as well as operation professionals in South Africa.

143. Despite the attempt by DPW to implement a Repair and Maintenance Programme (RAMP) for approximately a decade, it has not been in the position to turn the tide and reverse the negative impact that resulted from the closing of FDC in 1986. As a consequence, the country suffers severely from the loss of economic value of its harbour-related assets and depleted harbour-related skills base.

144. The comprehensive information on the conditions of small harbours throughout the country, applicable legislations, and relevant jurisdiction needs to be gathered in order to make sound decision for the future of the South African Small Harbours.

Policy Statement on Small Harbours (8)

(a) The Department in cooperation with the Department of Public Works and in consultation with the Department of Agriculture, Forestry and Fisheries, and any other relevant organs of state shall formulate and implement a Small Harbours Development policy and strategy with a central focus on socio economic development;

(b) The Department shall develop the small harbours regulatory framework for governance of safety of navigation, security, protection of marine environment and operations.

Coastal shipping and Cabotage

145. The South African Customs and Excise legislation regulates coastwise traffic and coasting ships.

146. Incentives available to foreign ships participating in coastwise traffic do not apply to local ships on the same traffic. For example, oil that foreign ships obtain is not loaded with road and related levies typical of South Africa's fuel. Some ships do not pay duties on parts (spares) while others are registered in extremely low or not tax regimes, or some other form of subsidies.

147. These factors potentially weigh heavily against the development of a domestically owned and controlled coastal shipping market and by extension on the local ownership and registration of ships by and in South Africa.

148. The Customs and Excise Act, 1964, section 7(10) and rules 7.09 to 7.12 regulate transire and restrict the use thereof to ships in respect of which a certificate of registry has been issued in terms of section 23 of the Merchant Shipping Act, 1951, and exclusively engaged in fishing, sealing and collecting and transporting guano or the recovery of rough diamonds on or off the coast of the Republic, the home port of which is either permanently or temporarily a place in the Republic.

149. The advantages of coastal shipping can be summarised as follows:

(a) This alternative way of transporting cargo is usually more fuel efficient than road and helps decongest roads that already suffer from heavy hauling and damage.

(b) It is also very economic and convenient to transport heavy cargoes between major centres, helping to reduce the amount of carbon footprint.

(c) While issues of competition with rail and road are a matter of circumstances, it is generally known that coastal shipping is relatively cheaper over appropriate distances. In order to encourage coastal shipping, including owning ships for short sea operations, countries that had normally allowed cargoes to be picked up by foreign ships, have instituted protectionist measures, seeking to reserve such cargoes for national fleets.

150. The 2010, Revised African Maritime Transport Charter pronounces calls for the promotion of Cabotage policies to the extent that it encourages the creation of continental maritime Cabotage shipping lines as means to facilitate the economic and socio-economic integration of the continent.

Policy Statement on Coastal shipping and Cabotage (9)

(a) The Department will develop a cabotage regulatory framework, inclusive of licensing, restrictions and enforcement functions as well as a roadmap for implementation in the coastal shipping market, also considering other regulatory frameworks concerning movement of goods and conveyances, such as customs regulations.

(b) The Department at an appropriate time after the adoption of a cabotage regulatory framework and legislation referred to above shall introduce cabotage restrictions on coastal shipping as part of a long term strategy to promote South African ship ownership to serve national and regional economy.

(c) The Department shall promote a preferential treatment and an enabling environment for Ships that operate on the South African waters to be registered in the South African Register.

(d) At the time to be determined measures shall be introduced by the Department requiring South African Seafarers to be granted exclusive leave as appropriate to provide coastal shipping activities undertaken by ships between ports of the Republic, or within South African waters.

(e) The Department will within a reasonable period of time to be determined by the Minister in legislation promote and prescribe a licensing regime to regulate cargo movement between ports within South Africa; vessel operations and services including the carriage of cargo and passengers (whether fee paying, or otherwise) from ports in the Republic to offshore installations situated within South African waters and its continental shelf and vice versa, be carried on the South African ships and that such must be accompanied by appropriate incentives as part of its Cabotage regulatory framework. In addition, South African ships shall be granted preferential treatment in their use of the nation's port facilities

(f) South Africa shall as far as possible promote through Southern African Development Community (SADC), regionally coordinated coastal shipping strategy and framework.

International Shipping

151. **Liner shipping:** The operations of scheduled services for cargo by consortium operate in international shipping. South Africa's position has been one of leaving the operations of this nature to market forces. Cargo is largely attracted to ships for a combination of factors that may include, sailing times and dates, transit time, efficiency, reliability, frequency of service and many more.

152. With developments in the industry, shipping lines have onshore links with supply chains and this may have a bearing on a number of factors including costs.

General Cost of Shipping

153. Despite that market forces largely determine the cost of shipping, shipping is but one link in the transport chain. Considered together, the manner in which the maritime supply chains are configured, managed and operated, largely determine the competitiveness of the entire transport leg of international trade. The higher the seamlessness and efficiency of the maritime supply chains, the lower the cost.

154. South Africa's ability to influence the "shipping" costs lies with the ability to manipulate those areas of the chain that it has control over or has some measure of control. These may include ports, rail and road systems that collectively may form part of the maritime supply chain. The nature, cost and management of the infrastructure, operations and technology may have a measurable bearing on the total cost of shipping.

155. We should adopt a single management or a unified approach, where feasible, of the integrated maritime supply chain or a highly sophisticated logistical choreography of infrastructure providers, operators and service providers. The competitiveness of the supply chains is dependent on the smooth and co-ordinated approach.

156. An efficient maritime supply chain does not only reduce costs to cargo owners, it stimulates the entire productive capacity of tradable and non-tradable goods of the economy

157. Notwithstanding South Africa's ability to control 'shipping costs' through those aspects of the chain it has influence over, the pricing behaviour of the sea carriers can be of concern and therefore Government recognises that there are practices such as monopolistic and collusive practices which can be of concern and require Government intervention. In this regard, Government should ensure that it monitors the pricing behaviour and other practices of sea carriers and endeavour to identify and impose appropriate sanctions

158. Economies of scale in sea transport also play a major part in cost determination in that, bigger ships are always cheaper than smaller ships creating a financial incentive to invest in the necessary infrastructure to handle bigger ships. However, the economies of scale in short haul routes are much smaller than long haul routes as there is less financial incentive to invest to invest in infrastructure for bigger ships.

159. Terms of trade exercise have a considerable influence over the benefits the country receives from the maritime industry. Buying Free on Board (FOB) and selling Cost, Insurance, and Freight (CIF) allows the trader to nominate the carrier of their choice.

160. A maritime and trading nation should be able to provide for all the services required for international trade to take place and to allow for appropriate choices between its services and those offered internationally. These services should include insurance, freight and related costs.

Policy Statements on shipping and International maritime services (10)

(a) The Department following an impact assessment and consultation with relevant organs of state, shall introduce measures to encourage the transportation by South African registered ships of commodities as means to promote the development and growth of South African Ship ownership and registration such to include but not limited to percentage targets

(b) The Department will spearhead Government's effort to promote through an inter-departmental initiative to educate exporters of South African goods on the advantages of shipping their cargos utilising South African ships.

Ship Ownership, Financing & Registration

Ship Ownership

161. South Africa's share of fleet ownership in terms of volume is 2.233 thousand deadweight tonnes (DWT). Ship ownership currently stands at 0.13% of world total. National flagged fleet is less than 0.01% of world total. UNCTAD reports that the fleet growth rate for South Africa in 2014 was 10.2%. The growth and expansion of ships owned by and registered in South Africa is largely dependent on the regimes governing the ownership, financing and registration of ships. Deliberate promotion of vessel ownership and registration of ships has been largely absent. The dramatic loss of locally owned fleet to foreign flags clearly indicates policy challenges for South Africa.

162. Therefore, the main policy objective in this regard is to ensure a levelled playing field for present and future South African ship owners and operators vis-à-vis foreign competition and to attract both domestic and foreign investment in the local maritime industry.

163. There are a few issues that relate to the ownership, financing and registration of ships in South Africa that require attention if the playing field is to be levelled:

   (a) Fiscal allowances and other developmental incentives and support given to industry by authorities;

   (b) Security and facility afforded by the South African ship registration and mortgage provisions of the Merchant Shipping Act 57 of 1951`; and

   (c) Cabotage restrictions in the domestic shipping market and related policy regimes.

   (d) Unlike their European counterparts, South African companies have difficulty raising capital

Industrial Support

164. Maritime transport is considered as a strategic industry. It is thus imperative that appropriate measures should be put in place to ensure that it receives the appropriate support from Government. The creation of South Africa as an international Maritime Centre in Africa, of which maritime transport is a crucial element, requires a nationwide co-ordinated approach using all available instruments to build and sustain the industry.

165. Therefore, in order to build, own or encourage vessel acquisition by South Africans that Government provides enabling conditions through promotion, legislation and other appropriate measures are created to achieve this.

Mortgage Financing

166. While the regime of financing dollar denominated assets has been simplified, some aspects associated with financing should be looked at including the registration of title of a South African ship.

167. Where offshore lending is used for whatever reason, (perhaps due to little or no local ship finance availability etc.) the risks associated with the shortcomings of the South African ship mortgage may inhibit investment in this area.

Mortgage ranking

168. The Admiralty Jurisdiction Regulation Act No. 105 of 1983 offers banks and other financiers that may lend to South Africa ship owners an inferior credit status for their mortgage over the financed vessel.

169. Because the current legislation ranks the claims of creditors supplying "ship necessaries" ahead of the claims of a bank that has financed the ship, financial institutions are discouraged from offering ship acquisition loans in South Africa. In the global context, this South African ranking of claims dispensation is also an anomaly.

170. The South African Reserve Bank should be encouraged to adopt an exchange control regime practice towards South African ship owning, financing and ship operations that supports the growth of the maritime industry in South Africa.

171. None of the South African commercial banks offers asset-based ship financing and this is hampering the growth of local ship ownership. The playing field for South African shipping entrepreneurs is thus not levelled in a global context.

172. The ranking of the ship's mortgage in terms of the Admiralty Jurisdiction Regulation Act 105 of 1983; the inconsistencies between the priorities given to a mortgage and the Insolvency Act of 1936 as amended; and the choice of law applicable to ships mortgages require to be attended and regularly reviewed.

Financing, Taxation and other incentives

173. It is accepted that financing is the lifeblood of a modern economy. Industries are unlikely to grow or develop where businesses are unable to access financing. This is particularly true of capital-intensive industries such as maritime transport. Therefore, consideration will have to be given very early on financing and funding scenarios and options.

174. National Treasury has already in 2013 introduced a package of tax incentives to attract foreign ship registration with the South African ship register. In addition to the above-mentioned incentives, tax incentives for domestic shipping and officers or crew working on ships were also introduced. There may still be a need to further investigate and consider non-tax incentives to support growth of the domestic ship ownership market.

Policy Statements on financing and incentives to shipping (11)

(a) Government shall explore all financing mechanisms and fiscal incentives to support foreign and domestic ship owners to register their ships on the South African register.

(b) The Department in consultation with relevant organs of state and industry shall aggressively promote and introduce measures to grow the South African Ship Register

(c) Government shall encourage ship financing by existing financing institutions and further investigate a possible model and feasibility of establishing a national ship finance corporation of South Africa,

(d) Government shall give special consideration in support of locally built ships in terms of financing and or incentives

(e) The Department working with the Department of Justice and Constitutional Development and other relevant organs of state should implement a competitive mortgage and insurance regime that is acceptable to lenders and other financial services providers respectively

(f) Government shall explore exchange control options towards supporting the South African ship building, acquisitions, owning, financing and ship operations that support the growth of the maritime industry in South Africa.

(g) The Department shall develop and implement measures to ensure that there is a genuine link between South Africa and the ship.

(h) Due to the difficulty faced by South African companies in raising capital because of South African banks' policies on asset recognition and collateral, Government shall jointly with the banking sector explore options to deal with these challenges;

Safety and Security of People, Ships and Cargo

175. Safety and Security is guided by international protocols under the purview of the International Maritime Organization. There are however, other obligations that are of a bilateral nature that if not adhered to could have a negative impact on the South African shipping industry. While every effort should be made to work within the parameters of the industry's global protocol under the auspices of the IMO, and other multilateral organizations, there may be a need for the industry and the state at a bilateral level, to consider other arrangements that are aimed at promoting the South African shipping industry.

176. For the purposes of this Policy the two fundamental concepts of safety and security at sea need to be clarified. The first relates to the nature of the sea and the second to the concepts of safety and security.

177. Although the terms 'safety' and 'security' are often used interchangeably, the issues at stake are fundamentally different. In the context of this Comprehensive Maritime Transport Policy, 'safety' relates to the safe navigation of a ship including the equipment and skills required, while 'security' relates to the unlawful acts against the peaceful and lawful conduct of business at sea and seaports. The IMO makes this distinction in the SOLAS, dealing with safety issues in Chapter XI-1 and security issues in Chapter XI-2.

178. These features of the sea and the distinction between the concepts 'safety' and 'security' thus necessitate specific legal and regulatory regimes and consequently different state authorities may be responsible for policy, regulation and administration.

179. The concept of safety at sea has two distinct but related dimensions. The first consists of measures to prevent or manage the dangerous situations that routinely threaten the safety of seafarers (pro-active measures). The second includes arrangements aimed at saving life and property, where possible, in the event of a casualty or incident (reactive measures).

180. Safety of navigation or 'safe seas' relates to the information at the seafarer's disposal concerning his or her environment, his or her position in that environment, the sources of such information, and the communication of the information to the seafarer. This includes on-board navigational aids and the provision of services by the coastal state that include aids to navigation (AtoN), navigational warnings, Hydrographic services, weather service and a regulatory framework designed to enhance safety of navigation. The latter may include traffic separation schemes and the availability of pilots. These measures are all aimed at reducing the risk and consequence of collision, foundering and grounding.

181. South Africa is obliged to comply with IMO conventions and protocols relating to pro-active measures for safety of life and property at sea. These conventions are given effect through legislation and regulations. Arrangements for these pro-active measures are complex due to various organizations with often overlapping responsibilities being involved without coherent co-ordination or integration mechanisms.

182. A primary objective of SAMSA is to ensure safety of life and property at sea and is central to maritime safety with functions such as vessel registration, licensing, statutory surveys, the competency of seafarers and Port State Control inspections. Although certain aspects of SOLAS are being addressed through legislation, contained mainly in the South African Merchant Shipping Act and resultant Regulations, and partially in the National Ports Act, there are various aspects of SOLAS, Chapter V, which addresses Safety of Navigation. Regulations 4, 12 and 13 are not adequately addressed by South African legislation in order to give SAMSA the required regulatory and oversight mandates.

183. Chapter 11 of the Constitutional mandate for national security service resides with three main structures, namely the defence force, police service and any other intelligence services established in terms of national legislation. The responsibilities of different role-players depend on their legislative mandates. Below are the three formal role players contributing to the security in general including the maritime domain as defined in the constitution.

184. The IMO through the International Code for Ship and Port security has established a framework involving cooperation of IMO Contracting Governments, Government Agencies, Local administration and the shipping and port industries to detect/assess security threats and take preventative measures against security incidents affecting ships or port facilities used in international trade, to establish the respective roles and responsibilities of all these parties concerned, at the national and international level.

185. The said obligations allow the Department to act as a player in the security sector environment, with the following responsibilities. To regulate and ensure the safeguarding of unlawful interface of South African ships, ports and other ships within the Republic without undue disruption of trade. In addition, ensuring that the welfare of seafarers, are met. Ensure that maritime security information is communicated effectively among maritime industry participants and organs of state with maritime transport security responsibilities.

186. A further aspect in this regard relates to the potential introduction of additional safety and security risks to maritime shipping through the international supply chain. The World Customs Organization (WCO), through its Framework of Standards to Secure and Facilitate Global Trade and other instruments, establishes international standards and obligations for securing movement of goods through such supply chains.

Policy Statements on ships safety maintenance (12)

(a) The responsible Authorities and SAMSA through enforcing regulations shall ensure that the design construction, operation and maintenance of all ships are of high standard.

(b) The Department shall promote ship safety research and innovation as means to improve safety of domestic fleet

(c) The Department shall ensure through SAMSA the maintenance of a safe ship operation culture through flag state implementation and enhanced port state control inspections

(d) The Department shall adopt a zero tolerance policy on sub-standard shipping along the South African coast

Policy Statements on safety of navigation (13)

(a) The Department shall review the current legislative and mandatory framework in terms of SOLAS Chapter V, Regulations 4, 12 and 13 to give SAMSA the required regulatory and oversight mandates.

(b) The Department shall follow developments in the IMO regarding e-navigation and implement any strategies in this regard as the need arises.

(c) The Department shall ensure compliance with the requirements of e-navigation with respect to the ship and shore data exchange and communications.

Marking and Removal of Wrecks

187. Since vessels have had the ability to sail around the tip of Africa, the Southern African coastline has become the resting place for many a vessel, predominantly due to our traditionally dangerous seas.

188. As such the ability of South African authorities to prevent wreck situations or to efficiently remove ships wrecked or stranded on our coastline is of paramount importance to the preservation of our coastline, the marine environment and our marine resources.

189. The South African Wreck and Salvage Act 94 of 1996, as amended by SAMSA Act 5 of 1998 provide for the salvage of certain vessels and for the application in the Republic of the International Convention of Salvage, 1989; and to provide for matters connected therewith.

190. The existing legislative powers which SAMSA have with regard to wreck removal are contained only in one section, Section 18, of the Wreck and Salvage Act, which section comprises of only half a page. These provisions are insufficient and were enacted before the adoption of the Nairobi treaty on removal of wrecks

191. The IMO's Nairobi International Convention on the Marking and Removal of Wrecks, 2007 (Nairobi Convention) provides the legal basis for States to mark, remove, or have removed shipwrecks that may have the potential to adversely affect the safety of lives, goods and property at sea, as well as the marine environment.

192. South Africa has ratified the Nairobi Convention in 2015, and the process of incorporating the Nairobi Convention into South African Law has commenced.

Policy Statements on the Marking and Removal of Wrecks (14)

(a) The Department shall in consultation with other departments and other organs of state give effect to the IMO's Nairobi International Convention on the Marking and Removal of Wrecks within South Africa by incorporating it into South African law.

(b) The Department shall in consultation with relevant organs of state ensure the marking of a wreck, or part thereof of which pose a danger to shipping until it is with due regard to the preservation of its heritage value and or the protection of the marine environment raised, removed or destroyed.

Surveillance

Adequate Surveillance

193. While broad maritime surveillance is a provision in the maritime policy along with other related policies, long range identification of ships and surveillance related to maritime transport is crucial for any maritime nation. The Southern tip of the continent has a sizeable number of ships that use it as a major sea lane. It is thus important that the country is able to "see" such movement of ships towards and along its waters. This is appropriate both in times of peace and war.

194. The TNPA has in keeping with section 78 of the National Ports Act, 2005 and on Standards set by SAMSA established an Automatic Information System (AIS), Near Coastal Networks and AIS AtoN capability along the South African coast.

195. Maritime domain awareness is a country responsibility in line with the IMO convention including SOLAS, security, customs, and other maritime interests.

196. The Department through SAMSA provides the Long Range Ship Identification and tracking of ships (LRIT) is necessary for national and international interest and must be co-ordinated appropriately to allow its use by relevant authorities.

197. The responsibility for maritime safety and response to shipping incidents in the Southern African Maritime Region falls within the mandate of SAMSA. SAMSA's Centre for Sea Watch and Response (CSWR) is the "focal point" in the arena of maritime domain awareness. Its function is to monitor shipping to ensure safety of navigation and protection of the marine environment.

198. A number of Government departments are dependent on receiving vessel data from SAMSA in order to enhance their MDA.

199. The sea and air patrols are now conducted by DAFF and by the South African Air Force (SAAF). Over the years the service dropped significantly, whilst illegal fishing, drug smuggling and other criminal acts are on the increase and an integrated monitoring and surveillance system is required.

200. The critical success factors for the CSWR are to have access to accurate, reliable, dynamic data for integration into Maritime Domain Awareness (MDA) and Management Information Services (MIS). Currently SAMSA has no access to suitably equipped maritime surveillance aircraft with Infrared Thermal Imaging Cameras, synthetic aperture radar, etc. In addition, the latter equipment can also be used to detect oil slick pollution from ships way offshore. Although satellite radar and visual imaging is available, the current SAMSA funding does not allow for it to be made available.

201. The unobstructed data sharing between Government Departments (Transport/Maritime related) and other maritime orientated agencies will result in improved surveillance. This could be done by Integrated AIS, LRIT, VMS and other authorised vessel tracking systems, including SAFREP, affecting both SOLAS and non-SOLAS ships.

202. The aim is to integrate existing and planned systems into a new client-specific MDA system, referred to as the South African Safe Sea Net (SASSN). This network of systems is intended to collect, manage, process, store, and visualise geospatial data concerning shipping, other craft and small vessels, oceanographic, meteorological, and geographical data for the Southern African Maritime Region (SAM Region). By design this will:

    (a)   Reduce risk to maritime operations

    (b)   Reduce Major incident reaction times,

    (c)   Improve monitoring, surveillance and forecast services, and

    (d)   Develop and evolve a functional maritime Emergencies Response mechanism.

Policy Statements on Maritime Surveillance (15)

a) The Department shall source necessary funding in cooperation with other departments and organs of state for the maintenance and enhanced maritime transport surveillance capability covering the South African Exclusive Economic Zone (EEZ), SAR region and beyond;

b) Inter-Governmental collaboration particularly in the sharing of information is required to ensure optimisation of costs.

c) The Department shall ensure the provision of efficient and effective SOLAS maritime safety information infrastructure and services

Maritime Security Coordination Network

203. The security and policing issues, including the civilian policing issues at sea and the coast is fragmented and therefore require a robust coordinating mechanism in order to enhance the capacity to perform maritime security coordination efficiently. There is very little inter-agency coordination and or cooperation.

204. Inter-agency cooperation takes a horizontal approach based on cooperation and coordination between officers of the different services active in the maritime domain. as well as among the local or national ministries/authorities responsible for those services. In order to achieve a comprehensive and effective maritime security coordination network all authorities involved in maritime security issues need to cooperate at the local (operational), provincial and national levels. The aim of coordination at the strategic level is to provide a coherent framework for the operational work, avoiding policy inconsistencies.

205. With regards to sharing and or exchange of information, there should be a realistic needs assessment with regard to the type of information to be exchanged, as well as to which agencies should be included in the exchange system. An important matter to take into planning is possible cooperation among the various agencies

with regard to risk analysis, which needs to be based on reliable and up-to-date information.

206. Awareness-building and joint responsibilities. Initially focused on increasing awareness with regard to the tasks and responsibilities of other services, this may lead to actual shared responsibilities between agencies in the medium term.

207. The ministries or agencies responsible for maritime security need to operate within a clearly defined legal framework, clearly determining the authority, tasks and responsibilities of the agencies and their staff. At the same time, the division of rights and responsibilities at different levels of the agencies involved in maritime security should be clearly stated in the legislation so as to facilitate the smooth operation of a reliable control system.

Policy Statements on maritime security coordination network (16)

(a)   The Department working in collaboration with other organs of state shall work towards the establishment of an enhanced and regulated maritime security coordination network along the South African coast.

(b)   Department shall lead with the aim to implement the recommendations, an interdepartmental task team whose brief is to conduct a comprehensive analysis of the policy and legislative requirements to enable a formalised system of maritime security coordination at all levels

Policy Statements on the general safety and security of maritime transport and facilities including on inland waterways (17)

(a) The Department working in cooperation with the maritime transport sector shall ensure the provision of safety and security of the maritime industry in general. For this reason, there shall be established a multi-agency maritime domain security monitoring and enforcement mechanism to coordinate the sharing of information and response to security incidents.

(b) The Department shall maintain and provide support to an enhanced Maritime Security Advisory Committee (MSAC)

(c) The Department shall continuously through the holding of symposium, joint exercises and other activities engage internationally to promote good practice in maritime safety and security.

Hydrographic Services

208. The increasing size, speed and draught of commercial ships results in reduced safety margins between vessel and seabed, and consequential requirements for increased accuracy of navigational charts within ports, their approaches and constrained waterways. Contrary to ports, where high accuracy Hydrographic surveys are available via commercial organizations, charting as well as Hydrographic surveys in constrained coastal waterways away from ports produced by or on behalf of national Hydrographic authorities (as required in SOLAS) may not be available. Many national Hydrographic authorities are falling behind mariner expectations due to the significant resource implications of surveying. Therefore, ships are increasingly turning to "unofficial" data and bespoke systems for managing under-keel clearance in critical areas. To face these challenges, the maritime community has to clarify the requirements for ships to use official charts and publications to allow for the usage of, for example, dynamic underkeel clearance systems that contain newer, better and more complete information and remove the prescriptive file size limitations from any IMO Electronic Chart Display Information System (ECDIS) documentation to allow for the production of fit for purpose Electronic Navigation Charts (ENC) of constrained shallow waterways.

209. The Hydrographic services to the South African maritime industry are currently provided by the South African Hydrographic Office under the South African Navy. It is essential that in term of acceptable international standards for the provision of Hydrographic information that the Department provides oversight of the provider of such information.

Policy Statements on Hydrographic services (18)

The Department shall work collaboratively with the Department of Defence in the development of a cooperative legislative framework for the regulation and provision of Hydrographic services for South Africa, including inland Waterways, to ensure that the National Hydrographer is properly mandated and supported in terms of resources.

Access by Security Agencies for the purpose of defending and protecting the territorial integrity and sovereignty of the State

210. The Defence apparatus of the country vests in the South African National Defence Force (SANDF). There shall be instances where the need for the SANDF in its various formations needs to intervene in the protection of the sovereignty of the State and any other installation and equipment that facilitates the Maritime industry.

Policy Statement on the access by Security Agencies for the purpose of defending and protecting the territorial integrity and sovereignty of the State (19)

(a) All statutory security forces, particularly the South Africa Navy and South African Air Force shall have the right to commandeer these maritime and port infrastructures, resources and facilities in the defence of the sovereignty of the state and in the event of a major incident that requires the intervention of the security forces, such an action should be permitted under Presidential proclamation. Of particular relevance in this matter shall be the role that is played by the South African National Defence Force in the following issues:

(i) Protection of the EEZ of the South African mainland and those of the off shore territories such as Marion and Prince Edward islands and their continental shelves;

(ii) Maintaining situation awareness through surveillance of the region and assistance to regional states with their surveillance regimes;

(iii) Harbour searches for mines and the de-mining of these harbours in the unlikely event of them being targeted by external forces;

(iv) Protection of shipping industry in the event of a terrorist attack or disturbance of the shipping industry or the maritime environment through sources that can only be thwarted through military and naval means;

(v)   Search and rescue missions in areas where South African has been given jurisdiction.

Investigations of Maritime Accidents and Incidents

211. In the event of accidents and incidents it is law to investigate in order to institute measures to prevent re-occurrence. The Department recognises that maritime accidents or incidents could have their origin in shortcomings in legislation or failure to comply with legislation by public and/or private persons, or technical or structural failures of the vessel.

212. In the South African context, SAMSA conducts preliminary investigations into marine casualties and incidents and makes recommendations to the Minister of Transport who at his/her discretion may order the sitting of the Court of Marine Enquiry. In order to maintain the integrity of such investigations it is best practice for these to be conducted by independent authorities with no connection to the incident.

213. Within applicable boundaries the South African Police Service has a role to play in maritime accidents and Incidents investigation.

214. The SANDF investigates accidents on military ships and aircraft

Policy Statements on Investigations of Maritime Accidents and Incidents (20)

(a) The Department shall continue to recognize that in order to maintain the credibility of investigation regimes, SAMSA must continue to conduct any investigation into the cause of maritime incidents and accidents. This also applies to inland waterway incidents and accidents.

(b) Time is a critical element in incident investigation and analysis therefore the Department shall ensure the timely initiation and conclusion of incident investigation.

(c) The Department is committed to explore best practices in other maritime states with the view to ensuring independence and credibility in maritime incident and accident investigation arrangements in South Africa.

(d) The Department shall collaborate in any marine investigation undertaken by the South African police within applicable boundaries as specified

(e) The Department and the Department of Environmental Affairs shall cooperate in any marine incident and or accident investigation and or response to incidents and accidents on our sea shores.

(f) The Department of Defence through the South African National Defence Force shall investigate major incidents and accidents involving military ships and aircrafts

Search and Rescue

215. The International Convention on Maritime Search and Rescue, 1979 provides for the rendering of assistance to persons in distress at sea and to the establishment by every coastal State of adequate and effective arrangements for coast watching and for search and rescue (SAR).

216. The Convention requires Parties to establish Search and Rescue (SAR) systems on a multi-agency, regional or global basis to provide SAR services. As Party to the International Convention for Safety of Life at Sea (SOLAS) and the International Convention on Maritime Search and Rescue, South Africa undertook to provide maritime search and rescue co-ordination and services.

217. The goal of the International Civil Aviation Organization (ICAO) and International Maritime Organisation (IMO) with the global SAR concept is to provide an effective world-wide system, so that wherever people sail or fly, SAR services will be available if required. The national SAR efforts must be understood to be an integral part of the world-wide SAR system and therefore international standards and recommended practices applies to this discipline and must be complied with.

218. Under the requirements of this Convention, States are to establish an entity or designated a service provider of SAR services. States must also establish Rescue Co-ordination Centres (RCCs) and Sub-centres as may be required or where practicable, Joint Rescue Co-ordination Centres (JRCCs) to serve both maritime and aeronautical purposes. States should further designate public or private service elements as rescue units, with defined functions. Each rescue co-ordination centre has to have a detailed plan for the conduct of SAR operations in its area of responsibility.

219. The Department is the custodian of aviation and maritime search and rescue (AMSAR) services as signatory to the relevant international search and rescue Conventions and therefore responsible for the creation of an enabling environment for the provision of these services. This translates in the Department being the overseer, primary funder, regulator, governor, administrator and co-ordinator of these services.

220. The South African Search and Rescue Organisation (SASAR) is a statutory body established to ensure a co-ordinated and effective provision of maritime and aeronautical SAR services within the South African Search and Rescue Regions. SASAR currently carries out its mandate from two Rescue Co-ordination Centres and Rescue Sub-centres established along her vast coastal area. One centre is located in Johannesburg (for the aeronautical region) and the other in Cape Town (for the maritime region). Voluntary organizations play a vital role in SAR operations and therefore their funding by the Department in the form of an annual grant needs to be reviewed and assessed at least after every MTEF period.

221. The International Aeronautical and Maritime Search and Rescue (IAMSAR) Manual advances the creation of a SAR Co-ordinating Committee to co-ordinate the efforts of various role players in SAR. The SASAR Executive Committee, is the designated co-ordinating and decision-making body of SASAR and central in ensuring that strategies are put in place to develop a world-renowned search and rescue service or regime in South Africa. In this role, the Executive Committee make recommendations to the Minister with regard to SAR matters.

222. Technological developments, particularly in the supporting communication infrastructure enhances the safety, effectiveness, efficiency and reliability of any SAR system as it reduces time required to locate casualties thus ensuring speedy and expedient rescue of survivors of distress situations. The Department in conjunction with the national search and rescue community would consider and endeavour implementing appropriate emerging technologies that would enhance and promote search and rescue communication and system's efficiency.

223. The regional approach to the provision of SAR services is advocated and encouraged by both the IMO and ICAO as the means of most expeditiously achieving a global SAR system. This approach offers most benefits to both beneficiaries of SAR services and to States that provide them, for instance, duplication of efforts can be avoided.

224. The establishment of Joint Rescue Co-ordination Centres (JRCCs) is a recommended practice to States by both the IMO and ICAO. South Africa currently operates separate Rescue Co-ordination Centres, one dedicated and the other on a voluntary basis. It is imperative to review the current operational institutional arrangements taking into consideration what the global SAR community regards as best practice and the fact that some of the critical or core SAR operational functions cannot continue to be rendered on an over and above basis.

225. It is a requirement in terms of best practice to develop and implement SAR Oversight and Regulatory System to ensure the compliance by States with international Standards and Recommended Practices (SARPs). This can be achieved by the creation of a dedicated SAR Oversight unit within the Department as a body responsible for overseeing and regulating SAR services.

Policy Statements on Search and Rescue (21)

a) That the Department shall be responsible for ensuring the provision of aeronautical and maritime search and rescue services, including the financial responsibility for these services.

b) The South African Search and Rescue Organisation (SASAR) shall retain the mandate of co-ordinating an effective and efficient provision of maritime and aeronautical SAR services within the South African Search and Rescue Regions.

c) The SASAR Executive Committee shall serve as an advisory body to the Minister on aeronautical and maritime SAR (AMSAR) issues or matters

d) The Department in conjunction with SASAR shall endeavour implementing appropriate emerging technologies that would enhance and promote search and rescue communication and system's efficiency.

e) The Department shall lead and pursue the regional integration of SAR services within the Southern Africa region.

f) The Department in conjunction with SASAR shall, when practicable, transpose international SARPs contained in relevant ICAO and IMO documents into national regulations and procedures.

g) The Department shall establish a SAR Inspectorate Unit to carry out oversight and regulatory tasks over the SASAR organization.

h) The Department funding of SASAR and its member voluntary organizations shall be appropriately supported so that they can perform their tasks without hindrance of financial and resource constraints.

Environmental and energy issues

226. Protection of the environment and ecosystems on which our livelihoods depend has emerged as one of the most pressing issues in the past few decades. Concerned with the implications of unsustainable consumption of finite natural resources, Governments decided to launch, working through the United Nations system, the so-called multilateral environmental agreements (MEAs). These agreements, while intended to address different environmental problems of differing proportions, share one commonality, namely: protection of the environment for the benefit of present and future generations of humankind.

227. Oceans and coasts are intrinsically linked with society and provide humankind with many environmental, economic and social benefits, from regulating the weather and climate to providing oxygen, food and livelihoods to the global population. However, over-exploitation of our marine environment over the years and other human activities, such as the burning of fossil fuels, has had an adverse impact on the oceans. Over the coming decades and centuries, ocean health will become increasingly stressed by at least three interrelated factors, namely: rising seawater temperature, ocean acidification and ocean deoxygenating. These are projected to trigger substantial changes in the marine environment.

Environmental Response and Coordination

228. The South Eastern Atlantic seaboard, i.e. the West Coast of South Africa is an area that has proven to be more susceptible to severe impact of oil pollution because of the movement of the Benguela current. In South African maritime history, two incidents are key in highlighting the need of a well-coordinated response and preparedness mechanism: The 1994 MV Apollo Sea incident which occurred near Cape Town where 10 000 sea birds were affected and; the 2000 MV Treasure incident, where 20 000 sea birds were affected leading to about 2000 sea birds that died and about 27% of those that were moved inland whilst the oil was being removed from their habitat perished due to them contracting malaria.

229. In addition, the area from Lamberts Bay to Port Elizabeth was on the 13 October 2006 declared as a special area in accordance with Annexure 1 of MARPOL, and it has been in effect since 01 August 2008. This area is important for the country because there is a Cape Garnet colony in Lamberts Bay, seals in Dassen Island; three species of Cormorants in Robben Island where they coexist with African Penguins; and various other places along the coast eastwards where it ends at Bird Island off the coast of Port Elizabeth where there are healthy colonies of Cape Garnets.

230. Therefore, the Department shall take measures to monitor compliance by industry with all the IMO's directive in the implementation of the southern South African Special area under MARPOL and generally enhance response, preparedness in combating marine pollution of the entire coast of the Republic's waters.

231. The Department working through its agency, the South African Maritime Safety Authority shall continue investigating enhanced and efficient response mechanism in cases of major marine incidents with focus to improving maritime risk management and mitigation including maritime economy recovery plans following a major incident. This includes SAMSA having the required resources and funding in terms of pollution preparedness and response, research and modelling.

232. From a regional cooperation point of view, South Africa as a member of the Regional coordination mechanism for marine pollution preparedness and response which covers the Western Indian Ocean will continue to support these efforts as a risk mitigation measure and as a forward planning approach in oil pollution prevention and combating within the region.

Policy Statement on Marine Environment Preparedness, Response and Cooperation (22)

(a) The Department in cooperation with other relevant organs of state shall lead present and future institutional arrangements established for Marine Pollution preparedness, response and cooperation on combating in South African waters;

(b) The Department shall promote the institutionalisation of a single command structure for marine incident response and management;

(c) The Department in co-operation with other Departments and agencies shall maintain a comprehensive Contingency Plan to ensure compliance with the provisions of the OPRC

(d) SAMSA shall budget and allocate the necessary resources to rendering, investigating enhanced and efficient response mechanisms in cases of major marine incidents, with focus to improving maritime risk management and mitigation measures. This includes SAMSA having the required resources and funding in terms of pollution preparedness and response, research and modelling.

(e) The Maritime Fund established in terms of the SAMSA Act shall be reviewed, enhanced and ring-fenced by introducing a marine pollution preparedness and response levy to accommodate financing of marine pollution preparedness and response coordination.

Policy Statements on Marine Pollution Prevention Mechanism (23)

(a) The Department shall ensure that there is pollution prevention Emergency Towing Vessel (ETV) as defensive mechanism to stave off any marine pollution threats along South African coast.

(b) The Department in collaboration with other departments shall discharge its responsibility towards incident risk reduction, prevention, compensation and a constant state of preparedness, and shall respond to all the emergency response measures that are required to be done to give full effect to our international obligations to protect the marine environment

(c) The Department shall promote awareness of and compliance with oil discharge limitations associated with the southern South African waters special area declared under MARPOL.

Policy Statements on Climate change and impacts on maritime transport (24)

(a) The Department shall in collaboration with other relevant Government departments and agencies to put into place strategies to alleviate the current and future impacts to the maritime industry and the port system brought about by climate

change.

(b) The Department shall in cooperation with relevant organs of state introduce measures to encourage development and deployment of energy efficient technologies in port facilities and in ship operations (cargo handling)

(c) The Department in partnership with industry shall explore opportunities for energy efficient technologies' cooperation and transfer between South African and other countries

Policy Statements on Environmental Management Plans (EMP's) (25)

All entities in the maritime industry that report to the Department must embark on Environmental Management Plans (EMP's) and Environmental Implementation Plans (EIPs), and that these shall inform the submission to the DEA in compliance with the stipulations of the National Environmental Management Act (NEMA).

Policy Statements on Mitigation strategies (26)

The maritime industry shall subscribe to the environmental mitigation strategies that shall be decided by the South African Government where these are plausible, and shall subscribe to adaptation strategies where there are no alternatives so as to keep in line with the overall environmental policy thrust of South Africa.

Small Vessels and Inland Waters

Small vessels

233. Water resources used by small vessels are divided into two areas: the sea (which may include tidal waters) and inland waters. Vessels navigating these two areas used to fall under different regulatory regimes. Vessels navigating on sea are regulated by SAMSA with those on inland waters falling under various authorities, such as national departments, provincial Governments and municipalities. Voluntary regulation also takes place outside the statutory framework through boat clubs and other civil organizations. The Department has now assigned SAMSA to regulate the safety standards of small vessels in both tidal and inland waters.

234. Small vessels can be divided into two broad categories: small vessels used for recreation (the vast majority) and those used for commercial purposes. In South Africa an insignificant number of small vessels are used to transport goods and the focus is thus on small vessels used either for transporting people recreationally, or for fishing. Small vessels are also used in a specialist role where they are normally specifically designed to conduct research or as tenders to larger ships.

235. Areas adjacent to the commercial ports (so called port limits) are accepted as being under the jurisdiction of the TNPA's harbour master. When considering policy issues relating to small vessels, these legal regimes must be taken into account.

236. This section is focused on small vessels used for both recreation and commercial purposes operating on waters open to the public (the responsibility for the safety of ships used on private dams' rests with the owner of the dam), but for practical reasons excludes ships designed specifically for sport/recreation with a carrying capacity of one or two persons such as sailboats, canoes or kayaks.

237. Design and construction variety make small vessels difficult to technically specify and hence to regulate, licence and administer. Likewise, the ease of access to small vessels increases risks from incompetent operators or irresponsible behaviour.

238. Complex competency requirements for skippers can however impinge on the potential for people to enjoy South Africa's scenic coastline and internal waters.

239. Many accidents involving small vessels can be attributed to incompetent skippers due to a lack of training and certification where regulation and enforcement is weak. This invariably leads to lawlessness and infringements on the rights or safety of law-abiding citizens.

240. Small vessels pose a security, safety of navigation, migration and customs challenge, especially on stretches of the coast where it is easy to launch off the beach. Arrangements are thus needed that do not inhibit recreation and commerce but do assist the process of law enforcement.

241. It is Government's intention to establish a consistent and safe environment for small vessels that allows for recreation and commerce while facilitating law enforcement and safeguards the 'innocent bystander'.

242. The current system of registration of small vessels is not consistent between the municipal areas, different inland waterways, tidal waters and the sea. This results in various system of identification with no easy means of verification. There is also no provision for third party insurance for small vessels in South Africa. Although third party insurance will not safeguard 'innocent bystanders' it does provide relief in the event of an accident. Compulsory third party insurance will also assist Government in the task of maintaining a register of small vessels.

243. The small vessel industry can also provide answers to socio-economic challenges that the country needs to deal with such as creation of employment and transportation.

Policy Statements on Small vessels registration, harmonization, safety and security (27)

(a) The Department will ensure that SAMSA establishes and maintains a small vessels registration database for boats that have approved markings issued in terms of the Merchant Shipping (National Small Vessel Safety) regulations 2007. Access is to be given to enforcement officers having the power to prohibit the use of a vessel until any ownership issues (marking and safety compliance) are resolved.

(b) The Department shall develop and implement in collaboration with relevant organs of state safety and security requirements for ships operating on inland waterways

(c) SAMSA shall enforce safety manning requirements as appropriate, applicable to small vessels.

(d) SAMSA shall continuously develop, enhance and monitor compliance with prescribed small vessels, safety design requirements.

Maritime and Inland Waterways Safety Regulation

244. The Department reaffirms the model of a specialist and statutory maritime safety authority to regulate safety of life on the coast and sea and the provision of certification to seafarers.

245. The South African Co-operative Inland Waterways Safety Programme (CIWSP) is an intergovernmental co-operative programme aiming to work towards achieving a state of safe inland waterway use. The aim of the CIWSP is to enhance the development of a best practice model to ensure a safe and structured inland waterways environment and culture, whilst protecting South Africa's precious water resources.

246. It became clear that, in addition to administering the Merchant Shipping (National Small Vessel Safety) Regulations, the execution of the mandates of other departments, such as the management and control of water resources by Department of Water and Sanitation (DWS), the management of invasive alien species by the Department of Environmental Affairs (DEA), policing by the South African Police Service (SAPS) and events management (sports and recreation), are equally important.

247. Following on incidents on inland waterways, there is increase demand for regulation of safety of vessels on inland waterways. There is therefore a need for the Department to work closely with the Department of Water and Sanitation in promoting a waterway safety campaign.

Policy Statements on Maritime and Inland Waterway Safety regulation (28)

(a) The Department will continuously safeguard an operation of a specialist maritime safety authority in line with international standards

(b) The Department through SAMSA shall set standards and enhance procedures for permitting and licensing arrangements for boats operating on inland waterways

(c) The Department in collaboration with the Department of Water and Sanitation; Department of Environmental Affairs shall promote safety and pollution prevention on inland waterways

(d) Government shall continue to actively support initiatives that seek to promote safety and security on inland waterways.

Policy Statements on Inland waterways navigation, boat safety, and strategy (29)

(a) The Department shall introduce a national programme to require certain categories of small vessels that operate at sea to be fitted with transponder tracking devices, complying with internationally accepted standards, which would assist in safety of navigation, security and SAR.

(b) The Department shall in collaboration with relevant departments, develop, monitor and enhance its capacity in relation to navigational infrastructure and systems in order to ensure safety on inland waters.

(c) The Department shall in collaboration with the relevant departments; Department of Water and Sanitation Affairs and SAPS enforce legislation and regulations to promote boat safety and security use on Inland and Tidal waters.

Standards of Safety

248. The mobility of small vessels between inland waters in different municipal areas, tidal waters and the sea necessitates a common and appropriate set of safety standards, a consistent system of aids to navigation and sailing rules, as well as appropriate standards of competence of skippers.

249. Standards for small vessels operating on the sea and inland waters are contained in the Merchant Shipping (National Small Vessel Safety) Regulations, 2007 as amended issued under the Merchant Shipping Act.

Policy Statements on Small vessels standards of safety (30)

The Department will review the standards as contained in the Merchant Shipping (National Small Vessel Safety) Regulations, 2007 as amended with the view to establishing an appropriate and workable single safety framework for small vessels operated on inland waterways, tidal waters and at sea.

Maritime Safety Enforcement

250. Municipal law enforcement officers, appointed as peace officers, have far reaching powers regarding their local by-laws. If appropriately trained and appointed, their mandates regarding other pieces of legislation could be extended. The implementation of enforcement training regarding the Merchant Shipping Act and the Small Vessel Regulations should be investigated, with municipal interaction.

251. SAMSA appointed enforcement officers have a crucial role to play in preventing unseaworthy small vessels from being used on South African

waters. They have the power to direct the movement of small vessels and to prohibit their operation and SAMSA should put the necessary measures in place to enhance small vessel safety through the appointment and management of these officers.

Policy Statements on Maritime Safety Enforcement (31)

(a)   The Department shall, with local government interaction, investigate and implement enforcement training for municipal law enforcement officers to expand their powers to enforce the provisions of the Merchant Shipping Act and the regulations pertaining to small vessels.

(b)   The Department shall assist SAMSA in putting the necessary measures in place to enhance small vessel safety through the appointment and management of its appointed enforcement officers.

Maritime Awareness

252. To many South Africans, seafaring as a career is unknown and not considered an option to school leavers and or when entering the labour market. This is largely due to lack of early exposure and knowledge of shipping and the opportunities available in seafaring and 'second careers' in the shipping related sectors ashore. There is also little awareness of the multitude of job opportunities that exist in industries associated with maritime transport, which jobs are well paid, sustainable and international.

253. Although crewing agencies and maritime colleges actively recruit and mentor young South Africans to attend maritime training colleges and take up a career at sea and the Department maintains an awareness programme, there is a need for a more determined effort to induce maritime interest at an early age preferably at school level.

254. Maritime discipline should be regarded as a scarce skill area for purposes of development and marketing graduate programmes.

255. For the benefit of those who are already qualified, there is a need for the industry to familiarise job seekers with employment opportunities in the maritime transport sector.

256. This is essential if South Africa is to provide the steady flow of competent people needed to attain the goals of developing the industry and growing the Ship Register.

Policy Statements on Maritime Awareness (32)

    (a)   The Department in collaboration with other departments and other relevant organs of state shall develop a robust awareness and marketing programme to make this industry a possible industry of choice for young South Africans

    (b)   The Department in collaboration with other departments

and other relevant organs of state shall support efforts to create employment opportunities for young women in general and black women in particular and also to ensure their safety on duty.

(c)   The Department working with the Department of Basic Education should develop and promote maritime awareness at schools level

Seafarer Health and the Role of Labour

257. The policy recognises, in line with the ILO, the need to ensure that maritime occupational health and safety is addressed and takes into account particularly in the following areas:

- the emergency and accident response;
- the effects of drug and alcohol dependency; and
- HIV/AIDS protection and prevention.

Policy Statements on Health and Safety (33)

(a)   The Department in consultation with other Government departments and stakeholders shall develop guidelines on seafarer health and safety in line with the ILO and IMO Conventions.

(b)   The Department shall ensure that people working at sea, i.e. seafarers must comply with health status as required by IMO Conventions and industry norms and standards.

(c)   The Department working with port authorities, local government and port communities shall promote the concept of Cleaner, Greener& Safer (CGS) ports environment'.

Employment and Training in Maritime Transport

Employment Demand in the Sector

258. The maritime transport sector has the potential to become a major industry in South Africa that generates large-scale employment and foreign exchange. It is a goal of Government to develop this sector and grow the South African maritime presence. Both these goals will require competent people both in shipping at sea and in the associated industries ashore.

259. The steady growth of the ports sub-sector is a clear indicator of increasing demand for people in maritime transport. Thus, irrespective of envisaged growth, this immediate domestic requirement necessitates strategies to meet the needs of enterprises linked to shipping.

Employment Opportunities at Sea

260. Job opportunities on ocean going ships are independent of the domestic economy and additional to the domestic labour market. Being an international industry competence levels, standards of training and terms/conditions of employment in shipping are determined internationally, necessitating sensitivity to international as well as domestic considerations when formulating policy.

261. Crewing accounts for a major component of the cost structure of ships and thus owners/operators avoid environments that restrict their ability to manage this cost. At the same time, seafarers live and work in circumstances that differ substantially from people working ashore. They are highly mobile with easy movement between different ship owners in different parts of the world and on different types of ships.

262. The international legal framework governing crewing on ships is determined by the IMO with respect to their competence and by the ILO with respect to their terms and conditions of service. In South Africa, ship owners, operators and enterprises ashore are subject to national labour legislation such as the Basic Conditions of Employment Act 75 of 1997 (Basic Conditions of Employment Act), the Employment Equity Act 55 of 1998 (Employment Equity Act) and the Skills Development Act 97 of 1998 (Skills Development Act).

Policy Statements on Seafarers rights and the ILO Conventions (34)

(a) The Department will promote the establishment of the Maritime Transport Bargaining Council, in accordance with the Labour Relations Act, to align marine seafarers' conditions of employment with the International Labour Organisation (ILO)

(b) The Maritime Transport Bargaining Council shall also be responsible for the setting of coastal shipping employees' conditions of employment and remuneration in line with international practice.

Training and Education

Maritime Basic Education

263. The Department of Basic Education is responsible for all schooling from Grade R to Grade 12, including adult literacy programmes. The aim of the DBE is to develop, maintain and support a South African school education system for the 21st century.

264. The vision of the DBE is a South Africa in which all our people will have access to lifelong learning, education and training opportunities, which will, in turn, contribute towards improving the quality of life and building a peaceful, prosperous and democratic South Africa.

265. The Mission of the DBE is to provide leadership in the establishment of a South African education system for the 21st century.

266. The foundation of a sustainable development and inculcation of a maritime culture and tradition is in basic education. Any training and education strategy which ignores this level remains superfluous

267. The Country has a handful of maritime school and if we are to help transform the industry an extra effort is necessary to develop, support and

nurture these schools because of a critical role they could play because of their strategic location in the ladder of human development.

Maritime Higher Education

268. Marine and Maritime higher education seeks to cater for post school qualifications. It goes without saying that if learners were never introduced and or exposed in maritime awareness at schools' level, the chances of an interest being generated at the point of enrolment at a tertiary institute are far reduced by the level of awareness a learner will have.

269. There is wide range of maritime disciplines that may be pursued at this level. These range from marine engineering, maritime economics, marine science, marine/ naval architecture, seafaring, marine hospitality, maritime law, maritime management; marine sustainability to name just a few.

270. South Africa has an alarming shortage of marine engineers and naval architectures. These disciplines are critical in building marine manufacturing and related services portfolio of a country.

271. Maritime Mid-career education and training must be provided for alongside the provision of a maritime management development programme.

272. There is a strategic need to provide for special attention to be given in developing highest levels of expertise on which to anchor the country's aspirations of becoming an International Maritime Centre in Africa.

Seafarer Training Accreditation

273. The DHET sets general standards for training in South Africa. The IMO sets minimum standards of training and certification of seafarers through the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, as amended (STCW). The Department through the South African Maritime Safety Authority regulates training and certification of South African seafarers.

274. South African training institutions providing training are accredited by SAMSA, which is in turn accredited by the IMO. The continued accreditation of SAMSA to ensure that South Africa's training and certification thereof is in keeping with her status on the so called IMO 'White List is crucial. South Africa will continuously improve and enhance her systems from a provisioning and regulatory point of view that it complies fully with all the international requirements.

Seafarer training institutions

275. The basic infrastructure exists in South Africa to educate and train deck, engineering and catering officers and is comparable to international norms. The maritime departments in tertiary institutions are however small and the 'unit cost' of training seafarers is high. This raises a risk of being side-lined for funding reasons in institutions where large student numbers with low 'unit costs' are important. This situation could place strain on resources such as teaching staff and expensive training facilities and could even risk IMO accreditation.

276. The availability of teaching staff, in particular, is of concern as training institutions compete with the US Dollar earning capacity of seafarers who are the recruitment pool for lecturers in addition to this, there is also a challenge with the importation of skills (in respect of working VISAs) to lecture at academic institutions. There is thus a need to optimise the available facilities in order to minimise the cost of education and training and to set and finance remuneration packages that would enable the successful recruitment of lecturers from the seafarer pool; and also come up with mechanisms to fast track the importation of lectures to facilitate the transfer of skills.

277. As seafaring requires 'apprenticeship' experience on-board ships before certification, the availability of berths at sea is critical for young people to qualify. There is currently shortage of training berths for cadets in spite of South African ship owners and also certain foreign owners making berths available for cadets as far as possible. This situation requires urgent attention.

278. The training of ratings is not as developed as it is in the case of officers. Shipping is no longer a labour intensive industry but there are nevertheless opportunities for ratings in coastal and ocean going ships and shared industries such as fishing.

279. The strategy for training of ratings needs to align with demand in the market to prevent "training for unemployment"

280. The high cost of seafarer training has necessitated the establishment of bursary systems to assist young people to complete the necessary courses essential to commence apprenticeships at sea. However, a funding mechanism and strategic budgets in support of the policy and the Blue Ocean economy have not been formalised

Policy Statements on Education and Training (35)

(a) The Department will in collaboration with other departments and other relevant organs of state develop jointly with DBE general maritime awareness at schools' level

(b) The Department working in collaboration with DBE other departments and other relevant organs of state

and industry shall provide and or mobilize support to schools offering maritime education

(c) The Department in collaboration with the DHET and other relevant organs of state shall develop a comprehensive and focused maritime curriculum and funding for training of seafarers that will address further training and development of requisite skills for the industry.

(d) The Department, working with DHET and other relevant organs of state shall promote the concept of a training vessel.

(e) South African registered ships must provide training berths for South African cadets.

(f) The Department shall promote the development of a fishing vessels curriculum and qualifications.

(g) The Department shall promote the establishment of a national maritime skills development programme and a fund.

(h) The Department shall initiate efforts to secure global partnerships in education and training.

Maritime Professionals

281. For historic reasons associated with a weak Maritime Transport Sector, there is a huge scarcity of maritime professionals especially in the public sector. With the exception of the ports, the country lacks a formalized programme of building expertise especially in the maritime management echelon; the pockets of maritime expertise present in the country do not have a professional home to learn through the exchange of ideas. There is therefore a need for maritime professionals 'think tank' to contribute in developing the maritime professionals' development approach. By creating a platform for maritime professionals this will help also in establishing a network of contacts and encourage leadership internship and mentorship programs.

Policy Statements on Maritime Professionals (36)

(a) The Department shall in collaboration with relevant organs of state, promote and support the establishment of a maritime professionals' associations

(b) Government shall support efforts in developing a Maritime Professional Development Programme

Artisans Training

282. Generic skills in the industry have a labour absorbing capacity and thus can contribute to job creation and poverty alleviation in the country. Artisans skills cut across all the maritime industry value chain and thus these can be regarded as core skills and their development will be essential.

Centre of Excellence

283. Notwithstanding the fact that there are numerous institutions that offer maritime related training in the country, the establishment and resourcing of the Maritime Centres of Excellence presents Government with the opportunity to customize requisite training and development for priority skills in this sector. The involvement of the DHET is of importance in the design of such curriculum to provide the industry with the necessary skills. It is important that bursaries are available to learners and students at schools and universities for maritime studies.

Training and Education for the Associated Industries

284. Many shore-side industries require seagoing qualifications and experience and are thus dependent on a throughput of people that have been to sea to be re-skilled for positions ashore. The vast majority of jobs ashore are however not dependent on highly qualified and experienced seafarers and in many cases are independent of seafaring qualifications.

285. Proper structured training is nevertheless essential if these shore-side industries related to shipping are to be efficient. Training and education for industries associated with maritime transport is not well structured in South Africa and in certain cases does not exist or is not formalised or accredited.

286. Unlike seafarer training it is also not essential that institutions offering these courses be located at the coast but could be established in the interior provinces where the costs to learners could be reduced.

Policy Statements on Training in related industries (37)

    (a)   The Department, in conjunction with the DHET and other relevant organs of state shall encourage the public and private sectors of the maritime industry to develop and improve education and training systems in the enterprises that support shipping and where there is demand to locate such institutions or departments inland.

    (b)   The Department, in conjunction with the DHET and

other relevant organs of state, shall create bursary opportunities for maritime studies at schools and universities.

State Support for the Industry in times of Distress

287. Having made the call for the creation of favourable environment for the Shipping Industry in the market, the South African Government should be ready to support the shipping industry during the times of distress.

Policy Statement Support for the Industry in times of distress (38)

(a) Government shall establish an inter-Departmental team to develop the Maritime Transport Sector Recovery Plan (MSRP) detailing a mechanism for the recovery of the maritime transport sector in the event of major incidents affecting the industry.

(b) In the event that the maritime and shipping industry faces serious distress, either financial or otherwise, the Department shall in consultation with other relevant organs of state and affected parties explore options to support the industry through various means.

Institutional Arrangements and Co-operation

288. Numerous Government Departments and other institutions have a direct impact on the South African Shipping Industry. Their combined efforts are required if South Africa is to become a significant Shipping Nation and to ensure that the benefits of a large South African Ship ownership and or Register are achieved.

Policy Statement on Institutional arrangements and cooperation (39)

The Department shall promote a coordinated approach to maritime governance

Maritime Culture, Heritage and Tourism

289. Underwater cultural heritage is emerging as an important aspect of South Africa's cultural heritage. With the location of the country surrounded by three oceans, the Indian, the Atlantic and the southern oceans. These oceans have been an important facilitator of trade and discovery between Africa, Europe, Asia and the Americas. During the slave trade people of the continent where transported on ships through the oceans. For centuries, South African shores have been notorious for their rough sea conditions. Partly due to these sea conditions, but also because of other factors such as overloading and sea unworthiness of boats and ships, many ships wrecked along the South African cost. As a result, South Africa has many shipwrecks; many of these wrecks also contain human remains.

290. Underwater cultural heritage is not found just in the sea or on the coast. Internal waters, including rivers and sacred lakes form part of this heritage.

291. The importance of educating present and future generations about this heritage will help in its preservation by bestowing on all South African the duty to safeguard maritime heritage in the form of these artifacts and or sites as long as we live.

Maritime Tourism

292. The National Tourism Sector Strategy (NTSS) identifies transport as an enabler of tourism growth. The NTSS also underlines the significance of collaboration between Department and Department of Tourism in removing barriers to tourism growth.

293. Maritime tourism is usually associated with cruise ships. This is the most common form of maritime tourism but not the only one. The cruise ship market however, is a growing industry with tourists visiting port cities and surrounding areas. Cruise ships calling at South African ports generate economic benefits across a broad front and must be encouraged.

294. Disincentives to cruise ship operators such as lack of access to berths and port facilities, embarkation and disembarkation facilities, formalities and security issues require a holistic approach by affected central, provincial and local Government departments in collaboration with the hospitality industry at all levels.

295. The Coastal and Marine Tourism Lab, under Operation Phakisa, identified cruise tourism as an area with potential to attract more tourists to South Africa and contribute to the economic growth and job creation. Currently, South Africa's share of the cruise tourism market, estimated globally to be at plus 21 million tourists, is less than 1 per cent.

296. Some of the coastal provinces are exploring investment around cruise tourism, including the possibility of cruise ownership by South African companies or companies chartering cruise ships from international companies.

297. The rationalisation of permitting regulations with a view to ease application processes should also be considered. Currently, permitting regulations are not streamlined and this may hamper economic growth particularly Marine and Coastal Tourism.

298. New areas of maritime tourism include excursions to South African islands, including visits to the Antarctic. Launch pads (at ports) to Antarctic for research and related activities should be encouraged and promoted by ports. Undersea tourism is also gaining tremendous interest. This is one of the many adventure travels that should be promoted. Port facilities are imperatives for the introduction and growth of some of the tourism sub sectors that require port infrastructure.

Policy Statements on Promotion of Maritime Culture, Heritage and Tourism (40)

(a) The Department working in collaboration with the Department of Arts and Culture, other relevant organs of state shall promote general awareness; protection and preservation of historic marine artefacts; the identification and marking of places of maritime history and heritage as means to promote and preserve South Africa' underwater cultural heritage

(b) The Department shall support the Department of Arts and Culture other relevant organs of state in developing policies

and programmes to preserve and protect sustainable access to underwater cultural heritage sites

(c) The Department shall promote the inclusion of Small Harbours in establishing, development and management of a South African Maritime Transport Global Brand and Identity as part of Maritime Tourism, Culture and Heritage.

(d) The department shall collaborate with relevant department to promote rationalisation of permitting regulations to ease application processes

(e) The Department shall collaborate with the Department of Tourism to encourage the growth of the cruise shipping market and promotion of programmes that seek to market Maritime Tourism in general.

INTERNATIONAL AND REGIONAL IMPERATIVES

Transport Networks

299. There are benefits in regional maritime transport for the SADC economies by facilitating trade through the greater integration of sea transport with the other modes of transport. By integrating sea transport with other modes of transport within the SADC region, economic benefits through trade will accrue to SADC states, whether the state is littoral or landlocked.

300. The promotion and development of inter-modalism within SADC should thus be of priority as no meaningful sustainable economic growth and development can be achieved without a network of transport links across the region.

African Union

301. The Revised African Maritime Transport Charter is an instrument of the African Union, the AU in which member states resolve to co-operate in all fields of maritime activity and to co-ordinate and harmonize their maritime policies. The Charter calls for:

(a) Common African positions on issues of international maritime policy;

(b) The harmonious and sustained development of an African fleet;

(c) A new Institutional framework for managing maritime affairs;

(d) The establishment of regional and/or sub-regional shipping lines; and

(e) Cabotage restrictions at sub-regional, regional and continental levels.

302. The Charter creates an Association of Maritime Administrations whose aim is the promotion of cooperation among Africa's maritime authorities. The Revised Charter also creates a Charter Follow up Mechanism which is a 15 member States Committee specifically charged with promotion of the implementation, monitoring of the Charter.

Port Management Association of East and Southern Africa (PMAESA)

303. Transnet Port Authority is a member of the Port Management Association of East and Southern Africa (PMAESA). The main objectives behind the establishment of the Association are:

(a) provide its member`s with a chance to exchange ideas and information through conferences, workshops and media interfaces in matters related to transport and trade facilitation

(b) to assist members to modernise their systems in a bid to enhance productivity and service delivery

(c) to create and maintain relations with other development partners, regional/sub-regional, international organizations and transport authorities through mutual projects and studies in matters beneficial to members

(d) facilitate implementation of International Maritime Organisation (IMO) Conventions and Programs

The Southern African Development Community

304. Six of the twelve continental SADC states are coastal lying, with a combined coastline from about 5⁰ S on the West Coast of Africa round the Cape to about 5⁰S on the East Coast. Within SADC, a Programme of Action is supported by several protocols. The protocols on Transport, Communication and Meteorology and on Politics, Defence and Security Co-operation address maritime transport related issues. Under the Protocol on Transport, Communication and Meteorology a maritime sub-sectoral committee has been established with three specialised working groups:

   (a) The Ports and Shipping Services Sub-Committee,
   (b) The Maritime Safety and Marine Environment Sub-Committee (MASAMES); and
   (c) The Inland Waterway Sub-Committee.

305. The SADC Protocol on Transport, Communication and Meteorology stresses the role of coastal shipping, including initiatives to progressively remove restrictions, if any, on Cabotage restrictions. This SADC view on Cabotage restrictions is contrary to that of the African Maritime Transport Charter, which is currently under review. Member States also undertake to participate as a region in the formulation of new standards and practices in respect of:

   (a) Maritime safety aspects such as aids to navigation, search and rescue and Hydrographic;
   (b) Human resources aspects, including training and service conditions of seafarers;
   (c) Protection of the marine environment; and
   (d) Maritime communications.

306. The Protocol however, makes no provision for regional co-operation in the sphere of maritime safety and security matters, and given the increasing importance of these maritime safety matters, this represents a "gap" in regional maritime co-operation.

307. With regards to Hydrography, the Southern African and Islands Hydrographic Commission (SAIHC) has been established as a Regional Hydrographic Commission under the auspices of the International Hydrographic Organization (IHO) to encourage states to strengthen their Hydrographic capabilities in order to promote safe navigation and to

facilitate regional co-operation in Hydrographic training.

308. With regards to regional co-operation on AtoN, the Southern African (and Islands) Regional Co-Operation Group on Safety of Navigation and Marine Environment Protection (SAGNEP) is in existence, but its members lack high-level support of their respective governments.

309. The SAR, law enforcement at sea and Hydrographic are among the maritime transport related matters addressed by the Standing Maritime Committee (SMC) of the SADC Organ on Politics, Defence and Security.

Trans-oceanic arrangements

310. Trans-oceanic arrangements related to maritime transport includes the Indian Ocean Rim Association for Regional Co-operation, the Zone of Peace and Co-operation in the South Atlantic, Free Trade Areas and Preferential Trade Agreements such as the India- Brazil-South Africa (IBSA); as well as the Brazil, India, Russia, China and South Africa cooperation agreement (BRICS), and the Dialogue Forum. Although these are not maritime transport based arrangements they are essentially focused on trade and development. Being trans-oceanic, shipping is the catalyst in all cases. The IBSA and BRICS agreements, for example, have great potential in the broader sphere of maritime transport.

Memoranda of Understanding on Port State Control (MOU on PSC)

311. South Africa is a member to both the IOMOU on PSC and Abuja MOU on PSC.

Spatial Development Initiatives (SDI) and Development Corridors

312. Maritime transport cannot be isolated from the other links in the transport chain and needs to be closely integrated in the "regional development corridors" (RDCs). The most important RDC from a South African perspective is the Coast-to-Coast SDI between Walvis Bay and Maputo. The SDIs and RDCs currently identified focus on road and rail transport to and from ocean ports but do not specifically include coastal shipping.

Coherent interstate maritime policy

313. The development of interstate relations is a complex process and develops over time. The overlap of treaties and agreements is thus a feature of interstate relations. Similarly, the apparent contradictions between treaties and agreements are also a product of the process of developing interstate relations. This situation is clearly so with respect to South Africa's interstate relations on maritime matters and specifically those relating to shipping.

314. The Department has identified a need to review South Africa's position with respect to interstate arrangements regarding shipping related matters and will liaise with the Department of International Relations and Cooperation (DIRCO) and other departments affected by these agreements to ensure coherent and consequent policy in this regard.

315. The Department will ensure that the growth and development of South African shipping is not adversely compromised in any way where provisions to the contrary are adopted in regional agreements.

Regional coastal shipping

316. Industrial development in the SADC coastal states is largely focused on the coast. Regional trade and feeder services for international trade hold opportunities for coastal shipping, especially if coastal terminals outside the customs loop and appropriate ships to serve small ports are combined.

317. The Government will engage the Maritime Transport sector to determine the feasibility and benefits of development corridors based on shipping as the primary mode of transport.

Regional maritime integration

318. Advances in marine technology are making the wealth of the sea increasingly available to mankind. The sea thus has the potential to make an enormous contribution to the economic growth, job creation and poverty alleviation in the Southern African region.

319. While the technology required exploring and exploiting the wealth of the sea is currently beyond the reach of most countries in the region. Good governance of the adjacent seas would at least ensure that the countries of the region benefit from maritime industries, both ashore and offshore.

320. It is in the region's interest that the Southern Atlantic, Southern and Southern Indian Oceans be properly governed as the lack of good governance at sea increases a risk that the wealth of the sea will not benefit the region. The nature of the sea implies a regional approach to governance, as is indeed the international trend.

Policy Statement on Maritime International Cooperation and Representation (41)

(a) As a multilateral player, South Africa, shall continue to support international conventions related to the maritime industry, and shall continue its membership to the International Maritime Organization (IMO) and its subsidiary bodies and other organizations which promote the welfare and sustainability of the maritime industry.

(b) The responsibilities and representations to these international bodies shall be synergized and there shall be timeous communication between the involved parties, and appropriate and relevant representation shall be made to reap maximum benefits for the maritime industry.

(c) Government shall ensure through SA Missions abroad that consular assistance and support is provided to all South African seafarers.

(d) South Africa shall initiate consultations with her major trading partners with the aim of promoting cooperation in building national shipping carrying capacity so much needed by the South African economy, to be included in the international shipping.

(e) The Department in consultation with other relevant organs of state shall develop and adopt measures to position and market South Africa as the centre of choice for purposes of establishing operational offices for ship owners.

(f) The Department in cooperation with DIRCO and other relevant organs of state shall constitute a Maritime International Relations and technical cooperation Committee to coordinate all maritime international strategic engagements.

(g) Support to implementation of the RMTC

(h) Promote the implementation of a SADC Protocol on Transport communications as it relates to maritime transport;

(i) Promote development and implementation of a regional cooperation in the sphere of maritime safety, security and in the protection of the marine

environment matters;

(j) Shall continuously monitor and evaluate maritime agreements

Innovation, Research and Development

Using Technology to Enhance the Industry

321. Maritime transport, as with other forms of transport, is increasingly becoming a knowledge and high technology industry, making innovation, research and development important to its continued development.

322. The widespread usage of information technology for both coastal and deep-sea shipping and for recreational or commercial purposes should be supported and strengthened. Innovative solutions for challenges confronting the domestic and international Maritime Transport sector should focus the attention of industry and Government in ensuring renewal and industrial progress. From shipyards to port operations and to environmental protection, industry sustainability requires investment in new knowledge and the commissioning of new ideas onto the marketplace.

323. Furthermore, a country's competitiveness is largely dependent on its ability to come up with new ways of moving its cargo and people to markets in the most efficient way possible. With the country's main markets very distant, the capacity to find new ways of reducing cost to markets, a robust research and innovation agenda must be put in place, supported and improved.

Policy Statement on Research and Innovation (42)

(a) The Department shall continuously undertake research and trend analysis in collaboration with relevant institutions so as to be abreast of the sustainability of the maritime industry and such research shall be released for the benefit of the industry and other interested parties.

(b) The Department in collaboration with the Department of Trade and Industry and the Department of Science and Technology, shall promote the establishment and resourcing, of Maritime Manufacturing and

related Research and Innovation Centres to be incorporated including in the Special Economic Zones (SEZs) as geographically designated areas.

(c) These Maritime Manufacturing Research and Innovation Centres are to be aimed at the facilitation of industrialization, enterprise development and localisation of innovative maritime manufacturing including shipyards, offshore industries, the management of the maritime ecosystem, maritime safety and security and maritime technologies implementation.

(d) The Department will encourage the South African Institute of Marine Engineers and Naval Architects to register with the Engineering Council of South Africa to strengthen their capability and opportunity for capacity development.

(e) The Department shall in collaboration with other relevant organs of state, industry and academia establish a Centre for Maritime Transport Policy and Strategy (CEMPS)

Monitoring and Evaluation

324. The general areas that this CMTP must be evaluated on will be based on the following basic elements:
  (a) What the CMTP wants to change
  (b) What are specific objectives to achieve this change
  (c) What are the indicators and how will they measure this?
  (d) How will the data will be collected and analysed?

Policy Statement on Monitoring and Evaluation (43)
  (a)   For systematic evaluation of the information, at macro as well as at micro levels, the following 4X4 Log-frame (based on an

example from Caldwell (2002, p.160) Definition Table is adopted for CMTP and will be followed and applied[5].

(b)   The Department shall periodically conduct and publish the CMTP Monitoring and Evaluation Report (CMTP-M&E report)

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[5] The following Monitoring and Evaluation mechanism is provided for in the CMTP:

(a)   A system evaluation of the performance information using a definition table which provides for the measurement indicators; the means of verification and as well as Assumptions (External factors)

(b)   Strategic Objectives are broken down to Goal; Purpose; Outputs and the Activities to produce activities

(c)   The Impact Indicator is measured using the attainment of the Goal and the Means of Verification assesses the cost-effectiveness of the methods whilst taking into account those conditions beyond the control of the CMTP necessary to sustain the long term impact

(d)   The Purpose is measured using an Outcome Indicator data (Quantitative/ Qualitative) and the Means of Verification assesses the cost-effectiveness of the methods whilst taking into account those conditions beyond the control of the CMTP if the outcomes are to contribute to achieving the goal

(e)   The Outputs is measured using Output Indicator (Quantitative / Qualitative information and the Means of Verification assesses the cost-effectiveness of the methods whilst taking into account those conditions beyond the control of the CMTP that could restrict or prevent the outputs from achieving the outcomes

(f)   Activities will be measured using summary of CMTP resources used to implement activities and the Means of Verification assesses the cost-effectiveness of the methods whilst taking into account those factors out of the CMTP that could restrict or prevent access to the outputs

(g)   The MSDC will report on a regular basis to Cabinet on progress with the implementation of the MSDP. Through the mechanism of the Inter-governmental relations there is on-going coordination and dialogue between departments. The Development and implementation of plans and their monitoring and evaluation will be in line with the system of Monitoring and Evaluation applied throughout the Public Service.

CMTP Strategic Objectives	Measurable Indicators	Means of Verification	Assumptions
GOAL: Simple clear statement of the problem the CMTP project will help to resolve	**Impact Indicator** Quantitative or qualitative means to conclude claimed attainment of stated goal	**Cost-effective** methods and sources to quantify or assess indicators	External factors beyond the control of the CMTP project necessary to sustain the long term impact
PURPOSE: The immediate impact on the CMTP project area or target group	**Outcome Indicator** Quantitative or Qualitative means to measure achievement of purpose	**Cost-effective** methods and sources to quantify or assess indicators	External conditions necessary if the outcomes are to contribute to achieving the goal
OUTPUTS: Specific deliverables results expected from the CMTP to achieve the purpose	**Output Indicator** Quantitative or Qualitative means to measure completion of stated outputs	**Cost-effective** methods and sources to quantify or assess indicators	Factors out of the CMTP projects' control that could restrict or prevent the outputs from achieving the outcomes
ACTIVITIES: Regular efforts needed to produce the outputs	**INPUTS:** This is a summary of the CMTP resources used to implement activities(financial, material, human)	**Cost-effective** methods and sources to quantify or assess indicators	Factors out of the CMTP projects control that could restrict or prevent access to the inputs

CMTP Definition Table

Implementation Timetable

Proposed CMTP Implementation timetable

Period	Activity	Monitoring and Reporting
Year One	Establishing Institutional Framework: MTSDC	Mandatory reporting
Year Two	Review of 2002 Commercial Ports Policy Development and approval the MTSDP	Data gathering and analysis. Approval of MTSDP by Cabinet
Year Three	Legislative Review including and Cabotage Framework, strategy and legislation approved Establishment of the Centre for Maritime Policy and Strategy	Regular Report to Cabinet and Portfolio Committee and maritime stakeholders Regular Report to Cabinet and Portfolio Committee and maritime stakeholders
	Ship Finance corporation Study is released	Data gathering and analysis. Mandatory Reporting to the MTSDC
	Review of certain provisions of the 2005 Ports Act	Data gathering and analysis. Regular Management Quarterly reports; and maritime stakeholders
Year Four	Enacting new enabling legislation	Parliamentary process. Regular Management Quarterly reports; and maritime stakeholders
Year Five	Introduction of a phased in cabotage restrictions	Data gathering and Mandatory Reporting to MTSDC. Regular Management Quarterly reports; and maritime stakeholders
Year Six	Targeted percentage increase of vessels on SA Register	Data gathering and analysis. Mandatory Reporting to the MTSDC
	Legislation on carriage of Government cargo by SA ships is gazetted	Mandatory reporting to MTSDC
	Transhipment Framework is gazetted	Data gathering and Mandatory reporting to MTSDC; and maritime stakeholders
Year Eight	MTSDP Evaluation	Data gathering and reporting to MTSDC and Cabinet