

PREAMBLE

The study contained in this report comprises four parts. Part 1 deals with the main economic activities usually regarded as South Africa's maritime transport sector and several related activities that depend or bear on its function. Part 2 describes the function of coastal shipping serving the ports of Southern Africa and the scope for increasing both the demand for such shipping and the supply, while Part 3 analyses the transshipment of containers at South African ports as well as the prospects for establishing a hub for the transshipment of international container traffic at the Port of Ngqura. Part 4 contains various proposals for promoting economic activity and job creation stemming from the topics dealt with in Parts 1 to 3.

Although the underlying intention of the studies and proposals described in Parts 1 to 4 is to create employment, it should be borne in mind that maritime transport is a service industry and the scope within the industry for promoting economic growth and creating jobs depends largely on economic activity in other industries and especially on the export of their output and their demand for imports. The industries regarded as maritime transport can nevertheless contribute to economic growth through higher productivity that leads to reductions in the supply costs of imports and exports, so promoting trade. Furthermore, there are economic activities new to the maritime transport sector of South Africa such as ship recycling that can initiate economic activities presently conducted on a small scale such as the supply of shipping and the intercontinental transshipment of containers that can be expanded. All these activities presently necessitate competing in international markets and the prospects for their success depend on comparative advantage. Such advantage is manifest in the availability of local resources, such as more productive labour, higher skills, inherent entrepreneurship and business acumen, cheaper capital and supportive government, the lack of which would render competition fruitless.

These issues are dealt with in the study in manner that is intended to be realistic and positive with a view to introducing proposals that lead to a more vibrant and larger maritime transport industry in South Africa, while some myths about its potential might be dispelled.

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PART 1: GROWTH OF A SOUTH AFRICAN MARITIME TRANSPORT INDUSTRY

PART 2: COASTAL AND SHORT-SEA SHIPPING

PART 3: TRANSHIPMENTS

PART 4: PROPOSALS AND RECOMMENDATIONS