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Address by His Excellency President Jacob Zuma on progress made in respect of the implementation of the Operation Phakisa: Oceans Economy initiatives in Port Elizabeth, Eastern Cape

08 April 2016



Premier Phumullo Masualle,
The Minister of Environmental Affairs, Ms Edna Molewa,
Minister in the Presidency responsible for Planning, Monitoring and Evaluation, Mr Jeff Radebe,
Minister for Public Enterprises, Ms Lynne Brown,
Ministers and Deputy Ministers,
Members of the Executive Council within the Eastern Cape Province,
Executive Mayor of the Nelson Mandela Metro, Dr Danny Jordaan,
Senior Government Officials and Senior Executives from our State-owned Companies and Statutory Councils,
Business leaders,
Representatives of civil society, labour and academia,
Umphakathi waseBhayi,
Fellow South Africans,
Molweni, Good Morning,

It is always a great pleasure for me to visit the Nelson Mandela Metro.

Port Elizabeth is the gateway to the Eastern Cape. This beautiful friendly city holds great potential in its ability to contribute to the growth of the South African economy.

Today I am here to witness first-hand the progress that has been made within the Port of Port Elizabeth with regards to the implementation of the first phase of Operation Phakisa, the Oceans Economy.

Operation Phakisa is a fast results delivery programme that we launched in July 2014 to help us implement the National Development Plan, with the ultimate goal of boosting economic growth and create jobs.

The National Development Plan is the country's socio-economic development blueprint which enjoins us to create a better life for all citizens in an inclusive society. It provides the framework in which Government, organised business, labour and citizens can work together to accelerate economic growth and resolve the triple challenge of unemployment, poverty and inequality.

Operation Phakisa is one of the mechanisms we have put in place to implement the National Development Plan come alive.

NgoJuly 2014 sethula uhlelo olubizwa ngeOperation Phakisa okusho ukuthi Khawuleza ngesiXhosa, ukuze sisheshise ukwethulwa kwezinhlelo zikahulumeni zokuthuthukisa umnotho nokwakha imisebenzi.

Kuningi osekwenziwe iluhlelo ikakhulukazi ekuthuthukiseni umnotho ohleli olwandle ebesingawubhekile yonke leminyaka.

Namhlanje sizokwethula ukuthi ikuphi osekwenziwe emitateni yezwe lakithi ukuthuthukisa umnotho.

Indeed we have made some strides in the implementation of Operation Phakisa. This is as a result of the collective effort of Government, business, labour, academia and civil society.

The Ocean Economy programme under Operation Phakisa focuses on:

- Marine Transport and Manufacturing, led by the Department of Transport;
- Offshore Oil and Gas, led by the Department of Mineral Resources;
- Aquaculture, led by the Department of Agriculture, Forestry and Fisheries;
- Marine Protection Services and Ocean Governance, led by the Department of Environmental Affairs;
- Small Harbour Development, led by Department of Public Works; and
- Coastal and Marine Tourism, led by the Department of Tourism.

The Department of Planning, Monitoring and Evaluation undertakes overall coordination.

I provided an update on the implementation of Operation Phakisa in August 2015. Today I again meet the terms of my undertaking in 2014 – to regularly update the public on how the programmes are progressing.

Indeed a lot has been done in implementing Operation Phakisa.

I have great pleasure to announce that government has unlocked investments amounting to about seventeen billion rand (R17 billion) in the Oceans Economy, thanks to Operation Phakisa.

And since the inception of Operation Phakisa: Oceans Economy, over Four Thousand Five Hundred (4500) jobs have been created in the various sectors.

The programme has added great impetus in the development of infrastructure, and today I will update you on the development of ports infrastructure.

We want our ports to be more efficient and have the necessary infrastructure to service the maritime industry and attract investment.

I am happy to inform you that over Seven Billion Rand (R7 billion) had been allocated by Transnet National Ports Authority to improve our ports.

Earlier this morning, we viewed the refurbished and reconstructed slipway and lead-in jetties within the Port of Port Elizabeth. The refurbished slipway will be able to accommodate more vessels. In fact twelve vessels can now be accommodated for hull inspection and maintenance as compared to the current two.

I have today also unveiled a plaque at the newly acquired boat hoist here in the Port of Port Elizabeth.

This is only the second of its kind in the country. This boat hoist has a Ninety Ton capacity and forms part of the construction of a new slipway.

This will ensure that the industry is assisted more efficiently than in the past.

On my inspection visit to some of the sites today, I was also heartened by the notable progress and the envisaged projects. Here I am referring to the relocation of the manganese terminal here in the port to the nearby Port of Ngqura at Coega, which is currently accommodating rig repair.

Of the nine tugboats currently being built by South African Shipyards for Transnet National Ports Authority in the Port of Durban, two are destined for the Port of Port Elizabeth. I was happy to see one of these boats, named Mvezo, after the birthplace of our beloved Madiba.

Incidentally, two bulk carriers are now registered on the South African Ships Register and will be using the Port of Port Elizabeth as the home port, providing opportunities for South African crew and cadets. A further registered vessel will be using Cape Town as its home port.

This is great progress indeed.

Siyaqhuba, asimanga.

Work has also continued to refurbish the Port of Durban.

The Durban Dry Dock Caisson, which allows water to be pumped out of the dock and for work on vessels to occur in the dry, was installed and floated in January this year.

The dry dock is now open for business. This development represents an investment of Forty Three Million Rand.

In the Port of Saldanha Bay, which will be established as an oil and gas hub, work has already commenced on the Offshore Supply Base.

This is one of three projects making up the Nine Point two Billion Rand (R9.2 billion) Public-Private Partnership investment over a five year period. This is Government and business working together to grow the economy, which is good for our country.

We have also made progress in the Boat building sector. An amount of Three Hundred and Fifty-Three million Rand has already been committed in the ports of Durban and Cape Town for boatbuilding infrastructure, creating approximately Three Hundred and Fifty-Five (355) direct jobs.

Investments in boatbuilding and a fuel storage facility in the Port of Cape Town, amounting to approximately Three Point Six Billion Rand (R3.6 billion), have been committed.

Siyaqhuba, asidlali!

Operation Phakisa will also be used to develop rural economies. This we shall do through small harbour development, coastal and marine tourism and aquaculture which is the fish industry.

An amount of Eighty Million Rand has been allocated for the rehabilitation and maintenance of proclaimed fishing harbours in Gansbaai, Saldanha Bay, Struisbaai, Gordons Bay and Lambets Bay in the Western Cape.

The establishment of three new harbours in Northern Cape, Eastern Cape and KwaZulu-Natal will also provide opportunities for local and rural economic development.

In the aquaculture sector, more than Four Hundred Million Rand worth of investments, both from the private sector and Government, have been committed across ten aquaculture farms in the Eastern Cape, KwaZulu-Natal, Western Cape and Northern Cape. We are already seeing good results.

The Siyazama Aquaculture Cooperative in Hamburg sold its first harvest of dusky kob to the Cape Town Fish Market at the V and A Waterfront in Cape Town.

A total of twelve new aquaculture projects, which also includes inland provinces such as Mpumalanga and Gauteng, have also been selected.

An additional Seventeen new applications are being processed.

This will further increase the production and job opportunities.

Compatriots,

We have learned some good lessons during this Operation Phakisa Oceans Economy implementation.

Where Government has made interventions, whether within the policy space or facilitating authorisations and approvals or providing some incentives, it has unlocked private sector investment.

We will continue to do so and work hand in hand with the private sector and our partners and stakeholders to ensure that we realise our vision.

Within the last year and a half, Operation Phakisa's primary focus has been on implementing mechanisms to systematically clear constraints and blockages hampering the development of these projects.

We have focused removing legislative uncertainty, lengthy bureaucratic authorisation procedures, delays in funding flows, infrastructure challenges and skills gaps. This means all spheres of government must be involved and must participate in removing obstacles to investment in the country.

In the new Inter-Ministerial Committee on Investment Promotion which I chair, we will be working harder to promote this new attitude within government, that we must actively promote our country and must actively remove obstacles to investments by both domestic and international investors. Operation Phakisa is demonstrating that when we do this, we see good results.

We have also conformed in all the Oceans Economy initiatives, that research, technology and innovation are critical for the success and sustainability.

To this end the South African Marine Research and Exploration Forum was launched early this year.

This is an important partnership between the public sector and private sector extractive industries, represented by the Offshore Petroleum South Africa, to exploit the broader research opportunities presented by offshore oil and gas exploration to undertake research, using private sector vessels in the interests of South Africa.

Without the necessary skills base, we will not be able to grow the Oceans Economy. We are therefore very happy to announce the establishment of the South African International Maritime Institute (SAIMI) based at the Nelson Mandela Metropolitan University. This has been achieved through a Two Hundred and Ninety Five Million Rand (R295 million) contribution by the National Skills Fund.

This institute is responsible for the implementation of all skills development initiatives of the Oceans Economy in Operation Phakisa, under the leadership of the Department of Higher Education and Training.

In addition, two new high schools for maritime studies have been launched this year. They are the Ngwenyathi Senior Secondary School in Nxarhuni near Mdantsane and the George Randell Senior Secondary School near the East London Airport. Classes started with an intake of Grade 10 pupils in January. Teachers have been trained through a refresher course in Belgium and preparation course in Western Cape.

Two teachers have been employed by the Department of Education to teach Maritime Economics.

The Department is also in the process of appointing a Nautical Science specialist.

Indeed, a lot of progress is being made towards boosting economic growth and creating jobs in our country.

Siyaqhuba! Asidlali. Sithuthukisa umnotho ngezindlela eziningi ukuze kwakhiwe amathuba emisebenzi.

Compatriots,

It is important that opportunities be created for Small Medium and Micro Enterprises, women, the youth and people with disabilities in Operation Phakisa. Government will work with all the stakeholders to realise this.

There are also numerous initiatives that are at the stage of consultation to take Operation Phakisa Oceans economy forward.

These include the Marine Spatial Planning Bill, Aquaculture Bill and the declaration of Twenty-Two offshore Marine Protected Areas.

Indeed, the Operation Phakisa: Oceans Economy has shown some significant progress since its official inauguration in July 2014.

I am pleased with the commitment of all the stakeholders in ensuring that we grow the economy and create jobs in order to provide a better life for our people.

Let me echo the words of our beloved Madiba:

"Poverty is not natural. It is man-made and it can be overcome and eradicated by the actions of human beings. Sometimes it falls on a generation to be great. YOU can be that great generation."

Let us commit ourselves to this worthy cause and move South Africa forward, together.

I thank you.

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