KWAZULU-NATAL INTEGRATED MARITIME STRATEGY

(REVISION)

POLICY REVIEW AND INDUSTRY STRUCTURE

POLICY REVIEW AND INDUSTRY STRUCTURE

This section briefly sets out to explain the existing relationships between the different public sector actors, national departments, government agencies and state owned enterprises on the maritime sector.

2.1: NATIONAL OVERVIEW OF POLICY ENVIRONMENT INFORMING AND INFLUENCING THE MARITIME INDUSTRY

The graph below displays a depiction of the current maritime policy environment within South Africa, and the relationships between different players in the policy environment on KZN Maritime Industry.

There is a policy mandate for the National Department of Transport to set the national maritime sector policy and implement through the provincial department and partner organizations. However, there is a key missing link as shown in the image below by the question mark (?), as there is no direct role undertaken in the maritime sector by the KZN Department of Transport in either the Ports or the Maritime Sector Firms; both of these gaps are reflected by question marks (?). This lack of strategic oversight of the ports, inland waterways and related maritime sector activities by the KZN DOT has meant that instead this role has been absorbed into other provincial departments, notably the KZN DAEA and KZN EDTEA as well as national regulatory bodies like SAMSA.

Figure 1: Institutional STRUCTURE Influencing the Maritime Sector
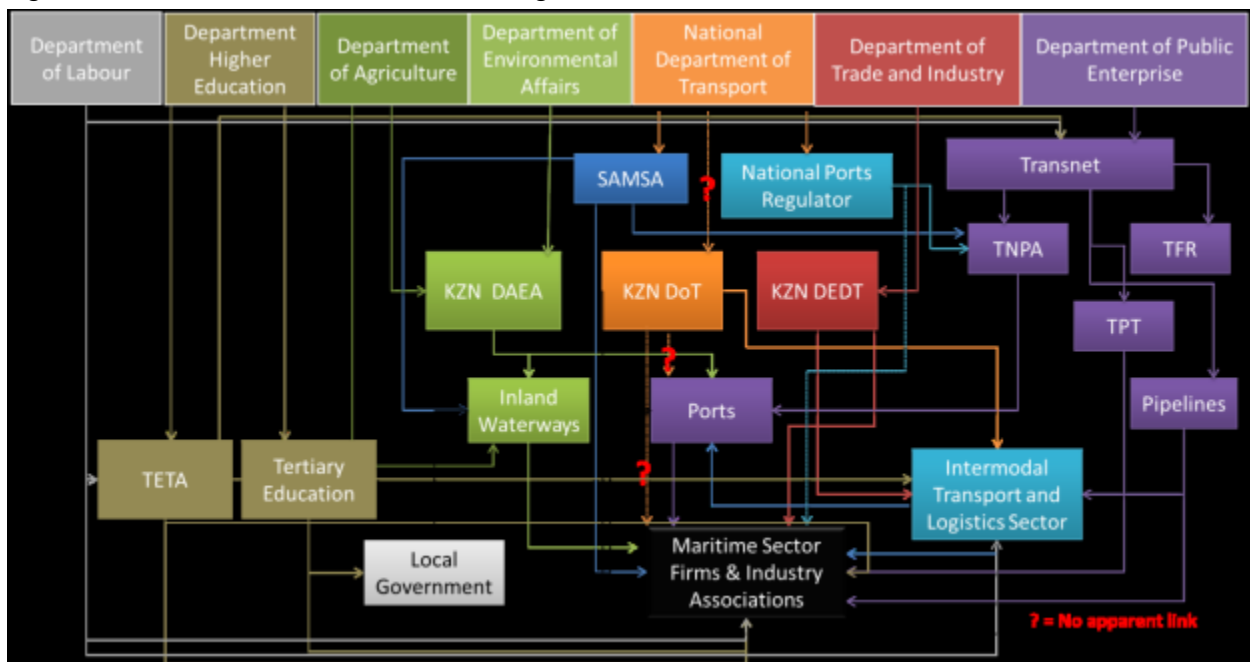
The Department of Public Enterprise's State Owned Enterprise, Transnet National Ports Authority is the landlord of the South African Port System, and has oversight placed upon it by the National Ports Regulator (a National Department of Transport structure), which also functions to promote competition between maritime sector firms as indicated by the stippled line. In addition, SAMSA provides safety regulation oversight, and assists with alignment to the International Maritime Organisation. There is a direct link from the Department of Trade and Industry to the KZN EDTEA, and from there, clear linkages to both the intermodal transport and logistics sector and maritime sectors, and this linkage, is the basis of the KZN EDTEA's need to develop a meaningful Maritime Sector Strategy for KZN. The envisaged stakeholders that form part of the institutional structure of the Maritime industry within KZN are:

- Transnet National Ports Authority (TNPA)
- Transnet Freight Rail (TFR)
- Transnet Port Terminals (TPT)
- The Port Regulator of South Africa

- South African Maritime Safety Authority (SAMSA)

- National Department of Transport (NDoT)
- Department of Trade and Industry (DTI)
- Department of Labour (DOL)
- Department of Higher Education and Training (DHET)
- Department of Education (DOE)
- Department of Public Enterprises (DPE)
- Department of Agriculture, Forestry and Fisheries (DAFF)
- Organised Labour
- KZN Provincial Planning Commission (PPC)
- KZN Department of Agriculture and Environmental Affairs (DAEA)
- KZN Department of Transport (DOT)
- KZN Economic Development Tourism and Environmental Affairs (EDTEA)
- KZN Sharks Board
- Trade and Investment KZN (TIKZN)
- Richards Bay IDZ
- South African Association of Ship Operators and Agents (SAASOA)
- South African Association of Shipbuilders and Repairers (SAASR)

- South African Association of Freight Forwarders (SAAFF)

- Perishables Product Export Control Board (PPECB)

- Maritime Law Association of South Africa

- Institute of Chartered Shipbrokers South Africa (ICSSA)

- International Bunker Industry Association (IBIA)

- Harbour Carriers Association

- National Stevedoring Association of South Africa (NASASA)

- eThekwini Maritime Cluster (EMC)

- Local Business Chambers and Maritime Sub-Committees (DCCI and ZCCI)

- Richards Bay Port Users Committee (RB PUC)

- Local Authorities

- Maritime Industry Businesses

- SA Maritime School and Transport College

- Transport Education and Training Authority (TETA)

- Tertiary Education Institutions (DUT, UKZN and FETs)

Given the assessment of the organizational structuring and relevant influence within the Maritime value -chain, it is clear that there are a number of role-players all interacting in different aspects of policy. The clear issues identified include:

- The maritime industry is a complex series of activities, some of which fall in manufacturing, transport and agriculture, as well as transport and logistics, as evidenced by the number of public bodies involved in strategic oversight;

- The sector is very broad with many national role-players each focusing on their key areas like (i.e. trade, regulation, environmental etc);

- There is no single provincial driver of the KZN Maritime Agenda - this has resulted in the lack of a single direction for the port related community being developed and driven at the provincial level;

- There is, at present, little ability to determine alignment between sector direction and the Economic Goals as set out in Provincial and National strategy;

2.2: DRAWING FROM AFRICAN, NATIONAL AND PROVINCIAL POLICY AND PLANNING

This section sets out the existing policy environment relevant to the Maritime sector in KZN. It refers to all national and provincial policy that has a direct and indirect impact on the Maritime sector, as well as the recently developed 2050 African Integrated Maritime Strategy. The key strategic thrusts, areas of focus or interventions that in some way have an impact on the Maritime sectors are identified and pulled through. This assists to identify the key thematic areas, which are later translated into strategic goals, objectives and initial suggested interventions.

2.2.1: 2050 AFRICAN INTEGRATED MARITIME STRATEGY (2050 AIM STRATEGY)

The 2050 AIM Strategy provides a broad framework for the protection and sustainable exploitation of the African Maritime Domain for wealth creation. The strategy is the product of cross-cutting inputs from African experts, and is structured to address contending, emerging and future maritime challenges and opportunities in Africa, taking into account the interest of land-locked countries, with a clear focus on enhanced wealth creation from sustainable governance of Africa's oceans and seas.

The vision of the 2050 AIM Strategy is:

 "To foster increased wealth creation from Africa's oceans and seas by developing a sustainable thriving blue economy in a secure and environmentally sustainable manner".

The 2050 AIM Strategy aims to achieve the following:

> i. A comprehensive understanding of existing and potential challenges, including allocation of resources to identified priorities over a pre-determined time-frame;
>
> ii. A comprehensive, concerted, coherent and coordinated approach that improves maritime conditions with respect to environmental and socio-economic development as well as the capacity to generate wealth from sustainable governance of Africa's seas and oceans;
>
> iii. A common template for the AU, the RECs/RMs, and relevant Organizations; and Member States, to guide maritime review, budgetary planning and effective allocation of resources, in order to enhance maritime viability for an integrated and prosperous Africa;
>
> iv. A business plan that specifies milestones, capacity building targets and implementation requirements, including technical and financial support from within and also from development partners.

In addition, the following objectives will guide the 2050 AIM Strategy's actions:

> i. Establish a Combined Exclusive Maritime Zone of Africa (CEMZA);
>
> ii. Engage civil society and all other stakeholders to improve public awareness;
>
> iii. Enhance political will at community, national, regional and continental levels;
>
> iv. Enhance wealth creation, and regional and international trade performance through maritime-centric capacity and capability building;

v.   Ensure security and safety of maritime transportation systems;

vi.   Minimize environmental damage and expedite recovery from catastrophic events;

vii.   Prevent hostile and criminal acts at sea, and Coordinate/harmonize the prosecution of the offenders;

viii.   Protect populations, including AMD heritage, assets and critical infrastructure from maritime pollution and dumping of toxic and nuclear waste;

ix.   Improve Integrated Coastal Zone Management in Africa;

x.   Promote the ratification, domestication and implementation of international legal instruments;

xi.   Ensure synergies and coherence between sectoral policies within and between the RECs/RMs.

Relevance to the KZN Maritime Strategy:

Although the AIM Strategy is a high-level African Strategy, there are some key points that are directly applicable to the KZN situation. The KZN Maritime Strategy should seek to ensure:

- An improvement in maritime conditions with respect to environmental and socio-economic development;

- Wealth creation through sustainable governance of Africa's oceans and seas;

- The development of a common template to enhance maritime viability in Africa;

- The improvement of public awareness around maritime issues;

- Enhanced political will to support the maritime industry;

- Maritime-centric capacity and capability building;

- Maritime safety and security, and protection of environmental assets;

- The prevention of criminal acts at sea and harmonise prosecution of offenders;

- Improved integrated coastal zone management; and

- Synergies between sectoral policies.

2.2.2 NATIONAL POLICY AND PLANNING

OPERATION PHAKISA

Operation Phakisa is National Government's approach to achieving significant economic and Gross Domestic Product (GDP) growth within a limited time. This approach has been adopted into the maritime industry to address national key priority areas such as poverty, unemployment and inequality.

With the support of the Malaysian government, the Big Fast Results approach was adapted to the South African context. To highlight the urgency of delivery the approach was renamed Operation Phakisa ("Phakisa" meaning "hurry up" in Sesotho). Operation Phakisa is a results-driven approach, involving setting clear plans and targets, on-going monitoring of progress and making these results public.

The methodology consists of eight sequential steps. It focuses on bringing together key stakeholders from the public and private sector, academia as well as civil society organisations to collaborate in detailed problem analysis, priority setting, intervention planning and service delivery.

These collaboration sessions are called laboratories (labs), in total there are four labs which encourage economic transformation in the maritime industry, and these are:

Lab 1) Marine Transport and Manufacturing (MTM)
The Lab aims to accelerate growth of marine transport (cargo handling, national registry and flagging) and manufacturing (maritime vessel building, rig and ship repair, offshore oil and gas (O&G) services) through:

- Encouraging the establishment of an SA-flagged fleet for coastal and international shipping
- Expansion of the South African marine manufacturing capacity for; Ship and Rig Repairs/Refurbishment, Boat-Building and Ship-Building
- Developing a market by requiring local content for all public procurement and building a strong private-sector market

Lab 2) Offshore Oil and Gas exploration (O&G)

 The lab aims to unlock the value of South Africa's oil and gas potential through:

- Creation of an enabling environment for exploration
- Achieving 30 new exploration wells in the next ten years with several discoveries
- Significant investments, particularly in South Africa's deep water offshore environment

Lab 3) Aquaculture

The lab aims to grow aquaculture in South Africa so as to play a major role in the supply of fish products and an enhanced role in job creation and contribution to national income through:

- Rapidly increasing the scale of commercial fish farming production

- Stimulating demand in local and international markets

Lab 4) Marine protection services and Ocean Governance

The Lab intends to implement an integrated, overarching governance framework for sustainable growth of the ocean economy that will maximise socio-economic benefits while ensuring sufficient ocean environmental protection within the next five years through:

- Development of an overarching governance plan

- Protecting the ocean environment from all illegal activities and promoting its multiple socio-economic benefits with results

- Marine Protected Area (MPA) representative network and monitoring water quality

Transversal and critical across all four labs in achieving their goals is the following:

- Skills Development and Capacity Building

- Infrastructure Development

- Legislative reform

- Creation of a supportive funding environment

Lab 5) Coastal and Marine Tourism

The main goal of the lab is to create a world class and sustainable coastal and marine tourism destination that directly benefits South Africans. CMT focuses on recreational activities along the coastal zone and/or the marine environment.

Lab Initiatives include:

- Infrastructure Development
- Routes
- Events

- Cross cutting initiatives including; marketing, safety, regulations & permitting, skills and transformation

6. Small Craft Harbours and State Coastal Property Development

The vision of the State Coastal Property Development leg of the lab is to;

- attract investment in prime state coastal properties for economic development and transformation

while the Small Craft Harbours leg aims to;

- revitalise small craft harbours including proclaimed fishing harbours and related activities .

Relevance to the KZN Maritime Strategy:

- Prioritising port development and expansion
- Development and support of the marine manufacturing subsector through ship/boat building, ship repair, maintenance, oil rig repair
- Development of marine energy supply and production
- Development of commercial fishing activity and aquaculture
- Promotion of enterprise development and BBBEE
- Capacity building through education, skills development and training, research and knowledge development
- Expansion of tourism offerings through coastal and marine tourism
- Development of small craft harbours and coastal properties

Governance and protection of marine and coastal environment<u>NEW GROWTH PATH (NGP)</u>

The new growth path is a broad framework that sets out a vision and identifies key areas where jobs can be created within the National Economy. The new growth path is intended to address unemployment, inequality and poverty in a strategy that is principally reliant on creating a significant increase in the number of new jobs in the economy, mainly in the private sector.

The new growth path sets a target of creating five million jobs by 2020. This target is projected to reduce unemployment from 25% to 15%. Critically, this employment target can only be achieved if the

social partners and government work together to address key structural challenges in the economy.

The new growth path seeks to place the economy on a production-led trajectory with growth targeted in ten 'jobs drivers'. As a first step, government will focus on unlocking the employment potential in six key sectors and activities. These are:

➢ infrastructure, through the massive expansion of transport, energy, water, communications capacity and housing, underpinned by a strong focus on domestic industry to supply the components for the build-programmes;

➢ the agricultural value chain, with a focus on expanding farm-output and employment and increasing the agri-processing sector;

➢ the mining value chain, with a particular emphasis on mineral beneficiation as well as on increasing the rate of minerals extraction;

➢ the green economy, with programmes in green energy, component manufacture and services;

➢ manufacturing sectors in IPAP2 and;

➢ tourism and certain high-level services.

Relevance to the KZN Maritime Strategy:

• Strong National focus on expansion of transport infrastructure in order to enhance market connectivity;

• Enhancing the value-chain of mining, agriculture and manufacturing with opportunities for transport of higher-value goods via sea;

• Emphasis on the re-industrialisation of South Africa and the identification and expansion of markets and trade of South African industries;

• Potential to expand maritime tourism to meet new tourism demand.

NATIONAL DEVELOPMENT PLAN (NDP)

The recently established National Planning Commission (NPC) has developed the NDP vision for 2030 for South Africa. The NDP states that in order to achieve sustainable and inclusive growth by 2030, South Africa needs to invest in a strong network of economic infrastructure designed to support the country's medium and long term goals. If this vision is to be achieved, it is identified that targeted development is needed. Transport was highlighted as a key investment area and one of the specific targets for infrastructure development in the NDP was the expansion of Durban port capacity from 3 million containers in a year to 20 million by 2040. Other specific targets that directly relate to KZN's Maritime Strategy are the plans to upgrade the Durban-Gauteng freight corridor, including the development of a new port at the old Durban International Airport Site.

A *Diagnostic Report* was released in June 2011 and sets out South Africa's achievements and shortcomings since 1994. The central challenges identified are:

- Too few people work;
- The standard of education for most black learners is of poor quality;
- Infrastructure is poorly located, under-maintained and insufficient to foster higher growth;
- Spatial patterns exclude the poor from the fruits of development;
- The economy is overly and unsustainably resource intensive;
- A widespread disease burden is compounded by a failing public health system;
- Public services are uneven and often of poor quality;
- Corruption is widespread;
- South Africa remains a divided society.

The commission believes that of these elements, two are of critical importance – too few people work and the standard of education available to the majority is poor.

In reaction to these fundamental challenges, the NDP 2030 plan spells out the key strategic development areas which require focus over the next 20 years. These are:

- Employment and Economy;
- Economic Infrastructure;
- Environmental Sustainability;
- An Integrated and Inclusive Rural Economy;
- Positioning South Africa in the World;
- Transforming Human Settlements;
- Improving Education, Training and Innovation;
- Promoting Health;
- Social Protection;
- Building Safer Communities;
- Building a Capable and Developmental State
- Fighting Corruption;
- Transforming Society and Uniting the Country.

Relevance to the KZN Maritime Strategy:

- In order to grow the economy and create employment, focus must be accorded to raising exports, which has a direct bearing on the Maritime sector;
- Investment in competitive infrastructure is critical and strengthening of port infrastructure is a crucial element of this;
- Developing better connectivity and gateways to international, regional and domestic markets through the efficiency and effectiveness of transport infrastructure;
- Lowering the cost of transport and logistics is a key proposal to ensure economic growth and job creation, and has a direct bearing on the productivity and effectiveness of port operations.

INDUSTRIAL POLICY ACTION PLAN 2 (IPAP2)

In January 2007 Cabinet adopted the National Industrial Policy Framework (NIPF) which sets out Government's broad approach to industrialisation. Implementation of industrial policy was set out in the Industrial Policy Action Plan (IPAP), which was later revised to incorporate a longer-term 10 year view of industrial development, to form the IPAP 2. The analysis indicated that seven sets of policies are critical to achieve a scale-up of industrial policy and a shift towards strengthening the productive side of the economy in general. These policies are:

- Stronger articulation between macro and micro economic policies;
- Industrial financing channeled to real economy sectors;
- Leveraging public and private procurement to raise domestic production and employment in a range of sectors, including alignment of B-BBEE and industrial development objectives, and influence over private procurement;
- Developmental trade policies which deploy trade measures in a selected and strategic manner, including tariffs, enforcement and SQAM (standards, quality assurance and metrology) measures;
- Competition and regulation policies that lower costs for productive investments and poor and working class households;
- Skills and innovation policies that are aligned to sectoral priorities;
- Deploying these policies in general and in relation to more ambitious sector strategies, building on work already done.

In specific reference to boatbuilding, the IPAP identifies the following opportunities:

- Export opportunities into Africa and the Indian Ocean Islands, with specific emphasis on light commercial vessels, such as RIBS and Patrol Vessels;
- Opportunity to leverage on world-class reputation as catamaran manufacturers and expand into the developing markets, and markets new to the boating culture;
- Clustering of the industry on a national basis will bring together critical mass to implement industry development programmes to upgrade machinery and business processes within SMMEs;
- The international markets for catamarans remains largely untapped and growth in the export market could become a real driver for job creation;
- The sector shares many skill sets and some technologies with the renewable energy, aeronautical and automotive sector. Therefore, for example, the development of a broad base of skills and application of technologies in composite manufacturing could translate into other sectors.

Relevance to the KZN Maritime Strategy:
- There is an opportunity to tap into international markets in terms of catamaran manufacturing and commercial vessels such as RIBS and Patrol Vessels;
- Clustering of the industry on a national basis;
- There is a need to ensure that national and local policy is articulated, which will require provincial maritime policy to be aligned, and influence national policy;
- Financing will be channeled into real economic sectors, of which the Maritime sector is key sector for the province;
- A focus on alignment between BEE and industrial development objectives, indicating the importance of providing guidance in terms of transformation within the Maritime sector;
- The impact of developmental trade policy on the Maritime sector must be understood and acknowledged;
- Development of relevant skills within the sector to align with policy.

DEPARTMENT OF TRANSPORT DRAFT MARITIME TRANSPORT POLICY (2008)

This Maritime Transport Policy provides a framework for the future growth and development of the maritime transport sector in South Africa. It intends to create a policy environment that facilitates the growth and development of South Africa's maritime transport sector to its full potential in support of economic growth and sustainable social development of our country and the ultimate wellbeing of our people.

This policy focuses 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. It also addresses industries associated with ports and shipping but only where they have a direct influence on shipping as the transport segment of the maritime sector. The policy emphasizes the key opportunities for Maritime Development that can be harnessed through improved regional connectivity and highlights that the Department of Transport (DoT) needs to engage with regional governments in order to investigate the opportunities for port infrastructure and shipping as a tool for trade facilitation.

The goal of the policy is to guide the development and maintenance of sophisticated but integrated maritime supply chain systems with a complex logistical choreography of man and machine, able to support the goals of the broader Government developmental programmes and initiatives. There is a clear emphasis on the development and management of integrated transport networks in order to better connect domestic, regional and international markets in order to meet the fundamental principles and objectives of the NDP.

The objectives of the policy are:

- To ensure the competitiveness of South Africa's international trade through innovative, efficient, reliable, visible and integrated maritime supply chain systems;

- To grow South African maritime presence and influence domestically and abroad;

- To ensure compliance with multilateral instruments of which South Africa is a party to, and that the instruments reflect South Africa's national interests;

- To grow and broaden the participation of South Africans in the industry and ship ownership while promoting the increase of ships on the South African flag;

- To guide the maritime sector's initiatives on institutional arrangements, governance and regulatory interventions while ensuring effective and efficient co-ordination; and

- To provide a clear framework around which investors and funders can participate in maritime projects so as to improve growth and competitiveness of the maritime transport industry.

This policy consists of four sections:

- Section one address the policy environment of maritime transport in South Africa;

- The second section provides the context of the policy in terms of principles, guidelines and goals;

- Section three of the document addresses maritime transport issues facing South Africa and policy statements on these issues/ policy statements;

- Section four is concerned with implementation of new policy or shifts in existing and related policies.

Implementation Framework:

The following focus areas are identified as the basis on which the development of the Maritime transport sector can grow. The focus areas are:

- **Maritime transport chains**

In order to accelerate the expansion of the South African trade and grow the economy, the global competitiveness of the South Africa's maritime supply chains need to be enhanced.

- **Ship register**

Ship owners and operators register their ships in an environment conducive to that specific enterprise. The attraction of ships to the register and the associated enterprises will have the potential to create a major industry in South Africa with many job opportunities and foreign earnings. In order to create such an environment in South Africa a 'package' needs to be created that will make the South African register an international register of choice. To this end the government is determined to:

  - Hasten the review of the tax regime on shipping and especially the tonnage tax initiative.

  - Investigate incentives for the shipping support industries.

  - Identify and remove other potential impediments to ship owners and operators.

  - Ensure South Africa's shipping administration provides the highest standards required of a flag state at minimum cost to the industry.

- **Ports**

The commercial ports are the vital link between terrestrial and sea borne transport for imports and exports. To this end the government established a Port Regulator to be involved in the shipping and ports sectors, and its function includes:

  - Closely monitor the cost drivers of loading and discharging cargo in the commercial ports to ensure policy and regulations do not unnecessarily push up these costs; and

  - Closely monitor the turnaround time for shipping through South African ports to ensure that infrastructure and other development is in place to speed up the process.

- **Governance of the South Africa's Maritime zones**

The DOT identifies a need to review overall maritime policy in South Africa with the view to formulate a holistic strategy to ensure the country gains maximum benefit from its adjoining seas. To this end the DOT as the lead department on commercial maritime matters is committed to initiate:

- A process to establish holistic arrangements to govern South Africa's maritime zones and ensure the co-ordinated development of the maritime sector.

- A process to review arrangements for 'service delivery' at sea to ensure cost-effective use of resources, people, information, assets and infrastructure.

- A programme to promote the potential of the maritime sector within the coastal provinces and metropolitan cities to ensure their commitment to the development of South Africa's maritime sector.

- **Small vessels**

The enhancement of a safety regime on inland waters is recognised; as is the need to harmonise the safety regime applicable to all small vessels – whether operating at sea or on inland waters. To this end the DOT is committed to urgently consolidate the registration, safety standards, qualifications of skippers/coxswains, aids to navigation and issuing regulations in this regard.

- **People in maritime transport**

The growth and development of maritime transport, as a fundamental facilitator of trade is intricately linked to the availability of a skilled work force. The DOT as the lead department in maritime transport matters is committed to:

- Review, in conjunction with the DOE, the education and training of seafarers and people working in the associated industries.

- Enhance its efforts to create an awareness of maritime transport as a career of choice and facilitate the recruitment of people to the sector.

- In conjunction with the DOL, review the ILO Maritime Labour Convention, 2006 and domestic legislation in order to ensure decent work for seafarers.

- **International maritime transport relation**

Due to the international nature of shipping and the importance to the continent and region of this mode of transport, the DOT is committed to actively participating in the promotion of maritime transport as a growth and development vehicle in Africa and the region.

- **Establishment of home-grown shipping line**

The declining strategic nature of a home-grown shipping line from a security perspective is recognised but the potential economic benefits are seen as justification to develop a home-grown shipping line, particularly in short sea shipping. To this end the government will:

  - Investigate means to stimulate local ownership of ships;

  - Liaise with the other governments in the region to develop a regional fleet; and

  - Investigate how home-grown fleets can promote coastal development corridors.

- **Safe navigation**

Given South Africa's obligations as a party to UNCLOS, a member of the IMO, IALA and the importance of safe navigation, the resolution of the fragmented arrangements to provide this service will be reviewed.

- **Cabotage and regional coastal corridors**

South Africa's growth and development is inextricably tied to the simultaneous growth and development of the region. Although a minor proportion of South Africa's trade at present takes place within the region, there is a trend toward greater regional trade. Indications are that regional coastal shipping could play an important role in facilitating intra-regional trade and development.

Coastal shipping has not received appropriate policy attention in the past, both domestically and regionally. To this end the government will:

  - Initiate an in depth investigation into the potential of regional coastal shipping and integrate this with the SADC cabotage policy;

  - Consider the role coastal shipping could play in the development of coastal industry in the region; and

  - Engage the regional structures with the view to establishing coastal development corridors based on the benefits of shipping as a primary means of transportation.

  - Engage on all forms of policies that impinge on coastal shipping: tonnage tax, cabotage etc.

Relevance to the KZN Maritime Strategy:

- The strategy must investigate the complex value-chain system to ensure that regional solutions are developed and competitiveness can be enhanced;

- The strategy needs to ensure that maritime is planned in an integrated manner and with cognisance taken of other modes of transport and logistics platforms;

- The strategy must ensure that participation within the provincial maritime industry is broadened;

- The strategy must provide dynamic solutions in terms of institutional and organisational arrangements and what the current gaps are in terms of regulation and institutional arrangements on a provincial level;

- The strategy must provide a clear framework for the provincial maritime sector.

THE MARITIME TRANSPORT AND SERVICE BEE CHARTER

The Maritime Transport and Service BEE Charter sets out a strategy that has to be followed by the Maritime Industry in order to achieve employment equity. It also highlights commitments made by government department and the private sectors.

It sets a long term vision to develop South Africa into becoming one of the world's top 35 maritime nations by the year 2014. The vision includes increasing the number of South African branded vessels and to grow new South African shipping companies that can compete at a global level. It identified a need for a strategy to increase access to skills, capital and economic opportunities, a rise in productivity for every employee and enterprises in the industry. The aim is to achieve integrated modes of multiple networks that will comply with regulation and stimulate economic growth. Another target is to increase black participation in ownership, management and employment in the Maritime Industry

The Charter identifies key role players in making the vision a reality and they are: National Government, Labour Relations and Transport Education and Training Authority (TETA). In each of these areas clear targets of the empowerment potential has been developed and state agencies have now been directed to work on implementation plans.

The Charter also provides 'stakeholder undertaking' guidelines for these role players in terms of ownership, management, employment equity, skills development, enterprise development, social development, maritime awareness campaigns, and labour standards. The key focus areas of the policy that are relevant to the KZN Maritime Strategy are indicated below.

Relevance to the KZN Maritime Strategy:

- The Strategy must ensure support to the National Government's role of creating and enabling environment for trade through trade promotion, enhancing feeder and inland transport, improving the quality of available maritime infrastructure and superstructure, and restructuring to ensure reliability and cost effectiveness of port operations.

- The Strategy must ensure alignment with national BEE objectives within the Maritime industry (funding, increased awareness of BEE role players, port restructuring, increased participation in port operations and services, and enforce and monitor compliance with existing legislation);

- The Strategy must ensure alignment with national labour relation objectives (encourage pension and provident funds, investigate opportunities to establish collective investment vehicles, Ensure that workers are empowered through skills development, mobilise members to ensure compliance with existing legislation, and monitor the impact of procurement/outsourcing on job creation);

- The Strategy must ensure alignment with Transport Education and Training Authority (TETA) objectives (analysis of people in particular skills set, conduct analysis and update statistics, analysis of the quantity, quality and nature of MT and SI, and align its mission and vision with the imperatives of BEE).

SAMSA'S HIGH LEVEL SAMIC 2012 OUTCOMES

SAMSA hosted the South African Maritime Industry Conference in July 2012 on behalf of the Minister of Transport. The conference called for action, which 'directed energy towards robust engagement and the soliciting of partnership between government and industry stakeholders to design and implement a roadmap for the achievement of a globally competitive maritime industry[1].

The overarching Strategic Actions that were identified and extracted from the conference report are[2]:

- Integration of maritime into the macro-economic policy of the country including the New Growth Path and plans of the National Planning Commission;

- Finalisation of an Integrated National Maritime Policy for the sector;

- Enhance the level of engagement and the capacity of the industry to be represented in a structured, cohesive fashion to drive the necessary change through a multi-sectoral South African Maritime Sector Development Council;

- The adoption of key interventions to promote beneficial ship ownership as a catalyst for developing broader related industries such as vessel construction and ship repairs, minerals beneficiation and the broader industrialisation of the maritime sector;

- Implementation of a targeted programme to heighten the awareness and appreciation of the maritime sector as central to the development of the South African economy and addressing our unemployment woes;

- Changing South Africa's Maritime Consciousness by integrating the maritime geography and real estate into the hinterland provincial structure of the country and introducing the concept of a "10th Province";

- A key element underpinning growth in the maritime sector is adequate and timely Maritime Infrastructure Development, particularly by Transnet. This includes access to suitable marine

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[1] SAMIC Report, 2012
[2] Extracted from the SAMIC Report, 2012

manufacturing sites, harbours, cruise terminals, etc. with appropriate infrastructure and regulatory processes that do not inhibit sustainable business operations;

- Capacity building for South Africa's maritime sector will be essential, incorporating the development of technology diffusion and innovation, R&D, supply chain efficiency, business collaboration and capital investment. These will support research, new product development and the operational efficiencies to maintain international competitiveness;

- Facilitating opportunities in export markets, Intra regional African trade and helping coordinate a sector marketing strategy are maritime sector priorities. This will include support for targeted initiatives to grow existing markets;

- Skills and training are recognised by the industry, government and key stakeholders as critical success factors to a globally competitive sector. Subsectors of the maritime sector currently experience significant skills deficiencies. The industry needs to lead a Maritime Industry Skills and Training Forum to facilitate and unlock the implementation of outcomes from the 2011 SAMSA Human Resource Development Council of South Africa Maritime Skills Summit;

- Give to effect commitments to address the legislative backlog constraining the maritime sector;

- Develop a dedicated Maritime funding Mechanism, whether within the current configuration of development funding, private funding and commercial banks or outside of this traditional model.

Relevance to the KZN Maritime Strategy:

- Integration of the Maritime Strategy into the Provincial Growth and Development Strategy and Plan;

- Enhance the level of engagement and the capacity of the industry;

- Deepening of industries such as vessel construction and ship repairs and industrialisation of the maritime sector;

- Heighten the awareness of the maritime sector;

- Adequate and timely Maritime Infrastructure Development, including access to suitable marine manufacturing sites, harbours, cruise terminals, etc;

- Development of technology diffusion and innovation, R&D, supply chain efficiency, business collaboration and capital investment;

- Facilitating opportunities in export markets and Intra-regional African trade;

- Skills development and training.

SOUTH AFRICAN CRUISE TOURISM: PROSPECTS, BENEFITS AND STRATEGIES

In 2009, the Department of Tourism commissioned development of research into the South African cruise tourism sector with the objectives of updating market information, addressing the strengths and

weaknesses, accessing the impacts, weighing the environmental and other impacts, and to provide an updated strategic approach to growing SA's cruise tourism and maritime tourism business.

The strategies and action items were grouped into two categories:

- Software - Programs, marketing efforts and operational enhancements developed to ensure product quality, brand recognition, communication efforts and others; and,

- Hardware - Strategies and action items to ensure that appropriate capital improvements are planned and developed to meet anticipated cruise industry throughput and facility needs.

In summary, the key 'soft' strategies and action plans identified to boost the cruise tourism industry are:
- Cruise Marketing Plan Development

- Formulation of a South Africa Cruise Network

- Operator Visitation

- Cruise Benchmarking Strategy

- Establish a Consistent Funding Source

- Incentives Package

- Take a Deeper Leadership Role in the Cruise Indian Ocean Association (CIOA)

- Port Costs Benchmarking

- Cruise Tourism Provider Education

- Cruise Passenger Visitor's Kit

- Regional Travel Agent Education

- International Cruise Trade Show Participation

- Tour Provider Offerings

- Targeted Provider Program Offerings

- Meet with the NPA Regularly on Threat Assessment and Security Issues

- Cruise Operations and Scheduling Plan

- Primary and Secondary Venue Assessment and Management Plan.

- Implement Recommendations of the Environmental Impact Review

With regards to 'hard' strategies and actions plans, the following are suggested:

- Seek accommodating a single, 300m vessel using Cape Town and Durban as a homeport with additional flexibility for a second berthing position for a calling vessel similar size.

- Consider mixed-use as key to any cruise terminal development, with spaces considered have a primary use with the opportunity of serving as cruise homeport as secondary function (refer to Exhibit 3-2). In Cape Town, integration of spaces with CTICC should be given a high degree of consideration. For Durban, a continuation of exploration of cruise facilities at the Durban Point Development should be explored.

- For the ports-of-call at Richard's Bay, Port Elizabeth, Mossel Bay and East London, a standard approach for welcoming cruise operations should be explored. Similar to homeport operations, each destination should be able to welcome a single, 300m vessel and have a strategy for meeting the basic port-of-call needs. Each location should consider a flexible strategy focused more on how to comfortably connect cruise passengers with the destination versus investment in brick and mortar facilities.

- The plan should consider in all locations how the broader destination can be incorporated into welcoming cruise vessel guests.

- The plan should consider both physical design as well as financing components as well as be pragmatic and consider implementation over the long term.

- Interact with the cruise lines as part of plan development and implementation.

Relevance to the KZN Maritime Strategy:
- Provincial and local authorities, clusters and associations must work with the Department of Transport to ensure that the soft strategies relating to this study are implemented;

- A single 300 meter berth is required in Durban with flexibility for a secondary berth (this is being dealt with as part of the development of the new Durban Passenger Terminal);

- Consider 'mixed-use' as the key to any terminal development. This is a key component of the new Cruise Terminal Development;

- Richards Bay must be able to accommodate a single 300m vessel and have a strategy for meeting the basic 'port-of-call' requirements;

- Interaction with cruise liners is crucial.

2.2.3 PROVINCIAL POLICY

PROVINCIAL GROWTH AND DEVELOPMENT STRATEGY AND PLAN (PGDS AND PGDP)

The Provincial Growth and Development Plan (PGDP), the implementation framework for the Provincial Growth and Development Strategy (PGDS), provides a number of interventions that either directly or indirectly impact on the KZN maritime sector. Specifically these fall within the strategic goal of "Strategic Infrastructure" and within the strategic objectives of 'Development of Ports and Harbours' and 'Development of Road and Rail Networks'. The interventions identified deal specifically with improving port capacity and productivity, as well as creating rail and road linkages up and down the coast between the two major seaports. The interventions proposed seek to optimise existing infrastructure but more importantly, to build on KZN's competitive advantage – creating economic infrastructure which will result in sustainable job creation.

Relevance to the KZN Maritime Strategy:

The relevant key interventions with regards to the KZN Maritime Strategy are:

- Implement plans for the Dig-Out Port

- Improve and expand Durban's Back of Port Operations

- Develop Richards Bay Port

- The following planned developments are receiving attention:

    - A ship repair facility

    - Additional bulk liquid handling berth

    - Additional berths for break bulk and dry bulk

    - Container handling facility at an existing berth (to handle 100,000 TEU's)

- Improve Durban Passenger Terminal

- Establish feasibility of development of selected small craft harbours

- Establish a dedicated freight link: Durban Port to Inland Hub

- Expansion of Coal Rail Link

- Expand and maintain core rail freight network and the branch Lines

In addition to Goal 4 of Strategic Infrastructure, Strategic Goal 1 (Job Creation) presents two interventions under the objective of 'Enhance sectoral development through trade and investment'.

The relevant key interventions with regards to the KZN Maritime Strategy are:

- Improve functionality of Richards Bay Industrial Development Zone (IDZ)

- Investigate opportunities in the maritime industries e.g. ship repair

Although specific economic opportunities within the sector have not been identified, the fact that the maritime industry forms a specific intervention indicates that the maritime sector will receive focus in the 2030 plan.

PROVINCIAL SPATIAL ECONOMIC DEVELOPMENT STRATEGY (PSEDS)

The PSEDS is currently in the process of being reviewed by the Economic Development Tourism and Environmental Affairs (EDTEA). This section therefore briefly reviews the relevance of the PSEDS as it currently stands with the KZN Maritime industry. The PSEDS provides a strategic framework, sectoral strategies and programmes aimed at a rapid improvement in the quality of life for the poorest people of the Province. It sets out to address the developmental challenges posed by these socio-economic contexts through a ten year development plan. The PSEDS specific programmatic interventions are built around the particular nature of inequality and poverty in the KZN. There are several spatial considerations that will have bearing on this project; one of them is the fact that eThekwini and uThungulu are still identified as primary nodes that fall on a priority transport corridor (N2) between the Richard's Bay and Durban Ports.

Relevance to the KZN Maritime Strategy:
- A strong focus on the development of the agricultural sector and manufacturing sector for value-adding and export-orientated trade;
- Provision of world class infrastructure at the Richards Bay IDZ and fully utilize potential;
- Critical importance of the Richards Bay and Durban Ports as nodes along one of the Provincial Priority Corridors.

KZN INDUSTRIAL DEVELOPMENT STRATEGY (IDS)

The IDS aims at developing KZN's manufacturing industry and related services. In doing so it sets out the short to medium term programmes that have been identified by the Department of Economic Development to address these issues. Through the Strategy, it was identified that the Province needs to:

- Pursue policies designed to ensure macroeconomic stability, growth, low inflation and high employment to the extent possible;
- Increase emphasis on investment;
- Increase effective delivery of - skills, infrastructure, research and development, and innovation - especially vocational and scientific/technical education;
- Continue with its active industrial policy to protect and enhance modern manufacturing capacity but should also focus heavily now on re-organisation of agencies and resources in partnership with business and labour, for significant improvements in the speed and quality of implementation;

- Ensure funds are made available and administered appropriately, to fund the training and retraining of workers who have been made redundant or whose skills need updating.

The strategy seeks to increase the level of development diversity in the provincial economy. The Strategy identifies two critical issues which must form the overall focus of the Province in achieving industrial development, namely, productive growth and job creation. In order to achieve this, the human capital potential of the provincial economy will need to be further enhanced, thus sustainable sector development in less developed and rural areas is a priority. The clusters identified within the KZN IDS are: Cluster 1 – Infrastructure Development; Cluster 2 – Skills Development; Cluster 3 – Sustainable Job Creation and Entrepreneurship; and Cluster 4 – Productive Industrial Growth.

Relevance to the KZN Maritime Strategy:
The strategic interventions within each of the key clusters (no relevant interventions in Cluster 3) are relevant to the KZN Maritime Strategy.

➤ **Cluster 1 - Infrastructure development**

  o Port Infrastructure - the implementation of infrastructure to improve turnaround performance at Durban Port and the consolidation and expansion of the Richards Bay IDZ and port to provide better facilities for export firms and inbound trade;

  o Spatial planning and identification and zoning of industrial land;

  o Development of specific industrial parks and hubs;

➤ **Cluster 2 - Skills development**

  o The development, with the private sector, of a detailed skills profile per industry, linked to the scarce and critical skills assessments of the relevant SETAs;

  o With Transnet, Eskom and Water Utilities, re-instate artisanal training centres.

- **Cluster 4 - Productive growth**

  o Focus KwaZulu-Natal on the automotive and M and HCV sub-sectors tooling needs;

  o Upgrading of the KwaZulu-Natal white-goods industry to increase production and grow exports;

  o Develop a Petrochemicals Hub and Halogen Cluster and implement Chemicals Industrial Park.

KZN INVESTMENT STRATEGY

The KZN Investment Strategy was developed as a tool for all stakeholders to assist in attracting and facilitating foreign and domestic investment in KwaZulu-Natal. The objective of the Strategy is to enable all stakeholders in the province to work together in promoting, attracting and facilitating:

- ❖ foreign and domestic investment;

- ❖ both of a public and private sector nature;

- ❖ into productive industries (income and asset creation);

- ❖ driven by the comparative advantages of the province;

- ❖ in order to stimulate job creation and income generation.

The key areas of focus of the strategy are:

- Improving structures and systems of investment promotion and facilitation and working together;

- Attracting investment to meet job targets;

- Channeling resources to where they have the greatest impact (i.e.: geographic areas and economic sectors);

- Ensuring that competitive advantages are utilised to the fullest and building on these;

- Alignment and integration with national, provincial and local policies, strategies and programmes (incl. Richards Bay IDZ, DTP);

- Maximisation of job creation and retention through business retention and expansion;

- Gaining optimal benefit from incentives such as DTI sector-based Incentives and service and utility incentives;

- Public sector investment into infrastructure to lead the private sector (incl. rural and small towns).

Relevance to the KZN Maritime Strategy:
- Effectiveness and efficiency of the ports are required to ensure that the investment environment is attractive to potential investors;

- Alignment of policy between national, provincial and local role-players is critical;

- Channeling of resources needs to be in areas of the highest potential, of which the ports play a major role.

KZN EXPORT STRATEGY 2011

A Provincial Export Strategy was undertaken to identify the major challenges facing the province in terms export promotion and present implementable solutions to these challenges. The following are requirements identified by exporters as key to ensuring growth within the export market:

- Good communications;

- Cost-effective and reliable transport;

- Certainty that goods will be efficiently delivered across international borders to customers;

- Competitive pricing of the goods at destination through assistance with constraints;

- Efficient payments to exporters and access to finance for exports;

- Minimising of "red tape" associated with exports;

- Skilling for exports and training in reducing input costs;

- Smart export development, including spatial export development.

The strategy incorporates these elements into targeted programmes to provide exporters with assistance in the challenges they face. However in order to successfully overcome these challenges and achieve the goals of the strategy, buy-in from all export stakeholders is required, along with a recognition of the vital role external bodies such as national government and export councils play in creating an enabling environment for trade.

In response to this, the Strategy presents five key programmes:

- Programme No. 1: Enhancing the Export Climate and Competiveness

- Programme No. 2: Improving Market Penetration

- Programme No. 3: Exporter Development

- Programme No. 4: Export Promotion

- Programme No. 5: Export Strategy Performance Measurement, Management and Review

Relevance to the KZN Maritime Strategy:
- There is a need for a climate that supports competitiveness within the export market, which relates directly to the functioning and cost-effectiveness of the ports;

- The minimization of export "red-tape" indicates that the province must address the current constraints within the value-chain;

- The importance of training and up-skilling within the Maritime industry is critical;

- Spatial export development requires that the Durban and Richards Bay Ports are optimized to work synergistically.

2.2.4: SUMMARY OF POLICY AND PLANNING INFLUENCE ON THE MARITIME INDUSTRY

Table 1: Summary of Maritime Policy Influence

Strategies, Policies and Plans	Relevance to KZN Maritime Strategy
2050 African Integrated Maritime Strategy	Improving maritime conditions with respect to environmental and socio-economic development
	Ensure wealth creation through sustainable governance of Africa's oceans and seas
	Develop a common template to enhance maritime viability in Africa
	Improve public awareness around maritime issues
	Ensure enhanced political will to support the maritime industry
	Ensure maritime-centric capacity and capability building
	Ensure maritime safety and security, and protection of environmental assets
	Prevent criminal acts at sea and harmonise prosecution of offenders
	Improve integrated coastal zone management
	Ensure synergies between sectoral policies
New Growth Path	Strong National focus on expansion of transport infrastructure
	Enhancing the value-chain of mining, agriculture and manufacturing with opportunities for transport of higher-value goods via sea
	Potential to expand marine tourism to meet new tourism demand through expansion of Durban Cruise Terminal
National Development Plan	In order to grow the economy and create employment, there must be focus on rising exports, which has a direct bearing on the Maritime sector
	Investment in competitive infrastructure is critical and strengthening of port infrastructure is a crucial element of this
	Lowering the cost of transport and logistics is a key proposal to ensure economic growth and job creation, and the productivity and effectiveness of port operations has a direct bearing on this
	There is a need to add-value to the economy through beneficiation and deepening value-chains rather than continuing with bulk exports of resources
IPAP 2	There is an opportunity to tap into international markets in terms of catamaran manufacturing and commercial vessels such as RIBS and Patrol Vessels
	Clustering of the industry on a national basis
	There is a need to ensure that national and local policy is articulated, which will require provincial maritime policy to be aligned, and influence national policy
	Financing will be channelled into real economic sectors, of which the Maritime sector is key sector for the province
	A focus on alignment between BEE and industrial development objectives, indicating the importance of providing guidance in terms of transformation within the Maritime sector
	The impact of developmental trade policy on the Maritime sector must be understood and acknowledged
	Development of relevant skills within the sector to align with policy
	The strategy must investigate the complex value-chain system to ensure that regional solutions are developed and competitiveness can be enhanced
	The strategy must ensure that participation within the provincial maritime industry is broadened
	The strategy must provide dynamics solutions in terms of institutional and organisational arrangements and what the current gaps are in terms of regulation and institutional arrangements on a provincial level

	Relevance to KZN Maritime Strategy
National Department of Transport Maritime Study	The Provincial Strategy must ensure that policy and regulations do not push up costs, and to ensure that the right infrastructure is in place to improve productivity
	The Provincial Strategy must promote the need for South Africa to be an international register of choice
	The Strategy must influence the review of National Maritime Policy
	There is a need to harmonise the safety regime on inland waters and harmonise safety relating to small vessel
	Ensure that education and training of seafarers is enhanced, raise awareness of careers in maritime industries, and influence domestic legislation relevant to seafarers
	The Province must use the maritime sector as a vehicle for African and regional growth and development
	Support the establishment of local ship ownership and a home-grown fleet
	Consider the role that coastal shipping can play in development of coastal development corridors
Transnet Market Demand Strategy (MDS)	KZN will receive a major injection into the improvement of both rail and port infrastructure through the MDS
	There will be a large focus on productivity and operational efficiency within the Durban and Richards Bay Ports
	There will be a focus on increasing the bulk capacity and the Richards Bay Port, and container capacity at the Port of Durban
	There will be a focus on skills development, localization, and empowerment and transformation opportunities
The Maritime Transport and Service BEE Charter	The Strategy must ensure support to the National Government's role of creating and enabling environment for trade through trade promotion, enhancing feeder and inland transport, improving the quality of available maritime infrastructure and superstructure, and restructuring to ensure reliability and cost effectiveness of port operations
	The Strategy must ensure alignment with national BEE objectives within the Maritime industry (funding, increased awareness of BEE role players, port restructuring, increased participation in port operations and services, and enforce and monitor compliance with existing legislation);
	The Strategy must ensure alignment with national labour relation objectives (encourage pension and provident funds, investigate opportunities to establish collective investment vehicles, Ensure that workers are empowered through skills development, mobilise members to ensure compliance with existing legislation, and monitor the impact of procurement/outsourcing on job creation);
	The Strategy must ensure alignment with Transport Education and Training Authority (TETA) objectives (analysis of people in a particular skills set, conduct analysis and update statistics, analysis of the quantity, quality and nature of Maritime Transport and Service Inndustry, and align its mission and vision with the imperatives of BEE).
Draft SAMSA National Integrated Development Framework	Integration of the Maritime Strategy into the Provincial Growth and Development Strategy and Plan;
	Enhance the level of engagement and the capacity of the industry;
	Deepening of industries such as vessel construction and ship repairs and industrialisation of the maritime sector;
	Heighten the awareness of the maritime sector;
	Adequate and timely Maritime Infrastructure Development, including access to suitable marine manufacturing sites, harbours, cruise terminals, etc;
	Development of technology diffusion and innovation, Research and Development, supply chain efficiency, business collaboration and capital investment;
	Facilitating opportunities in export markets and Intra-regional African trade;
	Skills development and training

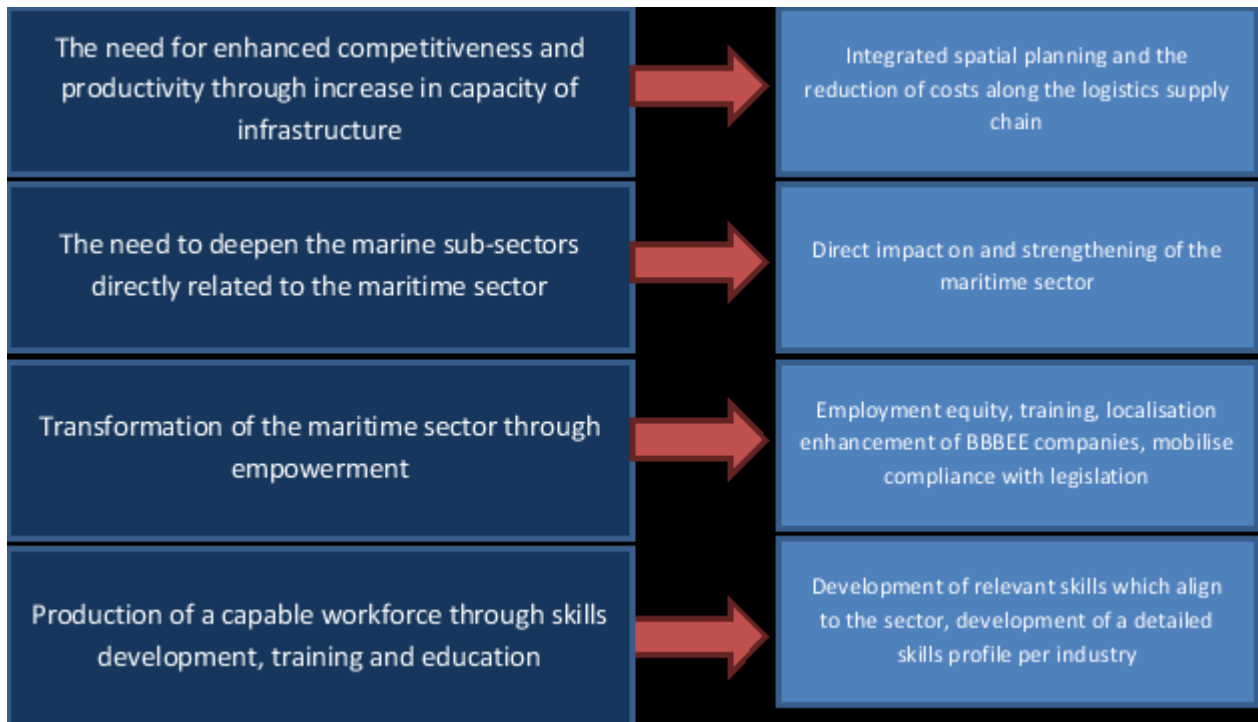|	Relevance to KZN Maritime Strategy
South African Cruise Tourism Strategy	Provincial and local authorities, clusters and associations must work with the Department of Transport to ensure that the soft strategies relating to this study are implemented
	A single 300 meter berth is required in Durban with flexibility for a secondary berth (this is being dealt with as part of the development of the new Durban Passenger Terminal)
	Consider 'mixed-use' as the key to any terminal development. This is a key component of the new Cruise Terminal Development
	Richards Bay must be able to accommodate a single 300m vessel and have a strategy for meeting the basic 'port-of-call' requirements
	Interaction with cruise liners is crucial
KZN PGDS	Implement plans for the Dig-Out Port
	Improve and expand Durban's Back of Port Operations
	Develop Richards Bay Container Handling Capacity to handle 100,000 teus
	Improve Durban Passenger Terminal
	Establish feasibility of development of selected small craft harbours
	Establish a dedicated freight link: Durban Port to Inland Hub
	Expansion of Coal Rail Link as a component of the Logistics Value Chain
	Expand and maintain core rail freight network and the branch Lines as a component of the Logistics Value Chain
	Improve functionality of Richards Bay Industrial Development Zone (IDZ)
	Investigate opportunities in the maritime industries e.g. ship repair
PSEDS	A strong focus on the development of the agricultural sector and manufacturing sector for value-adding and export-orientated trade
	Provision of world class infrastructure at the Richards Bay IDZ and fully utilize potential
	Critical importance of the Richards Bay and Durban Ports as nodes along one of the Provincial Priority Corridors
KZN Industrial Development Strategy	Port Infrastructure - the implementation of infrastructure to improve turnaround performance at Durban Port and the consolidation and expansion of the Richards Bay IDZ and port to provide better facilities for export firms and inbound trade;
	Spatial planning and identification and zoning of industrial land, which will have strong linkages to the ports
	Development of specific industrial parks and hubs, which will have strong linkages to existing ports
	The development, with the private sector, of a detailed skills profile per industry, linked to the scarce and critical skills assessments of the relevant SETAs
	With Transnet, Eskom and Water Utilities, re-instate artisanal training centres
	Focus KwaZulu-Natal on the automotive, Medium and Heavy Construction Vehicles sub-sectors tooling needs, which will have strong Port linkages
	Upgrading of the KwaZulu-Natal white-goods industry to increase production and grow exports
	Develop a Petrochemicals Hub and Halogen Cluster and implement Chemicals Industrial Park, which will have a strong export focus
KZN Investment Strategy	Effectiveness and efficiency of the ports are required to ensure that the investment environment is attractive to potential investors
	Alignment of policy between national, provincial and local role-players is critical
	Channelling of resources needs to be in areas of the highest potential, of which the ports play a major role

KZN Export Strategy	**Relevance to KZN Maritime Strategy**
	There is a need for a climate that supports competitiveness within the export market, which relates directly to the functioning and cost-effectiveness of the ports
	The minimization of export "red-tape" indicates that the province must address the current constraints within the value-chain
	The importance of training and up-skilling within the Maritime industry is critical
	Spatial export development requires that the Durban and Richards Bay Ports are optimized to work synergistically

2.2.5: AREAS OF ALIGNMENT AND KEY THEMATIC AREAS ARISING

Based on the above assessment of the relevant policies, strategies and plans that have a direct and indirect bearing on the Maritime Sector, it is possible to identify the clear areas of alignment, which give rise to some key thematic areas. Clear areas are identified below, and thereafter, 6 key thematic areas are presented.

There is a need to:

- Enhance political will to support the maritime industry;

- Use the maritime sector as a vehicle for African and regional growth and development;

- Focus on productivity and operational efficiency within the Durban and Richards Bay Ports;

- Ensure that provincial and local policy is articulated through Maritime industry development;

- Understand and incorporate the strong National focus on the expansion of transport infrastructure;

- Enhance the value-chain of mining, agriculture and manufacturing to stimulate opportunities for transport of higher-value goods via sea;

- Ensure the lowering of transport and logistics costs through increased port productivity;

- Expand and maintain core rail freight networks and the branch Lines as a component of the Logistics Value Chain;

- Deepen industries such as vessel construction and ship repairs through industrialisation of the maritime industry;

- Broaden participation within the Maritime sector to meet national BEE and enterprise development objectives;

- Utilize the maritime sector and marine assets to boost tourism within KZN;

- Develop the relevant skills within the sector, raise awareness of careers in maritime industries, and influence legislation relevant to seafarers;

The need for enhanced competitiveness and productivity through increase in capacity of infrastructure	Integrated spatial planning and the reduction of costs along the logistics supply chain
The need to deepen the marine sub-sectors directly related to the maritime sector	Direct impact on and strengthening of the maritime sector
Transformation of the maritime sector through empowerment	Employment equity, training, localisation enhancement of BBBEE companies, mobilise compliance with legislation
Production of a capable workforce through skills development, training and education	Development of relevant skills which align to the sector, development of a detailed skills profile per industry

Additionally there is:

The need to optimize the business environment for maritime sector support	Optimum institutional structuring, ensuring the influence and effectiveness of policy

2.3: INTERNATIONAL AND NATIONAL INDUSTRY ORGANISATION

The following international organizations and charters have a direct influence over the South African and KwaZulu-Natal maritime environment.

2.3.1: INTERNATIONAL MARITIME INDUSTRY ORGANISATION

INTERNATIONAL MARITIME ORGANISATION (IMO)

Due to the fact that the ownership and management chain of ships occurs in various countries, and often far from the flag country, there is a need for international regulations for the maritime industry. The International Maritime Organisation (IMO) does just this. The IMO is a UN specialist agency with 'responsibility for the safety and security of shipping and the prevention of marine pollution by ships'[3]. The responsibility for introduction, enforcement and monitoring of the international standards set by the IMO rests with SAMSA, but may also be shared with TNPA. 'Countries complying with minimum standards are given "white paper" status, which includes South Africa'[4].

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[3] IMO Website
[4] Business Case for Establishment of a Maritime Institute in Durban, 2011

INTERNATIONAL LABOUR ORGANISATION (ILO)

The ILO is a United Nations organisation that is responsible for the drawing up and overseeing of international labour standards. The ILO brings together three key stakeholder groups, namely government, employers and workers, with the objective of jointly developing policies and programmes that promote decent work. The ILO's Maritime Labour Convention (MLC), 2006 provides comprehensive rights and protection at work for the world's more than 1.2 million seafarers, with the objectives of achieving both decent work for seafarers and secure economic interests in fair competition for quality ship-owners[5]. The convention sets out the rights to decent conditions for seafarers on a range of subjects with the aim of being globally applicable, understandable, updatable, and uniformly enforced.

AFRICAN MARITIME TRANSPORT CHARTER

The African Maritime Transport Charter was developed in response to the fact that the maritime sector in African remains underdeveloped in relation to other developing nations. The poor state of the maritime industry in Africa can be demonstrated by the low levels of participation in the seaborne trade of African goods, slow vessel turnaround times, and high tariffs in relation to the services offered. The fundamental principles of the Charter are:

- Solidarity and independence of States;

- Harmonization and co-ordination of Member States policies in all areas connected with international maritime transport and ports;

- The need to make maritime and port activities and services more efficient in order to promote economic and social development;

- The right of free access to the sea for every land-locked Member States with the proviso that they comply with the laws and regulations of the transit States.

2.3.2: NATIONAL AND LOCAL ORGANISATIONS AND ASSOCIATIONS

THE SOCIETY OF MASTER MARINERS SOUTH AFRICA (SOMMSA)[6]

The Society is a non-profit organisation formed to protect and advance the professional interests of its members and the South African maritime industry generally. It has its own legal identity, which is separate from its members, with the Society continuing to exist even if its office bearers change. There is a branch of the Society representing both the interests of the maritime industry in Durban and Richards Bay. The objectives of the Society are:

1. To foster a spirit of fellowship, helpfulness and unity among Masters, Deck Officers and other certificated professionals employed in associated professions ashore.

2. To protect and promote the professional interests of Masters, Pilots and Deck Officers of the Republic of South Africa.

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[5] ILO Website
[6] Extracted from SOMMSA website (www.mastermariners.co.za)

3. To protect and promote safety at sea and the welfare and professional interests of seafarers generally.

4. To build relationships with and actively support similar organisations nationally and internationally so as to ensure that the safety, competency and professionalism of Masters, Pilots, Deck Officers and other associated professions are advanced.

5. To enable the service experience and advice of members of the Society to be made available to the Government of South Africa or to any other legally constituted authority.

6. To sponsor the formation of Branches of the Society in other centres within the Republic of South Africa.

7. To arrange or vary the terms of reciprocity with other similar Societies.

8. To institute or defend proceedings at Law.

9. To control the activities of the Society's Benevolent Fund through the election of Society members to the Benevolent Fund's Governing Board.

SOUTH AFRICAN BOAT-BUILDERS EXPORT COUNCIL (SABBEX)[7]

The South African Boat-builders Export Council (SABBEX) is a National Export Council and major contributor to establishing South Africa as a globally competitive boatbuilding export country within the DTI framework. SABBEX has implemented a strategic plan, incorporating government stakeholders to promote the boatbuilding industry through export promotion, export development and market prioritisation. SABBEX is dedicated to penetrate as many foreign markets as possible, thus building a platform for South African boat builders to demonstrate the quality of their products and enhancing their export opportunities. SABBEX offers support to potential exporters who have interest in membership. They provide full access to industry research and statistics, and all the latest news and information for beginners in export sector. They also assist exporters with acquiring exhibitor funding from the Department of Trade and Industry (DTI).

SOUTH AFRICAN ASSOCIATION OF SHIPBUILDERS and REPAIRERS (SAASR)[8]

All activities performed on, or in, a ship (either afloat, in floating dock, graving dock, or slipway), are subject to the South African Merchant Shipping Act 57 of 1951 and the Maritime Occupational Safety Regulations of 1994. The SAASR is an industry association which endeavours to set out procedures and regulations within the ship building and repair industry that foster good safety attitudes and practices and a healthy working environment. In addition, the association acts as a representative of shipbuilding and repair stakeholders, to ensure that industry needs are being met and constraints and challenges are being elevated to the correct maritime structures.

SOUTHERN AFRICAN SHIPYARDS[9]

Southern African Shipyards is a commercial and naval shipbuilder and ship repair company, providing shipbuilding and repair services to the global marine industry. The yard is strategically

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[7] Extracted and adapted from the SABBE website (www.sabbex.co.za)
[8] Extracted and adapted from the SAASR website (www.saasr.co.za)
[9] Extracted and adapted from the SA Shipyards website (www.sa-shipyards.co.za)

positioned at the northern extremity of the KwaZulu-Natal Southern Industrial Basin and is well supported by a wide range of complementary industries. It has the capacity to undertake the entire works spectrum of in-voyage and port repairs on all vessels. The yard can manufacture and repair a large range of marine structures, such as tugs, container vessels, bulk carriers, tankers, patrol vessels, ferries, dredgers, trawlers, oil rigs and barges. Southern African Shipyard's operations are of regional and national strategic importance as a major employer in the Steel and Allied Industries, import substitution and strategic supplier to the South African and New Partnership for Africa's Development (NEPAD) Maritime industry of vessels and specialist marine structures for ports and harbours.

INTERNATIONAL BUNKER INDUSTRY ASSOCIATION (IBIA)[10]

The International Bunker Industry Association Ltd (IBIA) enjoys worldwide membership comprising Ship Owners, Charterers, Bunker Suppliers, Traders, Brokers, Barging Companies, Storage Companies, Surveyors, Port Authorities, Credit reporting companies, Lawyers, Protection and Indemnity Clubs, Equipment Manufacturers, Shipping Journalists and Marine Consultants. Within Southern Africa, the IBIA has national representation from various petroleum, oil and bunkering companies. The mission of the IBIA is to provide an international forum for the bunker industry. The aims of the association are:

1. To provide an international forum for bunker industry issues;

2. To represent the industry in discussions and negotiations with national and international policy makers, legislators and other groups and bodies;

3. To review, clarify, improve, develop and endorse where appropriate, industry methods, practices and documentation;

4. To increase the professional understanding and competence of all who work in the industry;

5. To provide services and facilities for members and others as the Board shall from time to time consider appropriate.

MARITIME LAW ASSOCIATION OF SOUTH AFRICA (MLASA)[11]

The Maritime Law Association of South Africa was founded in February 1974. It was established as a result of concern that legislation in South Africa regulating maritime affairs did not appear to be keeping pace with developments in the rest of the world. The MLASA is run by an executive committee (Exco) which meets regularly and establishes various sub-committees to deal with particular maritime legal issues. Local regional chapters report to the Exco on local events and functions, and submit local comment on legal and policy issues. With regards to maritime training and education, the MLASA has an established initiative with the Holland and Knight Scholarship program, and in addition has launched the MLA education trust program to further its maritime education goals.

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[10] Extracted and adapted from the IBIA website (www.IBIA.net)
[11] Extracted and adapted from the Maritime Law Association of South Africa website (www.mlasa.co.za)

SOUTH AFRICAN ASSOCIATION OF FREIGHT FORWARDERS (SAAFF)[12]

SAAFF is a national association with members throughout South Africa. While freight forwarding matters are of a national interest, the association has five local chapters to deal with local issues. The KZN Chapter was formed in 1896 and was the first Association of its kind in South Africa. SAAFF KZN focuses on supporting member companies on matters concerning Customs, Port administration, and other Transport organisations. The Harbour Carriers division of this Chapter represents the interests of truckers who operate in the port area delivering and collecting containers and general cargo. SAAFF liaises closely with many government departments and parastatals institutions, dealing with such matters such as customs, port health, trade permits, border controls, and export control of perishable products, cargo handling and security at harbour terminals, plant quality, railway services and road freight legislation.

SOUTH AFRICAN MARITIME SAFETY AUTHORITY (SAMSA)[13]

SAMSA was established on 1 April 1998 in terms of the South African Maritime Safety Authority Act 5 of 1998. The mission of SAMSA is "To promote South Africa's maritime interests and development and position the country as an international Maritime Centre while ensuring maritime safety, health and environmental protection." SAMSA is accountable to the Minister of Transport. SAMSA is divided into various business centres, namely Policy and Regulatory, Industry and Excellence, Centre of Ships and Boating, Sea Watch and Response, the Office of Chief Examiner, and the Centre for Seafarers. Each of these business units provide a specific service to the maritime industry. In addition, SAMSA provides services to the Department of Transport (DOT), Department of Economic Development, Tourism and Environmental Affairs (EDTEA), South African Maritime Transport and Services Industry (MT&SI), Seafarers International MT&SI, International Maritime Organisation (IMO) and International Labour Organisation (ILO).

The services SAMSA provides on behalf of government are:

- Advice to the Minister of Transport on maritime issues affecting South Africa;

- Maintenance and proposals on legislation and policy;

- Liaison with other governments and international institutions on behalf of Government;

- Liaison with other state departments and South African institutions on behalf of the Minister of Transport;

- Flag State Implementation;

- Providing a maritime Search and Rescue (SAR) capability in the South African area of responsibility through the management, on behalf of the DOT, of the Maritime Rescue Coordination Centre (MRCC);

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[12] Extracted and adapted from the SAAFF website (www.saaff.org.za)
[13] Extracted and adapted from the SAMSA website (www.samsa.org.za)

- Port and State control;

- Accident investigations and Emergency Casualty Response;

- Administration of government maritime contracts;

- Management of the DOT contracted pollution prevention and response capability;

- Representation at international forums.

Technical services to the maritime industry include:

- Statutory surveys and Safety certification of ships;

- Certification of Seafarers;

- Assistance and advice on maritime legislation;

- Advice and approval for the construction and refitting of vessels;

- Evaluation and approval of fittings and equipment used in the construction and fitting out of vessels;

- Consultancy to industry on technical matters, safety and qualifications.

Services provided to stakeholders include:

- Safety equipment approval;

- Port State Control Inspections;

- Inspections of ships and cargoes of timber, grain and hazardous goods;

- Accreditation of maritime training institutions and maritime training programmes;

- Examination of Seafarers;

- Monitoring of South African seafarers' welfare and conditions of service;

- Registration of Ships;

- Provision of maritime safety information to shipping;

- Ensuring a reliable radio service to shipping in respect of maritime safety information;

- Casualty investigation and management;

- Oil pollution incident response and investigations;

- Ensuring that navigational aids are in place around the South African coastline;

- Maintenance of a maritime Search and Rescue organisation in co-operation with the Department of Transport;

- Promoting seafarer training in South Africa;

- Collection and maintenance of shipping information and statistics;

- Pro-active development and promotion of maritime safety in South Africa's territorial waters.

SAMSA has also recently commissioned a specialised training vessel, The SA Agulhas. It intends to train young people and come up with an authentic South African Maritime Skills Development Programme with results that will accelerate creation of seafaring work opportunities.

INSTITUTE OF CHARTERED SHIPBROKERS SOUTH AFRICA (ICSSA)[14]

The ICS is a 100 year old professional maritime body that sets the highest standards of professional service to the shipping industry through the provision of an internationally recognised education programmes. The members of ICS are part of an internationally recognised network of shipping professionals who not only work towards high professional ethical standards of trust, but who also have proven knowledge, competence and understanding of the broad spectrum of shipping business. The South African branch of the ICS was established in 1965 under the title of The Institute of South African Shipbrokers, and in 1993, was thereafter incorporated into the South African branch of the ICS.

The institute has a strong focus on education in the maritime industry. A number of educational courses are provided through the ICS, namely an Understanding Shipping Beginners Course, a Foundation Diploma, an Advanced Diploma, and the Professional Qualifying Exams. Additionally, the ICSSA is highly involved in high-school education, and provide a 3-year course at New Forest High and Sithengile Secondary School in KwaZulu-Natal. Learners are provided with up-to-date educational material on the wider maritime industry, and are taught by persons who have a good knowledge of the entire maritime industry. On completion of the course, learners receive an Understanding Shipping Beginners Certificate, whilst during the course; learners are encouraged to undertake work experience. This assists learners in developing relationships with industry stakeholders and provides channels for earners to be absorbed into the industry on completion of secondary school.

SOUTH AFRICAN ASSOCIATION OF SHIPPING OPERATORS and AGENTS (SAASOA)[15]

SAASOA is an association representing the maritime interests on behalf of its membership which includes all professional ship owners, operators and local agents. SAASOA was formed in July 2007 as a merger between The Association of Ships Agents and brokers of Southern Africa (ASABOSA), The Association of Shipping Lines (ASL) and The Container Liner Operators Forum (CLOF).

The objectives of the association are:

- To promote and protect the interest of its members;

- To be an active participant in the development and maintenance of a world class Shipping industry in South Africa;

- To collaborate in efforts towards the continuous improvement of shipping standards for mutual benefit of all stakeholders;

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[14] Extracted and adapted from the ICSSA website (www.icssa.co.za)
[15] Extracted and adapted from the SAASOA website (www.saasoa.com)

- To ensure that the Maritime and Shipping Industry is recognised by Government as a very important and integral part of the South African economy;

- To ensure that vessel and cargo interests enjoy maximum throughput productivity at all Terminals in South African Ports.

SOUTH AFRICAN INSTITUTE OF MARINE ENGINEERS AND NAVAL ARCHITECTS (SAIMENA)

SAIMENA is a dedicated technical society for maritime engineers and naval architects founded in 1975, with a total of 400 members currently. Members are from all aspects of the industry, including seagoing engineers, ship repairers, shipbuilders, marine paints, classification societies, salvage associations, the S.A. Navy, naval architects, marine consultants, etc. The only branch within KZN is located in Durban. The branch holds monthly meetings in which technical papers are presented by local and international speakers, relating to the technical development of marine equipment. In addition, a quarterly magazine is published.

PERISHABLE PRODUCTS EXPORT CONTROL BOARD (PPECB)

The PPECB is an independent service provider of quality certification and cold chain management services for producers and exporters of perishable food products. The services offered by the PPECV aim to reduce risk for the producers and exporters of these products. The PPECB is a national public entity constituted and mandated in terms of the PPEC Act, No 9, of 1983 to perform cold chain services. PPECB also delivers inspection and food safety services as mandated by the Department of Agriculture, Forestry and Fisheries under the APS Act, No.119 of 1990.

NATIONAL SEA RESCUE INSTITUTE (NSRI)[16]

The NSRI is a not-for-profit organization run by 980 unpaid volunteers. Donations and sponsorships cover the annual running costs of R25m. The NSRI consists of 32 coastal and three inland rescue bases, a fleet of 92 rescue craft, 27 vehicles and have access to a range of helicopters. NSRI has a good working relationship with other emergency services. In addition, the NSRI has an education arm which is called WaterWise Academy, which teaches children what to do in an emergency and gives them the confidence to initiate basic bystander CPR while they wait for the ambulance to arrive. The WaterWise Academy targets disadvantaged youth between the ages of nine and 14, because statistically they are the most at risk. The NSRI is a team of technical experts, auditors and board of Directors who offer voluntary service to the association.

2.3.3: OTHER ORGANISATIONAL INFLUENCE

The previous section looked at the various international and national associations that have an influence over the maritime industry within the country as a whole, as well as within KZN. In addition to these associations and organisations, there are a number of local committee and clusters that

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[16] Extracted and adapted from the NSRI website (www.nsri.org.za)

must be mentioned as they have a strong influence over the provincial maritime industry.

PORT CONSULTATIVE COMMITTEE

The National Ports Act (2005) states that "the Minister must appoint a Port Consultative Committee (PCC) for each port", consisting of the harbour master, the port authority, port user representatives, local and provincial government, organised labour, and SAMSA. The act states that the function of the PCC is to "provide a forum for the exchange of views between the Authority and other interested parties, and to advise the Minister". A port consultative committee exists for both the Durban and Richards Bay Ports, as mandated by the National Ports Acts. Issues that are of strategic importance are identified at each of the PCCs that occur around the country, and these are fed into the National PCC which has the objective of informing the Minster on national commercial port matters, advise the Minister on measures to be taken, consider changes to Authority tariffs, or any other general matter raised by the Minister.

MUNICIPALITIES

Municipalities do not have any direct control over many elements of the maritime industry. Transnet in large, owns and operates the provincial ports, and this leaves very little space for local government to intervene in direct port-related activities. Regardless of the limited municipal role relating directly to ports, municipalities are however critical stakeholders within the wider maritime industry. Local government is responsible for the spatial and development planning, (incl. land-use management), provision of services, maintenance of roads, the development of new roads, and in general, ensuring that the business environment is conducive to future growth. Specifically, planning and land-use management are critical to the future operations of the Durban and Richards Bay Ports, as this is necessary to ensure that the correct provisions are made for the direct back-of-port operations to support direct port activity. In this regard, local government is a key stakeholder and must continue to be included within port-related committees, and within engagements between stakeholders. Within the Richards Bay context, there is a port liaison committee that involves Transnet, uThungulu District Municipality and uMhlathuze Local Municipality. This committee deals with spatial planning issues with the aim of ensuring that there is alignment between the planning activities of Transnet and local government. In addition, there is another committee that consists of Transnet and uMhlathuze which deals with real-estate and other localised issues, while the IDZ is in the process of ensuring alignment between the Richards Bay port and uMhlathuze Municipality.

BUSINESS CHAMBERS

Business chambers are industry led organisations with the objective of creating a platform for business to network, receive information on public and private sector plans and policies, and to identify constraints to business and feed these back to the relevant government structures. The Zululand Chamber of Commerce and Industry (ZCCI) and the Durban Chamber of Commerce and Industry (DCCI) provide support to port-related businesses, by lobbying with the South African Chamber of Commerce and Industry (SACCI) in order to elevate constraints identified by industry to a national level. In the case of the ZCCI, there is a good relationship and communication between the chamber and Transnet. It has been acknowledged by both the ZCCI and DCCI that consultation between industries from Transnet can be improved, and industry has noted that decision making by

Transnet lacks the input that industry would like to provide.

A port committee has recently been established within SACCI, and an initial meeting has been held at the DCCI. The key role of this committee is for the local business chambers and industry representatives to voice their concerns directly with SACCI, in the hope that these concerns are presented to the relevant national decision-making departments and SOEs. SACCI has strong linkages with the DOT and DPE and therefore this structure allows a more direct channel of communication between business and national government. The DCCI itself has a port committee, called the Durban Port Committee (discussed below), which brings together all the critical maritime industry stakeholders. The ZCCI previously had a Port Liaison Committee, but this has unfortunately become no-operational. There is however the newly established Richards Bay Port Users Committee (RB PUC) representing industry stakeholders in Richards Bay (discussed below).

Business Chambers must continue to play a strong role in the identification of challenges and constraints facing the maritime business community, and ensuring that these are lobbied with the relevant government departments and/or SOEs.

DURBAN PORT COMMITTEE (PREVIOUSLY DURBAN PORT **LIAISON COMMITTEE)**

The Durban Port Committee is a sub-committee of the Durban Chamber of Commerce and Industry, which deals with challenges and constraints specific to the port of Durban, and particularly relevant to port users and operators. This is largely focused around cargo-related port activities and supporting infrastructure. The committee consists of various stakeholders such as Transnet, SAASOA, eThekwini Municipality (ETA), EMC, TNPA Security, SAPS, Metro Police, Durban Chamber, Stevedoring Association, South African Ship Builders and Repairers Association, PPECB, SARS Customs and Excise and Boarder Management, Harbour Carriers, NASASA, SAAFF, Maydon Wharf Leaseholders, and the Container Depot. Each of the stakeholders is provided an opportunity to raise issues. The Durban Port Committee is currently functioning successfully, and given that it sits within the DCCI, it provides a strong voice for marmite industry stakeholders and a platform off which discussions can be had around critical port-related matters and the actions that are required to ensure that the port is operating as efficiently as possible.

ETHEKWINI MARITIME CLUSTER (EMC)

The key objective of a maritime cluster is to ensure that the relevant and accountable role players are represented and can engage on issues that require intervention. The EMC is a localised cluster and functions in such a way that constraints and challenges identified by industry are fed to government, and particularly, Transnet. The EMC, unlike the DPC and Richards Bay PUC, which both focus on port-specific challenges, cover a broad range of maritime–related issues such as skills development and training, empowerment and enterprise development, infrastructure development, and marine sub-sectors.

A constraint with the EMC that has been raised by stakeholders is the fact that the cluster is voluntary, and not mandated by government, and therefore there is a lack of confidence that the cluster is able to effectively take action on issues that exist at a provincial and national level. Although the cluster acts as a platform off which stakeholders can raise concerns and mobilise other important role-players, the concern about the authority of the cluster remains. There is therefore a need for stronger political will behind issues within the maritime sector, and support for structures

such as the EMC. These issues need to be elevated to a provincial level in order to more effectively lobby and elevate issues to a national level.

RICHARDS BAY PORT USERS COMMITTEE (RB PUC)

The RB PUC is a recently established committee representing the port users in Richards Bay. The RB PUC was formed in September 2011 through the necessity to ensure that the collective concerns of port users were being highlighted and that any issues impacting on the effectiveness of port operations are minimised or mitigated. The purpose of the committee, as per their declaration is:

- To establish and identify a core Group of Representatives with the express mandate to represent the Port Users of the Port of Richards Bay, hereafter referred to as the Port Users Committee (RB PUC);

- The RB PUC is to engage, jointly or severally, with the Transnet Structures on all aspects of the Port and its operations on matters which relate to the efficient flow of cargo to and from the Port of Richards Bay;

- The RB PUC is to identify and pursue any means of improving Terminal efficiencies and in so doing, develop sustained growth for the Port of Richards Bay;

- The RB PUC is to foster and maintain a culture of the highest level of sustainable Safety, Health, Environment and Quality (SHEQ) values and standards throughout the entire logistics chain of cargoes to and from the Port of Richards Bay.

The RB PUC hopes to ensure that communication and relationships are enhanced between Transnet and the port users, to create certainty within the port environment.