MINISTER OF DEFENCE AND MILITARY VETERANS, HON NOSIVIWE MAPISA-NQAKULA, ON THE OCCASION OF THE 2ND SOUTH AFRICAN MARITIME SECURITY CONFERENCE, 12TH JULY 2019, SIMON’S TOWN.

Chief of the South African Navy (SAN) – Vice Admiral Hlongwane and other Chiefs of Services and Divisions present;

Other Chiefs of Navies here present;

Generals, Flag Officers, officers and non-commissioned officers, representatives from other government departments and agencies;

Acting Chief Executive Officer of Armscor - Advocate Solomzi Mbada;

MD of the Aerospace Maritime and Defence Industries (AMD), Mr Simphiwe Hamilton;

CEOs and Leadership of all companies represented here, captains of industry;

Sponsors of the event;

Speakers and participants
Ladies and Gentlemen.

The Maritime Security Conference 2019 here in Simon’s Town is the second such instalment, and I must express my pleasure that it is happening within our facilities, not just our facilities but the South African Navy, the key role player in matters maritime and our host. Being here also provides us with the opportunity to have a look and feel of matters naval being within its major and key geographic location where its major assets are located. As a sea-faring nation, we take a keen interest in matters maritime, and are happy that since the inaugural Maritime Security Conference 2018, there is now a platform created for an examination of where we are, where we wish to go, and how we shall handle the challenges besetting us – mainly fiscal constraints. These pose a serious challenge for the continued running of our Navy, and the rest of the armed forces, the SANDF! It is a challenge we continue to raise with the legislature in this sixth administration.

As we mark twenty five years of our democracy - in fact twenty-five years of the South African National Defence Force, we also just starting with the new, sixth administration that has just taken office last month following the national general elections. The task that the CiC tasked we undertake that have been set by the sixth administration focus on creation of employment, in particular the youth. It was within this context that there was a Presidential Jobs Summit – bringing together labour, business, community and government. They agreed on far-reaching measures that,
when fully implemented, “will nearly double the number of jobs being created in our economy each year”. In this regard, we need to examine how the defence industry will be part and parcel of this effort, and for our purposes today, the opportunities that the maritime environment, in particular the blue economy, has to offer which would also see to these goals being met.

We are on the eve of the presentation of our Defence Budget Vote on the 17th July 2019, and will highlight to parliament and our people the challenging times we are faced with given the current negative fiscal climate and the threat this is posing to the fulfilment of our Constitutional mandate – defence of the national sovereignty and territorial integrity.

As we ponder this, the fact of the matter is that maritime security is a state function, and I am the political head for this state function as part and parcel of our overall defence of our national sovereignty and territorial integrity.

These cannot happen or be guaranteed without maritime security, which in our case is primarily the role of the South African navy, responsible for maritime defence of our country. The navy is also a tool of foreign policy and diplomacy. This speaks to the ongoing cooperation with other navies, port calls, naval exercises, patrols and even combat where and when it is necessary! We must therefore not be shy, or forget that the navy is part and parcel of the profession of arms, with all its assets, including the highly deadly - from rifles to missiles, at its disposal, as well as the
men and women in its service. In this regard, it is critical that it is sufficiently capacitated.

As we go on to the next phase of beefing up our maritime security, we have gone on with further acquisitions in the maritime arena. In this regard, enhancing our inshore patrol vessel (IPV) capacity and capability as well as hydrography. You will recall that last year we awarded tenders for these two projects Hotel and Biro respectively. We furthermore had the steel cutting and keel laying ceremonies – in November 2018 and in February 2019 respectively.

As I said at the 1<sup>st</sup> Maritime Security Conference 2018 to the representatives of the entities charged with delivering Projects Hotel and Biro – “I urge you to work together with other role-players in the SA supply chain to ensure that as much of this work is done locally, that there is significant and sustainable technology transfer and that you create and maintain jobs whilst creating a pool of skilled individuals who can service the broader maritime community in pursuit of the objectives of Project Phakisa”.

The aforementioned was last year, but I wish to reemphasise it by lifting from what the President and our Commander-in-Chief said at the State of the Nation Address ushering in the sixth administration in June 2019...

“Our beautiful country, South Africa, has one of the world’s longest coastlines spanning three thousand kilometres (3000) around the contours of our country from the east to the west. Our mere positioning as a country means we can harness the potential of our oceans to grow the economy.
Since Operation Phakisa on the Oceans Economy in 2014, we have secured investments of nearly R30 billion and created over 7000 direct jobs. The investments have been mainly in infrastructure developments, marine manufacturing, aquaculture, and the oil and gas sector. Expected investment in the Oceans Economy over the next five years is estimated at R3, 8 billion by government and R65 billion by the private sector. These investments are expected to create over 100,000 direct jobs and more than 250,000 indirect jobs.”

Whilst it is necessary to look back to where we come from, which is necessary to anchor us in the present, we need to look forward especially in relation to the country’s maritime security imperatives, the SADC region and throughout the continent. We need to examine what are the best strategies to address these security challenges and do so as an integral part of regional, continental and global security cooperation. South Africa occupies an important strategic position in the Southern Hemisphere as the long route around Africa and is a strategic hub for the trade corridor from Asia to the East Coast of South America, and for the connector routes along the East and West coasts of Africa.

The waters off South Africa contain busy shipping lanes, with more than 30 000 vessels passing South Africa’s coast every year – these carry 300 million tonnes of cargo and 1.2 million tonnes of liquid fuel, and of these, 13 000 dock at South African ports. There are also an estimated 80 oil rigs or drill ships within range of the Cape at any given time.
The gross tonnage of the ships that call in South Africa comes to approximately 4-billion. In addition to this, more than 150,000 passengers travelled by ship to and from South African ports on some of the most luxurious and biggest cruise ships afloat.

South Africa’s coast and adjoining waters are rich in natural resources and have possibly 9 billion barrels of oil and 11 billion barrels’ equivalent of natural gas and consequently South Africa hopes to establish 30 exploratory wells over the course of a decade.

It is therefore not a misnomer that the country’s exclusive economic zone, or EEZ, has been described as South Africa’s 10th province. South Africa is bordered by the ocean on three sides and with the inclusion of Prince Edward and Marion islands in the southern ocean, the coastline is about 3,924 km long, and South Africa’s Exclusive Economic Zone comes to more than 1.5 million square km - more than the land mass of 1.2 million square km.

The maritime affairs are however not only the responsibility of the SA Navy, but also other role players outside of the state sector but who make an immense contribution to the country’s economy.

South Africa’s oceans are important not just for trade but as a source of economic production. Our nation has a vast and diverse fishing industry which is fairly unique in that it
encompasses three great oceans – the Indian Ocean, the Southern Ocean and the South Atlantic Ocean – resulting in an environment of divergent conditions and opportunities involving fish stocks that can be exploited between industrial-scale fishing, subsistence fishing and recreational fishing. It has been estimated that South Africa employs some 27 000 people in the commercial fisheries sector and that the total fishery sector is worth between R6 billion and R7 billion. Many thousands more depend on fisheries resources for food and as a source of income to meet basic needs - indirect employment in the fisheries industry is estimated to be between 80 000 to 100 000.

Yet despite this the vast ocean space remains relatively unexplored in terms of its economic potential. For instance, of the 30 000 vessels that pass South Africa every year, the country only does maintenance on 5% of these. In addition, of the 80 rigs in the Western Cape, only four are serviced per year. South Africa could create at least 5 000 new jobs by providing greater capacity for ship and oil rig repair and maintenance.

It has been estimated that the Oceans Economy has the potential to contribute up to R177 billion to South Africa’s Gross Domestic Product by 2033 and create over one million jobs. By comparison, the ocean economy generated R54 billion and served 316 000 jobs in 2010.
Phakisa is already bearing fruit – in 2016 government reported that more than R17 billion had been unlocked since 2014 and 4 500 jobs created. R7 billion has been allocated to Transnet National Ports Authority to improve ports. The rehabilitation, upgrade and redevelopment of some small harbours, as well as the identification and proclamation of new harbours and their integration with national coastal projects, has begun in order to unlock the economic potential of South Africa’s coastline. By early 2016 some Operation Phakisa projects had already commenced, such as approval for the Burgan Fuel Storage facility in Cape Town, while a total of R9.2 billion is to be spent to develop Saldanha Bay as an oil and gas hub. R80 million has been earmarked for the rehabilitation and maintenance of small harbours.

Unlocking the oceans’ economic potential also requires security, and the South African Navy, as well as the Department of Agriculture, Forestry and Fisheries assist with this – the South African Navy regularly patrols for pirates in the Mozambique Channel and the Department of Agriculture, Forestry and Fisheries’ fleet of patrol vessels keep an eye on illegal fishing, pollution and other maritime crime.

The South African National Defence Force will continue to conduct maritime border safeguarding operations under Operations Corona and Copper, ensuring a joint and multi-
agency approach in safeguarding South Africa’s maritime zones and providing a secure environment for the accelerated economic growth initiatives of Operation Phakisa. The South African Navy’s visible presence and active patrols has led to the absence of piracy incidents in the Mozambique Channel and the total absence of maritime piracy within South Africa’s maritime zones.

It is for these reasons that President Cyril Ramaphosa has approved the extension of Operation Copper in the Mozambique Channel for another year. Members of the South African National Defence Force will continue monitoring and deterring piracy activities along the southern African coast of the Indian Ocean until 31 March 2019.

The South African Navy has successfully been involved in Operation Copper since the SAS Mendi commenced patrols in January 2011 and this included assisting European warships in apprehending seven Somali pirates in early 2012.

Operation Copper is just one component of our desire to protect and secure our borders, for maritime threats such as smuggling, trafficking, illegal fishing and piracy contribute to internal instability and economic loss, requiring us to effectively manage, monitor and react to maritime threats and challenges. We must remain vigilant in protecting and securing our borders, airspace and maritime zones.

In spite of various challenges, the South African Navy
continues to deliver on its mandate within the budget allocation of R4, 4 billion in this financial year. It will continue to protect and serve South Africa in spite of challenges. It is also supported by the South African Air Force, which flies maritime patrol aircraft along our coastline. It provides a vital search and rescue function – every year dozens of sailors in distress are rescued in South Africa’s waters, and many of these are plucked to safety by Air Force helicopters.

Protecting South Africa’s oceans is not just the task of a well-equipped South African Navy – it is a joint responsibility, with contributions from the Institute of Maritime Technology, the Council for Scientific and Industrial Research, the private shipbuilding sector, Armscor, South African Maritime Safety Authority and various government departments, such as Agriculture, Forestry and Fisheries, Transport, Public Enterprises and Trade and Industry.

By working together, it is possible to create a safe and secure maritime environment that will lead to prosperity for all of South Africa whilst ensuring that you as industry remain competitive, profitable and sustainable.

I thank you...

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