

Remarks by Eastern Cape MEC for Economic Development, Environmental Affairs and Tourism Hon. Lubabalo Oscar Mabuyane at the Ocean Economy Strategic Roundtable held at NMU on August 14, 2018.

The Vice Chancellor of the Nelson Mandela University, Prof Sibongile Muthwa, and colleagues from the Nelson Mandela University;

The National Head of the Operation Phakisa Secretariat, Dr Andre Share;

The Provincial Convenor for Operation Phakisa and Acting HOD in the Department of Public Works, Mr Mahlubandile Qwase;

The Acting CEO of the South African Maritime Safety Authority (SAMSA), Mr Sobantu Tilayi;

CEOs of our public entities represented here – Mr Pepi Silinga of the Coega Development Corporation; Mr Simphiwe Kondlo of the East London IDZ; Mr Ndzondelelo Dlulane of the ECDC;

Colleagues from government and the Private Sector;

Let me extend my greetings to all of you this morning. We appreciate your positive response to our invitation to join us at this Oceans Economy Roundtable. As you know, a roundtable is generally understood to be a platform to discuss important matters of common interest and/or concerns with experts and strategic stakeholders in a particular field. Otherwise, we would have organised an imbizo where we invite everyone to participate, stakeholders and the broader public with a passing interest in matters under discussion.

Colleagues, I have convened this particular roundtable to focus our collective minds on the Oceans Economy. We think it is prudent and advisable that from time to time, we bring around the table the expertise and minds we have here to reset our bearings as government in the course of doing our bit to lead, facilitate and support the development of our nation in general, and in our case, the Province of the Eastern Cape in particular.

Just over four years, in July 2014 to be precise, Operation Phakisa was launched by the then President of the Republic, Jacob Zuma, as a programme to bring to our shores an adapted methodology for focused and accelerated development planning, project prioritisation as well as results-driven delivery on key development projects.

The official website of Operation Phakisa states that this is an “initiative designed to fast track the implementation of solutions on critical development issues, ... a unique initiative to address issues highlighted in the National Development Plan (NDP) 2030 such as poverty, unemployment and inequality”.

The launch of Operation Phakisa was in part intended to add impetus to the operationalisation of government’s Nine-Point Plan to boost economic growth and job creation

Over and above this, we believe for our purposes that it is proper to approach the operationalisation of the Operation Phakisa initiative with an expectation that it should see us decisively address the transformation of our economy towards fairness and an equitable representativity – the notion of radical economic transformation.

We are gathered here today to put under the microscope in particular to:

- (i) the vision and plans articulated for the Ocean Economy within Operation Phakisa, and
- (ii) to get an update on progress made to date against targets, after four years of the implementation of the programme, with a particular emphasis on the Eastern Cape for our purposes.

In the progress updates we will be presented with, we are hoping we will also be assisted to develop a frank appreciation of the challenges that have compromised, and can further retard progress in delivering on the economic promise of the Eastern Cape's Ocean Economy.

In an article penned in 2014 by the Minister of Environmental Affairs, the Hon. Edna Molewa, she expressed the following hope: **“There is much more to South Africa's oceans than just a holiday attraction. They have the potential to create 70 000 jobs and add more than R30-billion to our economy over the next four years.**

At the launch of Operation Phakisa, the promise raised then was the creation of 1million jobs from the Oceans Economy by 2033. Within this calculation, we are not too clear on the portion of the one million that is projected for the Eastern Cape.

These pronouncements on jobs to be realised from the Oceans Economy notwithstanding, an unfortunate circumstance we are confronted with is that it sometimes seems as if we are chasing an illusion: For instance, I have over the past months met people who say to me “MEC we have been living off the sea since we were born

over 50 years ago. We have been in the fishing business since we were taught the concept of work and earning a living by our parents who were also handed down the knowledge of fishing and the movements of the sea by generations before them. We know nothing else but fishing. Where is this Operation Phakisa that is supposed to enhance our livelihoods? Isn't Operation Phakisa supposed to build on what we know, and help us to access assistance for modernising our craft and scaling it to commercial operations, obtain fishing vessels, establish our own processing operations, and get assistance to access markets? Where is this Ocean Economy?"

I have also been engaged by young black engineers who have expressed an interest in getting into marine engineering and trades such as ship-building and other related areas of economic endeavour. They want to know how they can go about accessing these fields.

What I have learnt therefore from all these enquiries and frustrations of our people is that the left hand does not know what the right hand is doing in as far as the Ocean Economy is concerned.

The consequences of this are calamitous for our province. Firstly, genuine government policies and projects lose credibility in the eyes of our people.

Secondly we see many prospective projects that could come to our province falling flat or re-directed to other parts of the country, with Richards Bay and Saldanha Bay the major beneficiaries of such projects. In 2014 Minister Molewa announced that projects worth

R9.2 billion of public-private sector investment were underway in Saldanha Bay, while a multibillion rand fuel storage facility was planned for the Port of Cape Town. When it comes to the Eastern Cape there seems to be always uncertainty on the projects that are earmarked for the province.

Take the 1000 MW Liquid Natural Gas that was planned for Coega, with an estimated investment value of R25 Billion, and which could create up to 8000 jobs during construction. This facility, just like the now under-the-radar Project Mthombo, could have been a game changer in our province as it could have unlocked a natural gas economy for the region. We have since learnt that the national procurement process for this LNG project has been put on hold since early 2017, and we are unlikely to see movement on it until the finalization of the Integrated Resources Plan by the Department of Energy. We also observe that there seems to be a lukewarm approach on Mzimvubu Dam . Why does it seem so easy to just shelve Eastern Cape bound projects? It must be understood and crystal clear to all that we might peripheral to the Centre but we are the center of the periphery.

We meet here to start a process towards consolidating a means through which we can look through a shared prism when we imagine the future of the province's Ocean Economy; where all stakeholders in our province would be able to speak with one voice on the Ocean Economy. This is where we have been lacking, here in our Province. In Provinces such as the Western Cape projects get off the ground flying because they speak with one voice and project plans that are cogent, robust and convincing, and the institutional infrastructure for managing the implementation of projects is credible enough to attract

support. We need to up our game as the Eastern Cape in this regard. That way it will also arm us as political leaders to make a stronger case for the Province in national and international platforms where we promote the Province.

As we concentrate our minds in remapping the future of the Oceans Economy in the province, we need to remind ourselves that the Eastern Cape is second only to the Western Cape in the provincial stretches of the country's coastline – over 800km with an abundance of untapped or under-exploited opportunities, three significant ports, and the largest sea-bound industrial development zone in the country in Coega , that's why we must tame that wild coast ,talk to people of Xolobeni in Mbizana, and we have agreed with DMR Minister that we visit the area soon

We therefore look forward to the presentations today assisting us to get a close to precise understanding of these opportunities, their importance to the economy of the province and the well-being of its citizens, and the means to make good on their promise.

As I conclude my remarks, I want to throw in the following points for us to ponder as we get into the presentations and discussions today, as well as the follow up actions we want to set for ourselves in our collective quest to making good on the promise of the bounty of our provincial share of the Ocean Economy:

- Firstly, we are mindful of the differing levels of sophistication of the various subsectors of this economy, both in terms of the development of the subsectors themselves, as well as levels of

development of our people to participate in these areas. The intervention plans we craft need to be cognisant of this, and due provision should be made to address skills, knowledge and resource deficits towards creating inroads for broad participation in the Oceans Economy.

- Secondly, we want to see a clear intent on the promotion of equitable participation in plans, the configuration of companies and other entities venturing into the Oceans Economy and the operations of these entities. Transformation should be seen in practice. Of course, we cannot illegally foist transformation on players who do not have an appetite for it, but we can structure our incentives and support such that those who embrace the cause of a shared economy get priority support.
- Thirdly, we want to get a clear handle on how our interventions and priority projects can aid an equitable development of our urban as well as rural coastal regions: often the reflex is to focus on the urban, the easier default. So, we want to hear how we will move beyond promises that tend to remain at the level of promises, especially for rural citizens whose unending patience seems to be often taken for granted.
- Fourthly, we as leaders in the provincial government and governing party must appreciate that meritocracy system adopted by Chinese is the right way to go for us to be assisted with means for systematically keeping tabs on developments in this economy. We need you to assist us with the tools to ensure that what you report to me in periodic reports does not merely

rearrange words, but demonstrates movement along a clear development path. In this way, we will also know with better clarity what challenges and hurdles we need to assist address as political leaders.

As some of you may be aware, this weekend the African National Congress in the Province is holding a Provincial Lekgotla as a precursor to the government planning processes in the Province. President Cyril Ramaphosa will attend this Lekgotla. We want to go to that Lekgotla to share with the President at that strategic session the emerging views of stakeholders in the Oceans Economy Sector, as well as share with him the process we intend to follow to firm up our plans for renewed efforts to develop this economy.

And so, I want to hear what has been planned, achieved, and is being planned for the future development of the following areas:

- Marine Transport and Manufacturing **(boat repair, ship building in the 3 provincial ports).**
- Offshore Oil and Gas Exploration **(offshore bunkering in Coega, LNG Project, fuel storage, Mthombo refinery).**
- Coastal and Marine Tourism **(cruise ship attraction to provincial waters, sardine run festival, port festivals).**
- Marine Aquaculture **(refurbishment of farming facilities, investing in modern farming technology).**

- Marine Protection and Ocean Governance (**Ensure sustainable use of marine resources, fight poaching of marine resources**).
- Skills Development (**establishment of maritime high schools, higher education maritime studies, apprenticeships in maritime industry**).

I know that a lot of work has been done in various corners on these matters, and I would like to commend the efforts of those who have held the fort thus far, and who will continue being critical to the development of the sector in the province in future. We are not re-inventing the wheel, but rather affirming positive developments and consolidating plans as well as instruments for delivery and accountability for the province going forward.

I also know and have advised that, when we come back from the Lekgotla, we will feed back into an intensive re-planning process of reviews and inclusive planning labs for the priority sectors. These will lead us to a follow-up roundtable in two months time to consider the revisited Oceans Economy masterplan for the province, as well as reconsidered and refocused plans for the priority areas above. The second roundtable will be followed by a Provincial Oceans Economy Summit in November on a date to be announced.

I thank you.

