



**NCPT**

**NORTHERN CAPE PROVINCIAL TREASURY**

# **The Potential of Ocean Economy in the Northern Cape**

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## **1. Introduction**

The goals of the New Growth Path (NGP) and the National Development Plan (NDP) are to create decent work opportunities, to reduce inequality, to reduce poverty and to grow the economy of South Africa. The marine and coastal sector can also contribute to achieve these goals, with special emphasis on stimulating economic growth of the province and creating jobs. This study will give a background on the ocean economy, highlight the benefits of the ocean economy and identify areas to be explored in the Northern Cape Province.

## **2. Background**

Since the 1980's, major coastal cities namely Cape Town, Port Elizabeth, East London and Durban have been some of the fastest growing economies in South Africa (Atkinson and Clark, 2005). Although the Northern Cape is also a coastal province, it has not reaped the same benefits. The Department of Environmental Affairs (DEA) states that the marine and coastal environment is part of the country's assets, offering a variety of economic, ecological and social services. The DEA further indicates that according to investigations, the ocean economy can potentially contribute more than R20 billion to the gross domestic product (GDP) of South Africa by 2019 and about 1 million jobs by 2033. The Namakwa District Municipality, within the Northern Cape, has a coastal area which can be used for further developing the ocean economy of the province and the country.

The South African coast line spans 3 200 km with shores that are rich in biodiversity and a recorded amount of about 10 000 species of marine plants and animals (Stats SA, 2016). This presents South Africa with an opportunity to grow the ocean economy, manage its rich marine resources in a sustainable manner to contribute to the economy of the country and job creation. In the State of the Nation Address of 2015, His Excellency President Jacob Zuma announced a Nine-Point Plan which is aimed at stimulating economic growth and creating jobs. One of these points is Operation Phakisa which is aimed at growing the ocean economy and other sectors.

Operation Phakisa was launched to assist with the implementation of the NDP and was designed to fast track the implementation of solutions on critical development issues. The implementation of Operation Phakisa will focus on unlocking the potential of the ocean economy through the following 6 focus areas: marine transport and manufacturing; offshore

oil and gas exploration; aquaculture; marine protection services and ocean governance; small harbours; and coastal and marine tourism (Operation Phakisa).

The Northern Cape is one of the four provinces that have coastal regions and has been identified as one of the provinces to contribute to the ocean economy. This paper has identified three main economic areas which the Northern Cape can capitalise on in order to yield maximum economic growth and employment in the ocean economy space. These areas are aquaculture, the Port Nolloth small harbour as identified in Operation Phakisa, and coastal and marine tourism. According to Operation Phakisa, a new port is planned at Boegoebaai near Port Nolloth, while aquaculture projects in the Port Nolloth area are abalone ranching, abalone hatchery, aquaculture facility near Hondeklipbaai and an oyster growing facility in Kleinzee.

### 3. Aquaculture

Aquaculture is defined as the rearing of aquatic animals or the cultivation of aquatic plants. In the 1990s and early 2000s globally, aquaculture has grown as a sector, such that nearly half of the fish products consumed around the world are produced in fish farms. Africa has however failed to take advantage of this growing sector as it only has a 1 per cent share of the global market, and South Africa only accounts for 1 per cent of African production (Feike, 2008).

There is a strong case to be advocated for the expansion of aquaculture in the Northern Cape and this paragraph will focus on two of the main advantages of the province's coastline namely natural resource endowment and an existing economic infrastructure base. The Northern Cape has a coast line that stretches over about 313 km which borders on Western Cape in the south and Namibia in the north. This stretch of coast spans over three local municipalities (Kamiesberg, Nama Khoi and Richtersveld) in the Namakwa District. Climatically, the water of the coast is characterised by the cold Benguela Current, which creates a nutrient rich environment. The coast is also endowed with a variety of naturally occurring kelp and seaweed beds which can be used as feed for abalone farming. The temperature of this coastline is ideal for a variety of viable aquaculture businesses (Department of Tourism, Environment and Conservation, 2005; Feike, 2008).

The second advantage that strengthens the case for aquaculture in the Northern Cape is the economic infrastructure that is being abandoned by redundant mines along the coast.

Historically, mining along the coast of Namakwa has been an economic driver of the economy in the region; however many mines in the area have been decommissioned. The decommissioned mines are spread out along over the coastline, and the departure of the mines should be viewed as an opportunity to repurpose existing economic infrastructure as the baseline infrastructure for aquaculture. Strict security systems were in place during the operating period of the mines that prohibited fishing and marine plant harvesting in the waters adjacent to the diamond mines along the coast. A positive spin-off of these stringent security measures is that the coastline, sea bed and fish stocks in this area have remained unspoiled (Feike, 2008).

#### **4. Small Harbour Opportunities**

Operation Phakisa is a “cross-sector programme where various stakeholders engage to implement initiatives and concrete actions to address constraints to delivery in a prioritised focused area for public accountability and transparency.” In the focus area of small harbours, it is aimed at the development of un-proclaimed small harbours with the potential for both harbour infrastructure, marine and offshore aquaculture, small towns precinct development, tourism and Expanded Public Works Programme (EPWP) job creation in Boegoebaai, Cape St Francis, Hibberdene, Port Alfred, Port Edward, Port Grosvenor, Port Nolloth, Port Shepstone and Port St Johns (Operation Phakisa). Port Nolloth and Boegoebaai both fall within the Northern Cape, opening up opportunities for the province in this focus area.

#### **5. Coastal and Marine Tourism**

The Northern Cape’s coastal region has the potential to assist in growing the economy and reduce unemployment and poverty in the province. Marine or maritime tourism refers to the movement of people from their destinations to places with a maritime setting. Maritime tourism is a subset of and contributes to the ocean economy as people tend to visit coastal towns for recreational purposes. Coastal provinces can host maritime events such as surfing, rowing, and motor-cruising competitions in coastal areas. Within the coastal tourism there is also cruise tourism. The province can look into cruise tourism where activities such as cruise ships and boat cruises, and wildlife watching can contribute to maritime tourism.

## **6. Recommendations**

The province could develop an ocean economy strategy and its implementation plan that will help the province to realise the potential of its maritime resources. This strategy should clearly state how the relevant components of the ocean economy are going to unlock the potential of the province's ocean.

The ocean and marine economic activities need to be monitored and evaluated timeously for the purpose of gauging progress in the sector. That will also assist to identify bottlenecks and challenges that need to be addressed. Identified economic opportunities in the sector need to be quantified in order to assist funders and government to allocate resources effectively and efficiently.

More focus can be put on coastal and marine tourism in order to attract more tourists to the coastal region. One of the mechanisms to achieve that is to advance the marketing strategy of this area. A coastal tourism plan can also be used as a guide on how to stimulate growth in the sector. This plan should highlight current tourist attractions and tourism projects that are in progress and anticipated tourism projects that are still to be developed. It is important to identify the coastal tourism initiatives, interventions and projects; and to analyse the current and potential future contribution of coastal and marine tourism to the economy of the Northern Cape. Some of the tourist attractions that can be marketed are the coastal natural resources, conservation areas, coastline, beaches and historical monuments.

To ensure that the economic growth and job creation is inclusive, the focus can be on employing local people and providing them with the necessary skills to fulfil the tasks. Employment creation can be focussed on the youth, women, people with disabilities and other marginalised groups.

## **7. Conclusion**

The marine and coastal sector is one of the sectors that have been identified to create decent work opportunities, reduce inequalities and poverty and grow the economy. Increasing aquaculture production, developing small harbours and promoting coastal and marine tourism in the province can help speed up economic growth of the province and create jobs.

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