

MANUFACTURING

Marine Manufacturing and Associated Services

The marine manufacturing industry, and its associated services has the potential to contribute significantly to the current economic environment within the Western Cape Province. The Western Cape, being a coastal province, provides the local economy with a unique opportunity within the ship and boating sector as well as the offshore oil and gas sector. Globally both sectors are becoming increasingly competitive, therefore increasing the need for positive intervention and targeted investment in South Africa, and more specifically the Western Cape.



The Western Cape boasts the longest coastline of the four coastal provinces in South Africa and has three of the eight existing commercial ports on its shores namely Mossel Bay, Saldanha Bay and Cape Town. Due to the labour-intensive nature of the industry and its ability to earn foreign exchange, the sector is highly valuable with regards to its current and potential economic contribution to South Africa's total output. The province accounts for three of the eight commercial ports in South Africa, allowing for marine related activity.

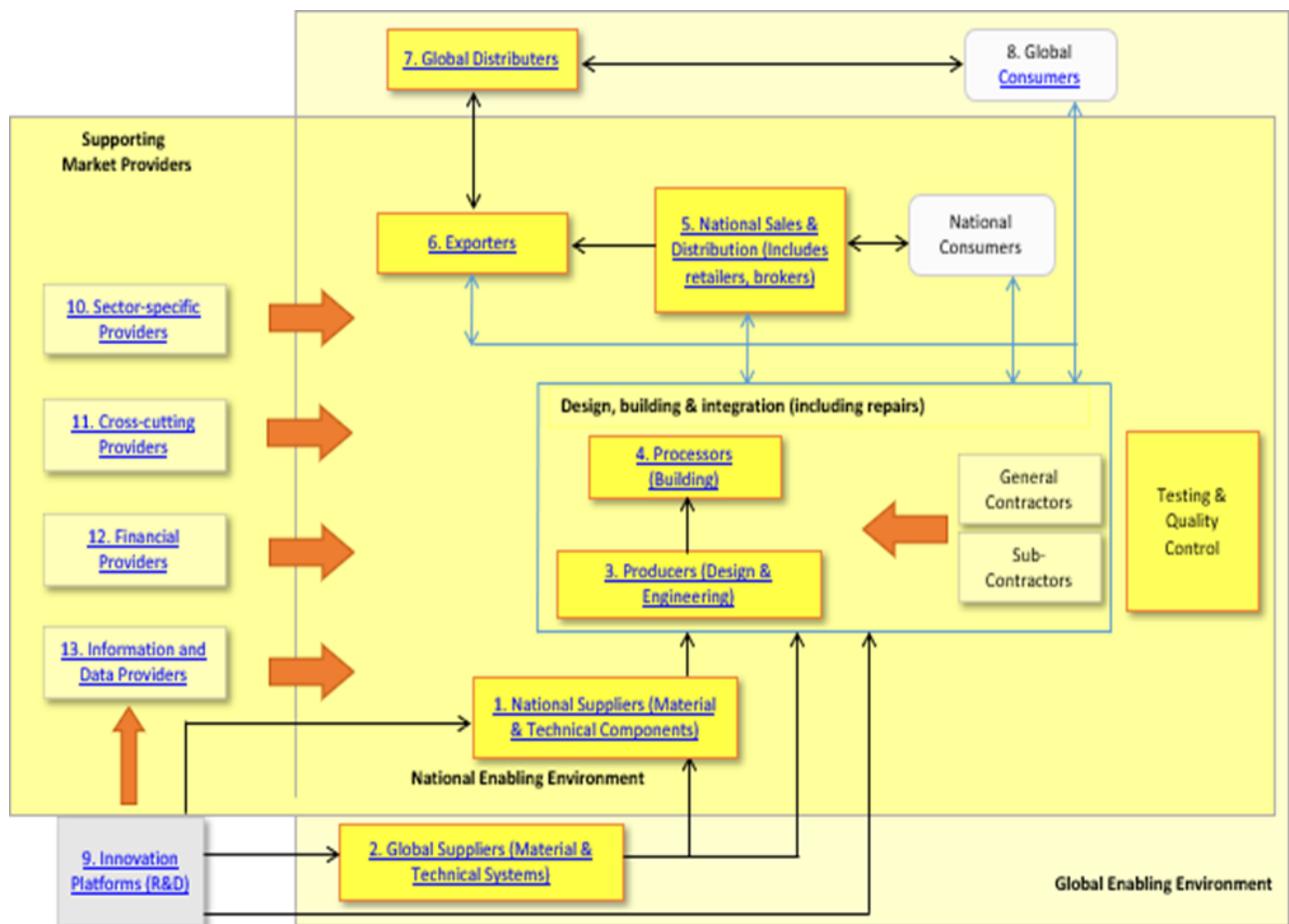
This sector and its related priority sectors/enablers are referred to collectively as South Africa's Ocean Economy which include:

- Marine transport and manufacturing;
- Offshore Oil and Gas;
- Aquaculture;
- Marine Protection and Ocean Governance;
- Small Harbours and Coastline Development;
- Coastal and Marine Tourism;
- Skills Development and Capacity Building; and
- Research and Technology and Innovation.

The Marine Manufacturing sector includes activities such as the building of boats and ships of various classes, as well as maintenance, refurbishment and repair of vessels and oil rigs. The sector is sensitive to economic and contract-driven fluctuations, thus the sectors heavy reliance on export orders and an underdeveloped domestic market have contributed significantly to the cyclical challenges facing the sector. Additionally, in recent years few international ships have been drydocked for repairs and maintenance in the province, bringing to question whether the existing port infrastructure is sufficient to attract large international ships and vessels in the future.

The manufacture and repair of ships and boats is viewed as a highly strategic industry with high economic multipliers, generating employment and positive spin-offs across numerous sub-sectors and are classified under SIC Codes 38410 and 38420. The marine manufacturing value chain is complex and non-linear that is comprised of a variety of intricate network of components. An overview of the value chain is visually illustrated within the figure below:

Marine Manufacturing Value Chain



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