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An Overview of the South African Ocean Economy

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PRESENTATION OUTLINE

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INTRODUCTION

- South Africa's ocean economy is a strategic driver of economic growth and development.
- The sector supports trade, employment creation, industrialisation, and regional integration.
- Key sectors include marine transport, fisheries, aquaculture, tourism, offshore oil and gas, and marine manufacturing.
- The ocean economy is aligned with Operation Phakisa and the National Development Plan (NDP) 2030. The sector presents opportunities for inclusive growth and SMME participation.

AN OVERVIEW OF THE SA OCEAN ECONOMY

- Economic system based on ocean and coastal resources.
- Key sectors: Fisheries, Ports, Oil & Gas, Tourism, Manufacturing, ICT.
- Infrastructure: 8 commercial ports supporting trade and logistics.
- Strategic importance: Trade gateway for Southern Africa.
- Policy driver: Operation Phakisa

AIM OF THE STUDY

- To provide an overview of South Africa's ocean economy.
- To assess the economic contribution of the sector in terms of GDP, trade, and employment.
- To analyse value chain participation and opportunities for SMMEs.
- To identify gaps, constraints, and policy interventions required for sector growth.

METHODOLOGY

Desktop Research

- The study adopted a mixed-methods research approach, combining both qualitative and quantitative analysis.
- The qualitative component focused on policy analysis, literature review, and value-chain assessment.
- The quantitative component analysed employment, trade, GDP contribution, and SMME participation trends within the ocean economy.

Limitations

- Data access and availability
- Financial resources

REGULATORY & GOVERNANCE FRAMEWORK

- South Africa's ocean economy operates within a complex regulatory environment.
- Key institutions include:
 - SAMSA
 - DFFE
 - The Dtic
 - Provincial and local government structures
- Key frameworks:
 - Operation Phakisa
 - Ocean Economy Masterplan
 - National Development Plan 2030
 - African Blue Economy Strategy

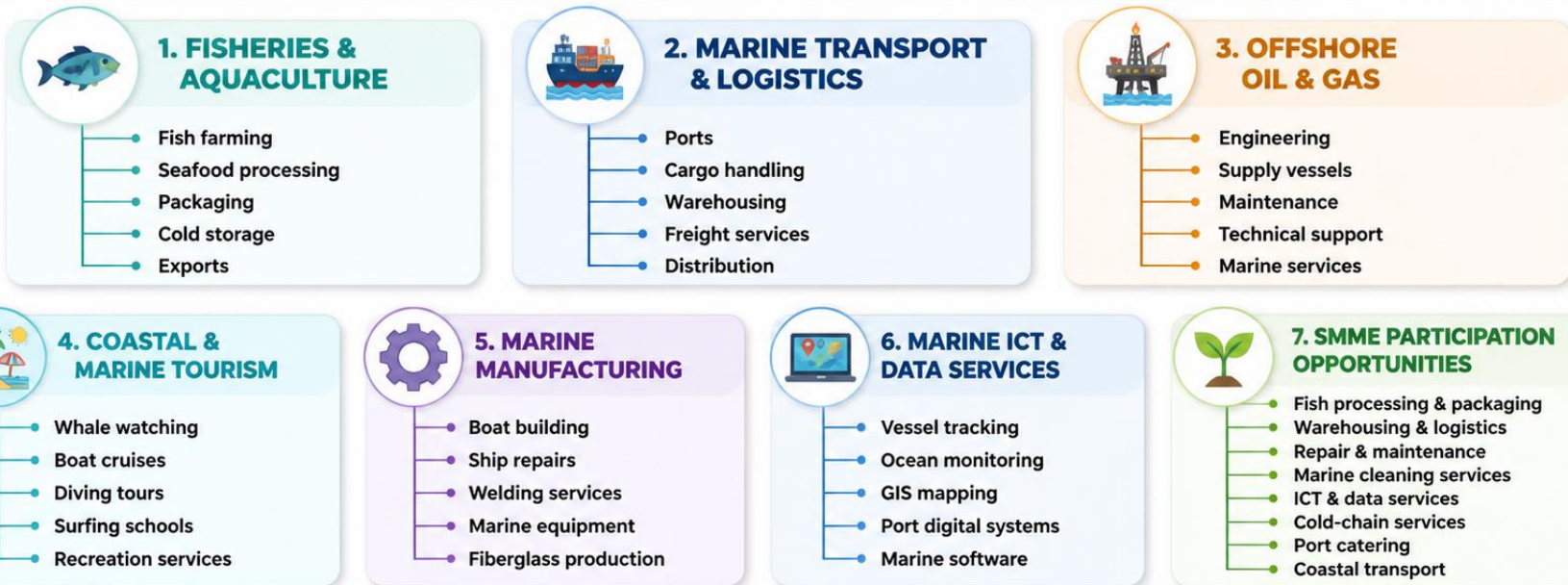
ECONOMIC CONTRIBUTION

- The ocean economy contributes significantly to GDP and employment.
- Approximately 90% of South Africa's trade is transported by sea.
- Coastal and marine tourism contributes substantially to local economic activity.
- Fisheries and aquaculture exports continue to grow while imports continue to exceed exports, contributing to a maritime trade deficit.



VALUE CHAIN PARTICIPATION

OCEAN ECONOMY



VALUE CHAIN FLOW



COMPARATIVE ANALYSIS

International Benchmark

- Kenya: Community-led blue economy initiatives.
- Vietnam: Integration of small-scale fishers into value chains.
- Netherlands: Advanced maritime innovation clusters.
- Canada: Inclusive marine governance and marine research investment.

South Africa's Ocean Economy Gaps

- Infrastructure deficiencies and port inefficiencies.
- Limited access to finance for SMMEs.
- Skills shortages in maritime industries.
- Regulatory complexity and high compliance costs.
- Weak interdepartmental coordination.
- Limited participation in high-value maritime activities.
- Inadequate data collection and monitoring systems.

Policy Recommendations

- Expand SMME supplier development programmes.
- Improve access to funding and incubation support.
- Simplify maritime licensing and compliance procedures.
- Invest in ports, logistics, and maritime infrastructure.
- maritime education and training.
- Encourage innovation, digitalization, and technology adoption.
- Improve policy coordination and implementation.

Challenges and Constraints

- Financial literacy and business management challenges.
- Limited access to finance and investment.
- High operational and compliance costs.
- Port congestion and logistical inefficiencies.
- Global competition and import pressures.
- Skills shortages and inadequate training capacity.
- Environmental sustainability pressures.
- Weak local value chain integration.

Conclusion

- South Africa's ocean economy has strong growth and employment potential.
- The sector remains underdeveloped despite significant strategic advantages.
- SMME participation is still constrained by structural and institutional barriers.
- Greater investment, coordination, and policy implementation are required.
- The ocean economy can become a key driver of inclusive economic growth.

Recommendations

- Strengthen SMME participation across maritime value chains.
- Increase investment in infrastructure and logistics.
- Improve maritime skills development and training.
- Enhance policy coordination and implementation.
- Promote local beneficiation and industrialisation.
- Support research, innovation, and technology transfer.
- Improve access to markets and export opportunities.



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