



EThekweni Maritime Cluster

**ETHEKWINI MARITIME CLUSTER
ANNUAL REPORT 2012 - 2013**



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Chairperson's Review

The Ethekewini Maritime Cluster (EMC) is dedicated to serving the needs of its diverse stakeholders. As we proudly reflect on the past year, I am encouraged by the positive influence and milestones achieved by the EMC. We have made a significant impact within the maritime sector despite our humble beginnings five years ago.

We have become an important voice within the sector on issues of skills development, occupational qualification development, the facilitation of new investment, the empowerment of women within the sector and promoting greater integration throughout the whole sector.

The EMC engages constantly with business and government on the challenges and needs facing this sector. These include access to markets and finance for the boat building sector, the underutilisation of assets and a limited skills base.

We are therefore extremely grateful to the shipping lines that have responded to the call to provide cadet training for future leaders and the skilled workforce required by the sector.

As the EMC we will continue to identify common interests and priority programmes to implement and improve the industry.

Through our collaboration with our partners we have contributed to shaping policy, as well as the levels of implementation on issues that influence our industry in the various forums, committees and statutory bodies in which our board and staff members participate.

The future

There are many potentially pivotal projects on the horizon geared towards infrastructural development in and around the port of Durban, and greater KwaZulu-Natal. The bold and necessary steps taken by the further education and training (FET) colleges to offer selected maritime courses are encouraging. We welcome and support the training, as we know it will provide the necessary framework and skills required by this sector.

Sector support

I am also enormously appreciative of our funders who believe in and support the work that we do. At the same time I would also like to acknowledge and thank every member of the board for their contributions and diligence throughout the year.

I also wish to pay tribute to the CEO Basil Ndlovu and his staff who have worked willingly and continue to execute great projects for the EMC.

A big thank you to all our partner organisations: Bidvest Port Operations (BPO), Durban Chamber of Commerce and Industry, Durban University of Technology (DUT), Ethekwini Municipality, Department of Economic Development and Tourism (DEDT), Department of Trade and Industry (Dti), Grindrod, Marine Industry Association of South Africa (MIASA), Manufacturing, Engineering and Related Services Sector Education and Training Authority (MerSETA), Kwa-Zulu Natal Sharks Board, South African Maritime Safety Association (SAMSA), South African Association of Ship Operators and Agents (SASOA), South African Association of Freight Forwarders (SAAFF), Transnet, University of KwaZulu-Natal (UKZN), Trade and Investment KwaZulu-Natal (TIKZN), South African Revenue Service (SARS), the boat and ship building industry and the Women's International Shipping and Trading Association (WISTA).



CHIEF EXECUTIVE OFFICER'S REPORT

The power of partnerships

I am pleased to report that the eThekweni Maritime Cluster's programmes are having a constructive impact on the maritime community. Our partnership programmes have created several platforms for debates, dialogue and networking on significant policy issues that need to be addressed for the greater sustainability and growth of the sector. The EMC has conducted workshops, conferences and several bilateral meetings as part of our advocacy and lobbying to raise awareness of the achievements and challenges in our sector. We believe that it is the maritime sector that can correct itself and facilitate the development of a better maritime economy.

We acknowledge the importance of this sector and the impact that it has on the South African economy. Our role as the EMC is to be an invaluable partner in assisting our stakeholders to achieve their strategic objectives. To meet the demands of a rapidly-changing sector, we ensure that the development of maritime practices is integrated, proactive and innovative.

Durban is well placed to attract additional port traffic while stimulating the growth of the KwaZulu-Natal economy. The EMC is geared specifically towards providing the impetus to drive this economic improvement.

Challenges to be addressed

I believe that the sector has a myriad of challenges that should be urgently addressed. We would like to focus on two key challenges: the first is the development of a capable and skilled workforce and the second is to move the sector from disunity to unity, as a seamless and fully integrated industry with aligned priorities and combined execution processes.

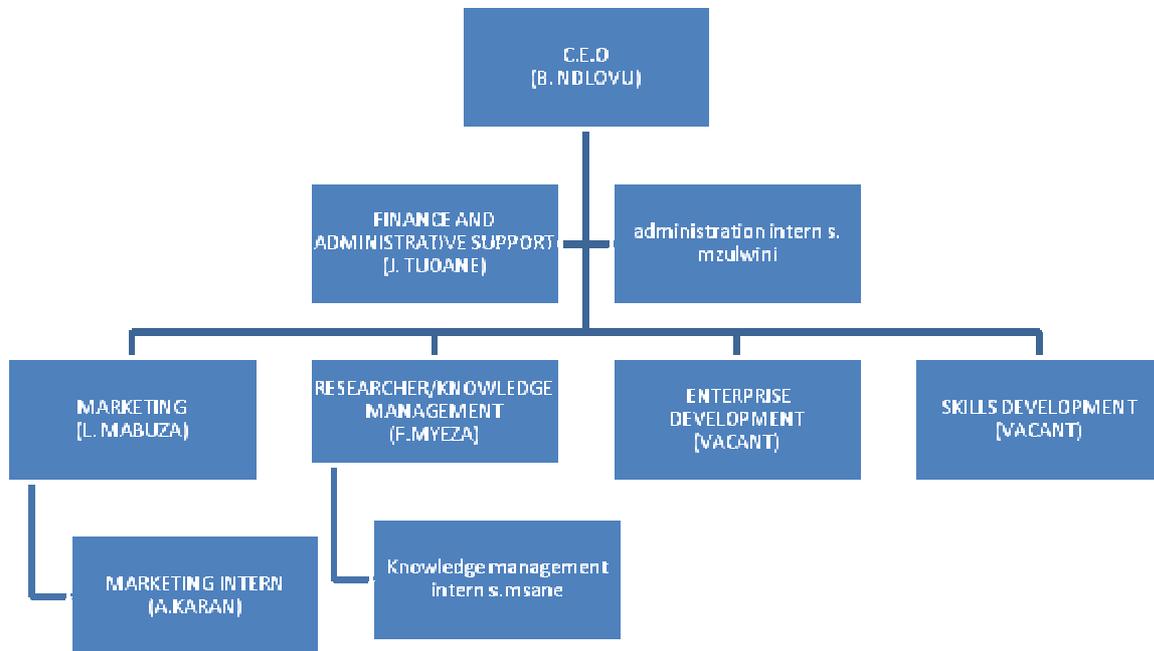
In the year ahead, internally the EMC aims to deliver on the following:

- Increase our funding base
- Expand our service offering within the key programmes.

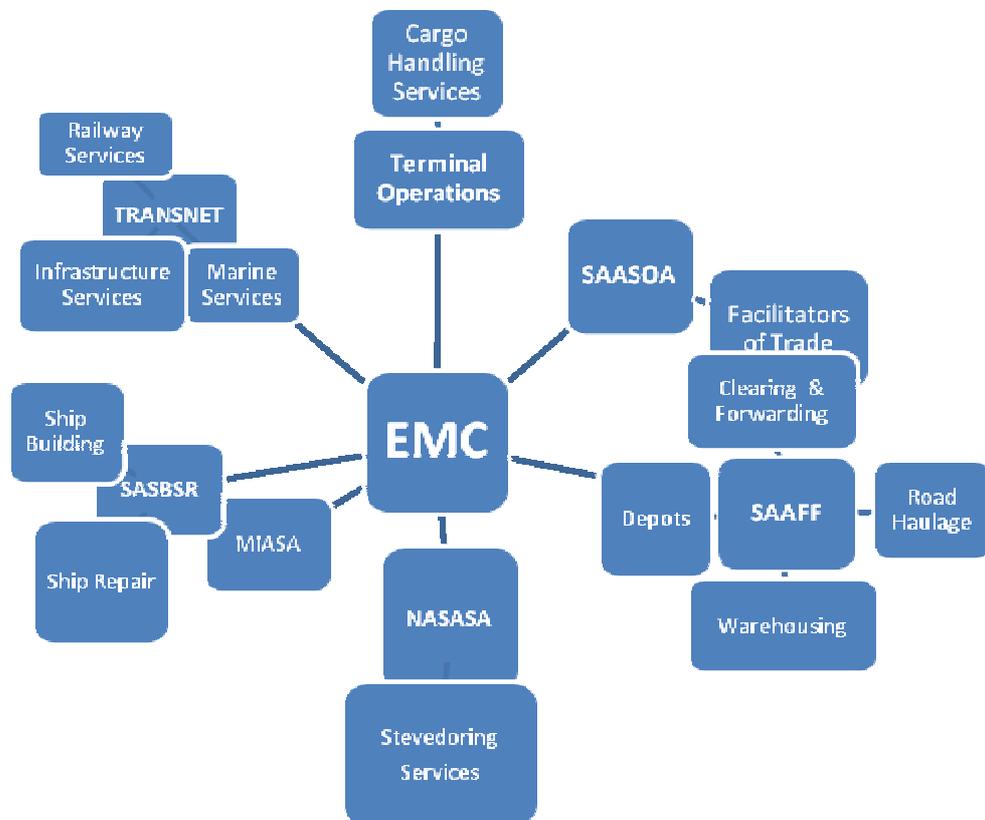
I do believe that our achievements in the last three years of implementation have been instrumental in informing priorities and key decisions taken by our strategic partners. I would like to thank the board members for their contribution and the chairperson Mr Malcolm Sodalay for his leadership, advice and support for the work

of the EMC. I would also like to thank the EMC staff for their dedication and sterling work.

EMC STRUCTURE 2011-2012



EMC STAKEHOLDERS



Corporate Governance

Address	169 Maydon Road, Maydon Wharf, Durban
Company status	Section 21 NPO
Auditor:	Williams IDM
Bank	First National Bank, Davenport

The EMC is proud to announce that it has received a clean audit report for the year 2012-2013.

We are extremely grateful to the board members who provide insight and direction to the work of the EMC. Some of the board members have been with the EMC from inception. The board composition of the EMC has increased and is now more representative, the following people joined the board as from September 2012, Mr Zeph Ndlovu from Transnet Port Terminals, Mr Ahmed Bawa from Durban University of Technology (DUT), Bongiwentuli from Grinrod and ThamiNtshingila from Transnet National Port Authority.

Advocacy and lobbying

The advocacy and lobbying work of the EMC is being guided by the needs of the industry and our feedback into the following policy frameworks the National Industrial Policy, the Provincial Growth and Development Strategy, eThekweni Economic Development Strategy and the New Growth Path is providing positive yields for the sector.

Ad Valorem Tax objection

On the 29th May 2012 the EMC hosted a workshop on the impact of Ad Valorem excise duty on boats proposed by the Minister of finance Mr Pravin Gordhan's during his budget speech in parliament. Presentations were heard from Pricewaterhousecooper and the South African Revenue Services. The EMC submitted an objection to the proposed ad valorem excise duty on behalf of the boat building industry in the Durban area. The Ad Valorem excise duty is currently on suspension.

Tariff increase objection

In April the EMC and South African Association of Shipowners and Agents (SAASOA) financed a submission to the Ports Regulator opposing Transnet National Ports Authority (TNPA) request for an 18.6% tariff increase for 2012-2013 financial year. The Ports Regular agreed to the objection and reduced the tariff to below the inflation rate.

Provincialisation

The EMC was mandated by the KZN Cabinet Lekgotla to provide input and direction to the development of an integrated maritime strategy. This resulted in the EMC being the lead agent on

the compiling the Terms of Reference, and being part of the selection committee for the appointment of a service provider. The EMC is a key partner in the development of the Integrated Maritime Strategy for the province.

EMC presents to the councillors

On the 18 May 2012 EMC presented to the eThekweni Metro Councillors at the School of Ports. The purpose of the workshop was to provide an overview of the port operations to the councillors. The aim was to provide an understanding of the operational work that takes place at the port and highlight the important port developments that are taking place.

The workshop initiated by the eThekweni's Economic Development (ECOD) committee with the support of the eThekweni Maritime Cluster (EMC) Councillors were given short presentations by ShunnonTulsirum, head of Economic Development; eThekweni Municipality, followed by Basil Ndlovu, CEO of the EMC who spoke about the purpose of the EMC. The acting Port Engineer MazwiMdletshe then talked in some detail about the various port developments projects. Following these presentations the group left for a detailed tour of the harbour on board the Transnet boat Isiponono.

Highlights 2012/2013

- Ø *WISTA Breakfast*: EMC was the secretariat office for Women in Shipping and Trading Association (WISTA) breakfast held by WISTA as a precursor to the 3rd African Women in Shipping Conference, where the new board was elected.
- Ø *WISTA Africa Conference*: The EMC as steering committee member and secretariat office was crucial in the hosting of conference. The EMC secured media coverage from SABC radio and TV, igagasi FM, Isolweze, and various other print, online and broadcast publications.
- Ø *Graduate Port Tour* The EMC in collaboration with its strategic partners successfully organized a port operations tour for 30 graduates.
- Ø *Maritime Museum* The photographic exhibition at the Natal Maritime Museum was opened, courtesy of the eThekweni Maritime Cluster.
- Ø *SAMSA Job Summit and Career Awareness*: The EMC was one of the primary partners in the organising committee of the Careers Expo and Job Summit, held during maritime week in Durban.
- Ø *Business Performance Improvement Workshop*: In 2012 EMC, in collaboration with productivity SA institute, organised the Business Performance Improvement Workshop.
- Ø *The Durban International Boat and Lifestyle Show*: EMC provided support to local KZN boat builders to in 2012, where EMC was also awarded an accolade for "Professionally Propelling the Industry Forward".
- Ø *Careers & Skills Workshop* In July 2012 the EMC sponsored a two-day workshop for educators of Sithengile High School and a school in Escourt, both these schools offer maritime studies. The purpose of the workshop was to equip maritime studies teachers with further skills to teach maritime studies.
- Ø *merSETA Boat and ship Occupational Qualification* The EMC, MIAASA and Merseta have begun the process for a boat and ship building occupational qualification.
- Ø *The Maritime Centre of Excellence*: In August 2012 the EMC held a workshop where key stakeholders gathered, to devise an implementation plan of the Maritime Centre of Excellence.
- Ø Submitted an objection to SARS on the Ad Valorem tax on vessels over 10 meters, the tax has been delayed.

- Ø Knowledge Management: EMC in collaboration with TIKZ successfully held a maritime knowledge management workshop, for practitioners within the maritime sector, on the 27th of September 2012.
- Ø New website: The EMC website was redeveloped during the months of May to August, by September the new website was operational.



Students at the Career Expo

SKILLS BUILDING PROGRAMME

In the year 2012-2013 the EMC has embarked and has facilitated a number of skills development initiatives, in order to ensure the sector is adequately trained.

Graduate Placement Programme

The graduate placement programme has been successfully rolled out in partnership with the skills development unit at the eThekweni Municipality and the maritime industry. The EMC facilitated a selection of unemployed graduates from the municipality's database to be used by DP World, Thrutainers Bidvest and the EMC. The placement programme has absorbed a total number of twelve graduates, through the programme graduates are provided with an opportunity to work within the sector in for a period of six to twelve months.

The apprenticeship programme, which has been successfully running for three years now, has placed sixteen students at SA shipyards. The apprenticeship provides work integrated learning focused on providing technical skills such as boiler making and fitting and turning. Since its inception the apprenticeship programme has seen an exceptional success rate in terms of securing trade tests for apprentices and an excellent pass rate on the first attempts of the trade tests. We are proud of the results of these humble efforts.



Graduates at the BPO office

Educating the educator

As part of training the educators a two day maritime careers and skill workshop was conducted in July 2012 for educators from Escort Sithengile High School, Clermont. Lecturers were received from the Institute of Chartered Shipbrokers (ICS), Transnet National Port Authority (TNPA), Durban University of Technology (DUT) and EMC. The workshop was indication of the interest and growth in maritime economics and practice among schools in KwaZulu-Natal, it also highlighted the urgent need to provide training for educators that find themselves in the position of having to teach a subject of which they have very little knowledge or experience. The EMC is aware that more work needs to be done in this area.

MERSETA Boat and Ship Occupational Qualification

Merseta and the Quality Council of Trade and Occupations (QCTO) are leading the process of ensuring that a boat and ship building qualification is finalised for the sector. MIASA and EMC are providing an implementation role for the engagement process that started in October 2012 and is still in process. An occupational qualification is defined as a qualification associated with a trade or practical unit standards and work experience unit standards as defined in the Skills Development Act. This qualification is long overdue for the boat and ship building sector and will go a long way in ensuring quality workmanship within the trade as an occupational qualification must have external summative assessment.

The first phase of the occupational qualification engagements was hosted by EMC took place in October 2012 at the Point Yacht Club at Wilson Warf, Durban. Delegates from marine industry association of South Africa (MIASA) South African Ship Yards, Dormac, Coplan Boats, Elgin Brown and Hamer Group (EBH), Sharks Board, academic institutions such as the False Bay College, Coastal College, and Durban University of Technology (DUT), eThekweni Municipality -Skills Development Unit, and the EMC attended. The consultative process is continuing with workshops being conducted in KZN and Western Cape. The process will be finalised when a fully integrated and needs driven knowledge and practical occupational learning system meeting the needs of the industry is reached.



Delegates at the Merseta, MIASA and EMC Boat and ship building occupation workshop

Reaching the high school learners

During the Durban International Boat and Lifestyle Show the EMC working with the eThekweni Skills Development Unit conducted a boat building career workshop for forty students from the Sithengile High School. Sithengile is of the few schools that offers maritime studies as subjects. The aim of the workshop was to introduce more young people to the wider world of shipping.



High school learners at the EMC skills workshop

Ø The Maritime Centre of Excellence.

The EMC and the Department of Economic Development and Tourism (DEDT) and eThekweni Skills Development Unit (SDU) together with Economic Development Unit (EDU), commissioned a study which presented a business case for establishing a maritime centre of excellence in Durban, which SAMSA later advocated in a Maritime Skills Summit in Richards Bay in September 2011. In August 2012 the EMC held a workshop where key stakeholder comprising of members of industry, academic institutions, the International Labour Organisation (ILO) and the eThekweni Municipality gathered to devise an implementation plan.

BOAT, SHIP REPAIR AND BOAT BUILDING PROGRAMME

The EMC is acknowledged at the 9th Durban International Boat and Lifestyle Show.

The EMC received the Enerpec award during the exhibitors' breakfast and awards ceremony at the 2012 Durban International Boat and Lifestyle Show on the 23rd of June for the organisation that has done the most in propelling the boat industry. The award was presented to Lwandile Mabuza, EMC by Creative Events.

As part of our objectives to facilitate access to markets through different platforms the EMC supported the exhibition of various boats built in Durban ranging from powerboats, kayaks, inflatables and sailing catamarans. The EMC provided boat builders with exhibition space to showcase their products and equipment



EMC staff receiving the Enerpec award

Access to markets

A scoping study was done on the competitiveness and market development for the South African boat building industry. On the 20th of February the EMC facilitated a meeting with key stakeholders on the research done by the Department of Trade Investment (DTI.) Due to the severity of the issues facing the boating sector a workshop was further conducted by DEDT in Juneto provide the industry with an opportunity to discuss the recommendations.

Access to finance

The boating sector was provided with an informative workshop on the economic outlook for the maritime industry conducted by TIKZN in partnership with EMC. Presentations were done by Grinrod Bank, National Empowerment Fund and the Department of Trade and Industry (Dti). In Junethe Dti took the process further by inviting the MEC, the SA Boatbuilding Export Council, and Marine Industry Association of South Africa to identify priority programmes that could be implemented in partnership with DTI. The international based offices of the DTI provide information on export

opportunities in the emerging markets such as Africa, Brazil, Middle East, India and Asia. The outcome of the process was the agreement of the strategic interventions that need to be done.

Access to infrastructure

The boating and shipping industry faces a myriad of challenges; one of these that need to be urgently addressed is access to infrastructure. The EMC believes that all stakeholders can thrive within the sector, through the creating of a conducive environment. On the 8th of August 2012a meeting arranged by the EMC took place between sector stakeholders and the TNPA CEO, Mr Tau Morwe to discuss the necessary infrastructure at the Port of Durban. During the meeting the following matters were discussed, the port expansion plans affecting ship building and repair sector in Durban, the launching facilities for yachts. The yachts are battling with launching facilities as the distance from Pinetown to the Durban Port is far. Mr Morwe was requested to look into a site for the boats and yachts.

INDUSTRY PROMOTION PROGRAMME

The eThekweni Maritime Cluster (EMC) through its Industry Promotion programme seeks provide networking opportunities and facilitate knowledge sharing. We create such platforms through hosting workshops, conferences and various events. The following are some of the initiatives the we embarked on:

Ø *WISTA Breakfast*

The EMC was secretariat office of Women in Shipping and Trading Association (WISTA) for the breakfast held by WISTA as a precursor to the 3rd African Women in Shipping Conference. The significance of the breakfast, attended by 70 delegates, was the election of the new WISTA board members in South Africa.



WISTA South Africa Board

Ø *WISTA Africa Conference*

The secretariat and media management role of the of the WISTA Conference was done by the EMC. The theme of the conference was 'Integrating Women in the Maritime Sector, 190 delegates debated and provided input into the topic. The presentations and discussions made a positive dent towards addressing issues of inclusivity in the maritime sector as far as women are concerned. Even though the vast majority of women that attended were executives, industry professionals and captains of industry, awareness was created about the sector to especially young women who aspire to work in the maritime industry. Students and learners from DUT, UKZN and Sithengile high school also participated in the conference.

Through securing SABC radio and TV and various other print media publications, EMC was able to afford a tremendous amount of publicity to WISTA's initiative of integrating women into the maritime

sector.



International and South African delegates at the WISTA Conference

Ø Graduate Port Tour

The EMC in collaboration with its strategic partners: South African Shipyards, Transnet Durban Car Terminal, eThekweni Municipality and the National Youth Employment Agency successfully organized a port operations tour for unemployed graduates. The purpose of this tour was to create awareness about the offerings of the maritime sector to graduates with a maritime background and to those in the field of engineering with no maritime exposure. The impact of this tour attended by 30 graduates over two days, was evident in the form of the interest its sparked amongst engineering graduates who wanted to get more information on how to join the sector.



Graduates at S A Shipyards during the port tour

Ø *Maritime Museum*

The Port of Natal Maritime Museum is a key tourist attraction in KZN. Children and adults visit the museum for educational and historical purposes. The eThekweni Maritime Cluster is pleased to have ensured that the maritime history is kept updated and relevant. In September during Maritime month a photographic exhibition showcasing the development of the Durban port from the 1840's until the present day opened courtesy of the EMC. The exhibition added value in terms of educating the public about the intricate operations of the Durban port.

Ø *SAMSA Job Summit and Career Awareness*

The EMC was one of the primary partners in the organising committee of the Careers Expo and Job Summit, held during maritime week in Durban at the Moses Mabhida Stadium. The purpose of this event was to show case career opportunities offered in maritime to learners, job seekers and the general public. The event was attended by 155 people on the opening day and 203 people during the job summit. The event received media coverage from a total of eleven media entities, including both print

and broadcast media. The summit provided a platform for relevant stakeholders to discuss issues pertinent to the maintenance and improvement the maritime sector.

WELCOME TO THE WATER CAMPAIGN



KNOWLEDGE MANAGEMENT PROGRAMME

Maritime Knowledge Management Workshop

In July the Knowledge Management strategy was presented and approved by the Board. This resulted in a one day maritime workshop taking place in September 2012 during Maritime Week. Delegates from academia, monitoring & evaluation, innovation and

research units within maritime attended the EMC and Trade and Investment KwaZulu-Natal (TIK) Maritime Knowledge Management Workshop. The purpose of the workshop was to begin the first phase of creating a community of maritime practitioners. The facilitator Ms Judi Sandrock, an expert in knowledge management provided the delegates with different tools on knowledge transfer, utilising existing expertise and breaking the silos and increasing productivity.

Website

We value our online stakeholders thus we keep them updated on our work through the website. The website was redeveloped during the months of May to August, by September the EMC had a new website, new sections such as Business Area, Frequently Asked Questions (FAQ) and Industry. The number of visitors reading the EMC website is increasing. The monthly web statistics show an increase from 132 visitors in September 2012 to 158 visitors in October 2012.



Delegates at the maritime knowledge management workshop

Newsletter

Our stakeholders are kept informed of our work through the monthly newsletter. The online newsletter is sent to 750 individuals, and since October 2012 the newsletter is written, edited and published internally by the Knowledge Management team.

ENTERPRISE DEVELOPMENT PROGRAMME

Boosting capacity building

During the month of March 2012 delegates attended the business performance improvement course conducted by the EMC in partnership with Productivity SA. The five day capacity building workshop was attended by managers and executives from the boat building, ship repair, clearing and forwarding sectors. The course was held at the Hilton Hotel, delegates attended once a day over a five week period. The training focused on the critical subjects for business performance such as wastage elimination, increasing sales, reducing operational costs, maximising profits and early warning systems.

Beyond 2012 in the maritime sector

As part of supporting the growth of the port and the related maritime business community EMC in partnership with Trade and Investment KwaZulu-Natal (TIKZN) hosted an Information Sharing Seminar at the Elangeni Hotel on 23 February, themed '2012 Economic Outlook for the Maritime Industry'.

The purpose of the seminar was to discuss the economic outlook for 2012. The topics were the measures to be conducted to facilitate networking and communication platforms for the maritime industry, Promoting the Durban maritime industry at local and international platforms, facilitate access to market and growth and job creation platforms.

Presentations on financial support available for business development in the maritime industry were heard from Rajeshri Sardha of DTI and Phakamile Madonsela of National Empowerment Fund. Guest Speaker Ian Anderson from Grindrod Bank gave an overview of the economy from a global and South African perspective.