

COMMENT

A lot has been said about Operation Phakisa since it was launched last year July. That's already a good half a year ago and, according to a cabinet briefing in February this year, all is on track with the implementation of the programme to fast-track the ocean economy. Why then are we hearing rumblings and seeing a few small holes in what is supposed to be a water-tight plan?

In the article: Can Operation Phakisa provide a lifeline to the marine manufacturing sector? - we take a look at just one of the pillars associated with the programme and investigate whether the long-endured status quo is being challenged and rectified.

While we understand that there will always be those detractors who aim to derail processes for whatever reason, the reality in this case is that - detractors aside - there are holes (at worst) or miscommunications (at best) relating to South Africa's ability to re-ignite its marine manufacturing sector.

But what of the rest of Africa? It is, after all, the beginning of the Maritime Decade on the continent - as proclaimed by the African Union last year.

That must surely herald some sort of opportunity for the industry? Well let's be honest. Irrespective of the creation of this label, Africa's growth is uniquely coupled to the growth of the maritime economy - be it through an improvement in port infrastructure; increased sea-borne trade (both to and from the continent); development of a robust support sector or the realisation of a sustained offshore oil and gas industry.

There is a huge opportunity, but governmental constraints that have hindered this need to be recognised and addressed. Likewise private sector enthusiasm - especially by international firms - needs to be tempered by a willingness to up-skill and develop an African workforce; thus working within an African paradigm that on one hand acknowledges the challenges, while at the same time questions this very paradigm and breaks stereotypes.

It's a difficult time too as the world both commiserates and celebrates the major drop in the oil price.

According to Thalma Corbett of NKC Independent Economists, oil equates to some 60 percent of Africa's exports and it therefore goes without saying that a free-falling oil price will have significant impact on the oil exporting economies of Africa.

That said - she noted that there are also a good number of countries on the continent that rely on oil imports and they will surely find reasons to celebrate the current sub \$60 a barrel prices.

Opinion abounds about where the price will find itself during the course of 2015. Most seem to agree that we are looking at a \$50 to

\$60 price per barrel for the year.

There are, however, those who have stuck their necks out and predicted a further more drastic fall in prices for the year ahead. Online commentators to media predictions weigh in with numbers ranging from those who believe there is a possibility of prices plummeting to \$10 a barrel with others suggesting that 2015 could host an increase to the \$100 mark.

Interestingly the latest offshore oil rig count for Africa released by Baker Hughes in February shows an increase in the rig presence reflected against the same time last year before the oil price began dropping. And so it is not surprising that the race to establish offshore oil and gas support hubs continues.

In a presentation at the Break Bulk Africa congress in Johannesburg, Paul Runge of Africa Project Access listed such initiatives in Mozambique, Tanzania, Ghana (see page 41 for more information on this development), Côte d'Ivoire, Cameroon, Nigeria, Angola and South Africa (see our comments on this development in our article on Operation Phakisa starting on page 6).

Let's face it the offshore oil and gas sector is likely to retain its celebrity status albeit a slightly tarnished one. It will retain its groupies and fans and continue to spawn a machinery of support industries to maintain *OILYWOOD* beyond the current price slump. Takings at the box office may be less and certainly there will be some casualties, but in the long term this is certainly not the final curtain call.

What would interest me at the start of this African Maritime decade, however, would be the establishment of a baseline study of what the current African maritime economy actually looks like. How is it valued and what would that value be? How many Africans does it employ? What are the truly African companies operating within these sectors? How many multi-nationals are in the market? What are our current port capacities? What enabling maritime legislation exists?

Only with this information at our fingertips will we be able to look back at the end of the decade and quantify whether any progress has been made and whether our so-labelled maritime decade has been a success.

Here's to wishing you a successful year ahead.

Colleen Jacka, editor

EDITOR'S CHOICE:

RECOMMENDED READS:

100 YEARS OF FISHERIES MANAGEMENT: See the launch of a new column on page 13 that compares current fisheries management to records from a century ago.

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