



Open,
for marine
manufacturing



Marine Manufacturing and Engineering Services Industry Overview

South Africa's maritime industry is currently estimated to contribute US\$3.91 billion to the country's GDP.

The Marine Manufacturing and Associated Services industry is viewed as highly strategic and has major spin-offs to other industries including steel, engineering equipment, port infrastructure, trade and shipping services. This offers strong and extended linkages for economic growth and employment multipliers down the value chain. The marine industry includes:

- Shipbuilding
- Boatbuilding
- Maintenance and repair of ships, boats and rigs
- Manufacturing of marine components and equipment

The South African ship/boatbuilding sector has developed a particular strength in sailing multihull catamarans, with some South African companies being regarded as global leaders. Additionally, some South African companies have developed capacity in niche segments in commercial and public-sector markets – for example ferries, patrol boats, fire-fighting boats and cargo and crew transport ships for the oil and gas sector.

South Africa has a high proportion of small and medium-sized owner managed enterprises and is the world's second largest producer of multihull catamarans. Around 90% of locally built boats are produced for the export market. Boatbuilding contributes an estimated US\$103.82 million to the economy annually.

There are opportunities in developing capacity for local component manufacturing for the marine industry.

The Western Cape Province is the largest marine manufacturing centre within South Africa, generating over US\$187.50 million in 2019 in exports revenue, and housing approximately 69% of South Africa's commercial boat yards.

The Western Cape is the production hub of the South African boatbuilding industry. While most operations are located in and around Cape Town, boatyards provide much needed employment in outlying areas and areas beyond the city metro, such as St. Helena Bay, Saldanha Bay, Atlantis, Kommetjie, Simon's Town, Swellendam, George and Knysna.

The dominant firms are large ship repair and heavy engineering companies, which directly service oilfield clients. Second-tier companies include smaller engineering and fabrication shops and specialist equipment suppliers. Some companies are focused exclusively on the oil and gas sector, while others service a range of industries.

South Africa has eight commercial ports and all offer facilities for ship or boat repair and maintenance. Three of these, Saldanha Bay, Cape Town and Mossel Bay, are in the Western Cape.

Port of Cape Town

- Cape Town Port serves the Western Cape hinterland and has extensive ship repair facilities including two graving docks, syncrolift and general repair quays.
- Cape Town is South Africa's principal port of export for fresh produce.
- Services the offshore oil and gas industry.
- Strong Marine Engineering sector capacity and capabilities.
- Cape Town is a popular tourism destination, visited by passenger cruise liners and super yachts.

The Western Cape is the largest marine manufacturing centre within South Africa

Cape Town's boatbuilding industry

Cape Town's boatbuilding industry is known globally for its excellent craftsmanship and innovative designs. Shipyards have built incredible international networks securing market penetration in the Caribbean, United States of America, the Mediterranean and Asia.

Cape Town's boatbuilding skills are unparalleled in Africa and the broader Southern Hemisphere region, and unsurprisingly the city exports 80% of product produced and attracts a positive trade balance of around US\$73 million annually. Cape Town's boatbuilding exports have grown by 20,54% annually year-on-year since 2014.

The sector employs directly over 5 120 artisans, carpenters, engineers and nautical architects. Thousands more work in secondary industries providing materials and components to shipyards across Cape Town.

There are 40+ shipyards, and Cape Town has boutique boatbuilders who can custom build your boat with world-class artisanal craftsmanship.

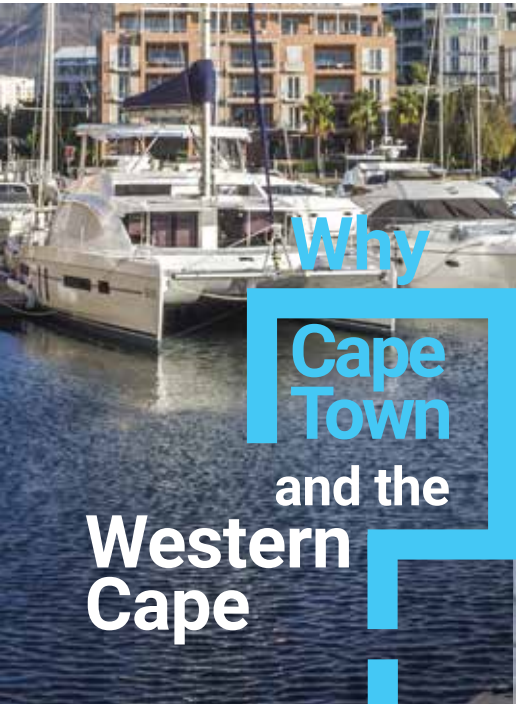
Built at the tip of Africa, the Cape of Storms, Cape Town's boats are made for all sailing conditions.

Local manufacturers are easy to deal with as one-stop-shops and help their clients get the maximum return on investment. South Africa's largest boat builder, Robertson and Caine, is located in Cape Town.

Cape Town has South Africa's only boatbuilding school: False Bay College, which has approximately 60 students graduating annually with a national certificate.

In 2019, five of the top boat builders from South Africa exhibited at the Miami International Boat Show. Companies like Phoenix/Xquisite, Royal Cape Catamarans, St Francis Catamarans, Knysna Yacht Company and Robertson and Caine regularly showcase their boats and win awards at sector shows.





Why

Cape
Town

and the

Western
Cape



Strategically positioned for access to and from East and West African markets.



Internationally recognised capabilities and a reputation for excellence and quality building of customised vessels, repair and maintenance services.



Strong support for logistic and ancillary services that includes chandlery, hospitality, waste disposal, certification, legal as well as finance and insurance.



Good education system and established tertiary institutions. The Western Cape has four world-class tertiary education institutions, producing some of the country's top marine engineers.



Deep water ports that can accommodate various vessels.



World-class road, rail and port infrastructure.



Ports are closely linked to international airports.



Supportive Local Government and business enabling environment.



Proximity to developing markets in sub-Saharan Africa.

Incentives:

Critical Infrastructure Programme

Cost-sharing incentive, 10% to 30% government grant, available to approved applicants of infrastructure projects

Black Industrialists Scheme

Designed to promote industrialisation, sustainable economic growth and transformation through the support of black-owned entities in the manufacturing sector

Capital Projects Feasibility Programme

Contributes to the cost of feasibility studies that are likely to lead to projects that will increase local exports and stimulate the market for South African capital goods and services

Exporting Marketing & Investment Assistance Scheme

Intended to help South African companies export their products and services, and to attract foreign direct investment



Success Stories:

Impressive new hulls launched in Cape Town



“South Africa’s biggest ever composite catamaran, produced by Two Oceans Marine Manufacturing was launched in June 2019. The impressive 110ft day charter catamaran, Le Cerf, can carry 275 people and will be an eye-catching addition to the seascape around Mahé in the Seychelles”. – Boating South Africa.



“Also in June came the much anticipated Scape Sport 40, boasting a fresh new open-deck formulation. The epoxy cat weighs in at just under five tons and has already generated several enquiries. The vessel speaks to an adventurous class of boat owners who seek added performance on their cruising holiday”. – Boating South Africa.



In February 2019, Damen Shipyards Cape Town (DSCT) hosted a keel laying ceremony, marking the start of construction on the first of three Multi-mission Inshore Patrol Vessels (MMIPVs) for the South African Navy. These vessels will aid in protecting the country from threats such as trafficking, illegal fishing and piracy, as well as support job creation and enterprise development. (Damen Shipyards Cape Town.)

Key Sector Enablers:

