

CAPE TOWN'S OCEAN SPORTS ECONOMY PROFILE



A report compiled for the City of Cape Town/Invest Cape Town

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1. INTRODUCTION

The departure point for this research is two-fold. Firstly, it extends initial research into Cape Town's Ocean Sports Economy focused on surfing and kitesurfing (2018) conducted by UCT. Secondly it explores the marine manufacturing sector's interface with the Ocean Sports Economy.

The study examines the economic contribution of sports fishing, surfing, stand up paddleboarding, kitesurfing/windsurfing, kayaking/surfskiing, scuba diving and ocean safety. Within this framework the study examines; economic contribution (direct and indirect), direct employment, skills and qualifications, green factors, promotion and marketing and bottlenecks to growth (legislative or otherwise).

One of the project's focus areas will be on supporting manufacturing as a strategic local sector to build a retentive and skilled workforce, improve the labour environment and drive innovation. The project aims to explore the barriers currently challenging the sector and what is required to overcome these challenges in order to increase economic productivity.

2. RESEARCH AIM

The study sets out to understand Cape Town's Ocean Sports Economy by identifying the key stakeholders, their anecdotal economic contribution to the City of Cape Town's economy, the export and manufacturing opportunities, the strengths and weaknesses of the particular sport's industry, job creation opportunities, important cross-sectoral linkages, opportunities for development, and to devise specific strategies to address the issues and foster development of the sector.

The aim of the research is to gain an understanding of the current multi-scalar challenges facing the manufacturing, retail and broader supply chain of the Ocean Sports Economy in the Western Cape. It will aim to identify where the Ocean Sports Economy can be supported to grow exports, develop local skills, retain and possibly grow jobs, encourage import substitution and leverage linkages with other sectors.

2.1 Objectives

- Identify and describe the key stakeholders/organisations that comprise the individual ocean sports sectors.
- Provide an anecdotal based cost benefit analysis of each sport/activity.
- Identify key obstacles to support growth in the industry.
- Benchmarking of skills, qualifications and quality assurance.
- Identify sustainable/green opportunities.
- Identify opportunities for development and mechanisms for supporting the sector.

2.2 Envisaged Outcomes

- Deeper understanding of Cape Town's ocean sports sector, its value, employment capacity, its institutions and the operations of the sector.
- Identify opportunities for manufacturing growth and export growth.
- A network of stakeholders built through a common interest in this research initiative.
- The foundation to create a transversal platform for the stakeholders in the sector.
- A foundation of key concerns, perspectives, and opinions towards future potential policy intervention to strengthen the sector.
- The role of industry specific training.
- The role of events in supporting the sector.

3. BACKGROUND

Early in 2018, SABBEX (South African Boat Builders Export Council) had preliminary meetings with Professor Francois Viruly, an Associate Professor at the University of Cape Town with over twenty years experience in the analysis of various aspects of the South African economy. SABBEX had recognised that the Oceans Sports Economy was a significant contributor to the local economy, but that no official and rigorous research had been done to corroborate this "hunch". What the team realised is that very little is known about the industry and the economics behind Cape Town's diverse ocean sports industry.

Together with Prof Viruly and a team of two researchers at UCT (Luke Boyle and Tina Nguyen), a preliminary research study was done into the "Board" Sports Economy, namely Surfing and Kiteboarding, funded by UCT (Cape Town Ocean Board Sports Sector: An overview of Cape Town's Surfing and Kitesurfing Clusters, 2018). Strongly grounded in economic cluster theory and building on existing international research undertaken in this sphere, a small study was completed in 2018 and presented at the Cape Town International Boat Show in October 2018 (Appendix A).

The UCT research revealed a well-established local surf industry which includes an agglomeration of surfboard manufacturers. The locally-led, small-scale concentration of manufacturing firms have demonstrated an ability to evolve organically and are immediately responsive to market demands. However, similar to other parts of the domestic manufacturing sector, the cluster is experiencing a series of threats to its long-term survival, including foreign competition, unregulated local producers, low profit margins, lack of skilled local workers, a relatively small market, and import tax on raw materials. Despite these challenges, the local surfboard manufacturing cluster is poised for expansion and development, but only with the appropriate level of commitment and support to identify and implement mechanisms to develop the sport of surfing to generate wealth and create jobs.

The UCT research also found the kitesurfing sector is an established and growing sector in Cape Town due to the unique weather and surf conditions. With a distinct four month season (November to March), Cape Town attracts a significant number of kitesurfing tourists and professionals as well as a growing local interest in the sport. The profile of international events, such as Red Bull King of the Air have given Cape Town a high profile internationally. With this

increased popularity, there has been growth in the manufacturing and R&D supporting the sport. Top kitesurfing brands test their equipment in the Cape and one brand has established their R&D rapid prototyping hub in Cape Town. A local Cape Town sail manufacturer in the first quarter of 2019 expanded into the manufacturing of “kites”.

Following the presentation of the preliminary findings to the industry at the Cape Town International Boat Show in 2018, collaborative discussions between SABBEX and UCT continued and in February 2019, SABBEX approached Invest Cape Town a unit in the City of Cape Town to fund an extension of the original study to examine an additional five ocean sports and to provide an economic overview and profile of the sector. In addition to this, the City of Cape Town requested a review of the economic contribution of the Boat Building sector. This work commenced in April 2019 and is contained in this report, together with the findings of the original preliminary UCT study into surfing and kitesurfing. UCT early in 2019 also commenced with their own research into the demographics of active surfers in Cape Town, to better understand the socio-economic drivers behind surfing and this study is ongoing.

4. RESEARCH METHODOLOGY

A mixed qualitative-quantitative case study approach was adopted and each of the ocean sports were examined from the perspective of manufacturers, retailers, suppliers and trainers/schools. This was done in order to establish a base of diverse research participants. 34 semi-structured interviews were conducted either face to face or telephonically using survey questionnaires (Appendix B) that focused on the following themes:

- Economic contribution
- Employment/Job creation
- Exports/Imports
- Skills Development
- Sustainability/Green issues
- Obstacles and Opportunities
- Promotion and Marketing

Each interview took over 60 minutes and the findings were collated, analysed and coded to inform this profile report. Following the presentation of preliminary findings to Invest Cape Town/City of Cape Town, the findings will be delivered to a small group of stakeholders, together with UCT, to finalise recommendations and a plan of action to support the Cape Town ocean sports sector.

It is important to note that the categories of, Manufacture, Retail, Supply, Training/Schools, became blurred during the course of the interview process as it became clear that many of the ocean sports do not always fit neatly into one of these areas. Diversification is a strong trend and this was first observed when applying the questionnaire tools where, for example, a company may supply a service with retail opportunities and training incorporated and also repairs and maintenance. For example, a Dive Charter operator who takes clients diving, teaches diving, sells scuba gear and conducts repair and maintenance on scuba gear.

5. INDIVIDUAL OCEAN SPORTS OVERVIEW

This section of the report provides a short overview of each of the different ocean sports, in order to contextualise the different activities.

5.1 Sport Fishing

Sport Fishing in Cape Town is generally divided up into individual recreational fishing and commercial charter fishing operations.

The commercial charter fishing business is a vibrant and growing sector that caters for both locals and tourists. Using locally manufactured boats that are designed to handle the Cape Town oceans, charter operators offer deep sea fishing and inshore fishing and in many cases pelagic bird watching as well. Typically, the species caught include tuna, yellowtail, snoek and crayfish. Operators offer both fly and rod fishing and they offer trolling, baiting, vertical jigging and site fishing.



Source: Reel Thyme Charters Facebook Page

The individual recreational fishing industry comprises rock and surf angling and traditionally has been a popular sport in the Western Cape. Fishing is a well organised sport with clubs and national structures, as well as an informal individual participants. Developmental work in this sector is not well represented and offers a significant opportunity.



Source: Boxfishza.co.za

5.2 Kayaking/Surfskiing

Kayaking both as a business and a recreational choice has grown substantially in the last 20 years in the Cape. This is now an adventure sport choice for tourists and locals alike and numerous safe launch sites around the Cape have supported the growth. Prolific sea life and bird sightings and spectacular coastline views around Cape Town make this a growing adventure sport choice. Kayaks and paddles are manufactured locally from fibreglass, carbon

fibre and rotomoulded plastic with different designs and weights for different conditions.

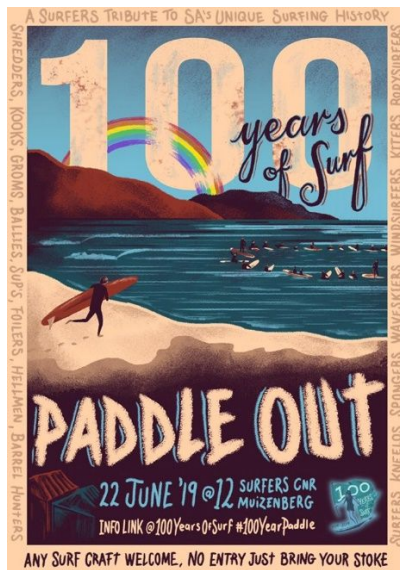
Surfskiing has a more focused following due to the narrow hull and fast performance of the craft. Traditionally a more technical sport, it has a dedicated following of regular paddlers who race on a weekly basis, as well as recreational users. Downwind paddling is a specialist division in this sport that sees paddlers racing in gale force downwind conditions. There is growing interest in the Cape for large scale events that attract international entrants due to our sea and wind conditions that support downwind paddling.



Source: Kaskazi Kayaks and Adventures Facebook Page

5.3 Surfing

Globally surfing is one of the most popular water-based leisure activities backed by a multi billion dollar industry. In Cape Town, the surfing industry benefits from an extensive stretch of coastline with wave and wind conditions that support a number of different surf-breaks for different skills and styles of surfing. Surfing was first documented 100 years ago at Muizenberg when some visiting American Naval troops loaned a surfboard to a young woman Heather Price, and a photograph was taken of her surfing. Manufacturing of surfboards was established with the likes of John Whitmore who introduced the first foam surfboards in South Africa in the early 1950's and established "Whitmore Surfboards".



Source: John Whitmore – Die Oom Facebook page

Today there are over 4000 surfboards shaped annually in the Cape (UCT, 2018) and a growing supply chain around the industry, supported by internationally recognised surfers and competitors and international sponsors.

Developmental surfing initiatives in recent years have broadened participation in the industry and highlighted the socio-economic benefits for youth, particularly from socially marginalised communities.



Source: www.amanzimag.co.za (Interview with Frank Solomon)

5.4 Ocean Safety

The Ocean Safety sector is a new phrase coined in the process of undertaking this research. Largely comprising volunteer based non-profit organisations such as Lifesaving SA, the National Sea Rescue Institute and Shark Spotters, these entities are significant economic contributors to the Cape economy. This study has only estimated the direct contribution they make to the economy, but their indirect contribution is even greater. For example, the cost of a shark attack to the City economy is mitigated by the Shark Spotters programme which creates employment and supports the ever-growing surf and water user culture in the Cape. The cost of a vessel run aground that is averted by the actions of the NSRI is another significant indirect contribution. Lifesaving SA on a daily basis ensures the safety of bathers and water users around the province. The

regulatory authority of the South African Maritime Safety Authority (SAMSA) provides a legislative framework within which ocean activities are conducted safely. In order for these entities to operate effectively and efficiently, there are manufacturers and suppliers of boats, lifejackets, liferafts, rescue flares, radios, wet suits, torpedo buoys, apparel, medical equipment and more. This preliminary economic profile's estimates are, in all likelihood, underestimating the contribution of this combined sector, that is vital to the growth of ocean sports in the Cape. It is a well-regulated and structured sub-sector that places South Africa at a distinct advantage in comparison to many other African countries who currently lack the regulatory frameworks.



Source: Lifesaving South Africa Facebook Page

5.5 Scuba Diving

Scuba Diving is a niche sport and its economic reach includes specialised equipment, training, boats, wetsuits, air compressors and other. A major drawcard for the Cape are dive opportunities that exist nowhere else in the world due to local conditions and sea life. The wrecks of the Cape are well documented. Kelp forests particular to the Cape are a dive attraction and recently dive adventures south of Cape Point to dive with Mako and Blue sharks have attracted an increasing interest from adventure tourists who seek experiences rather than purchases. Diversification is taking place into snorkelling activity with seal snorkelling adventures attracting locals and foreigners.



Source: False Bay Underwater Club Facebook Page

5.6 Stand Up Paddleboarding

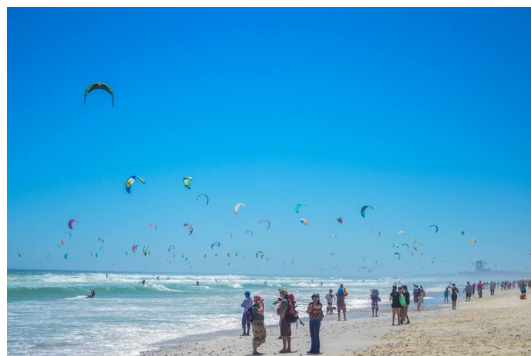
Stand Up Paddleboarding is growing as both a recreational and competitive sport. With downwind conditions in Cape Town, there is growing interest from extreme sports people who want to experience more extreme weather and wave conditions for paddling. For recreation and tourism, the expansion of the canals between the V&A Waterfront and the CTICC has offered a perfect platform for operators to offer flat water and safe paddling opportunities for beginners, all under the beautiful geography of the City Bowl. For local recreational paddlers with some experience, a small hub has formed in the Blouberg area and there are regular SUP paddles, including paddling to Robben Island with support vessels and safety protocols in place.



Source: SUP Cape Town Facebook Page

5.7 Kitesurfing/Windsurfing

Kitesurfing is a relatively new watersport and it has a wide variety of sub-genres requiring different boards and kites. Since the mid 2000s Cape Town has been one of the world's top destinations for kitesurfing as the City has idyllic conditions for beginners and professionals (UCT, 2018). There is a 4 month season running from November to March and it attracts a significant number of tourists. Large scale kitesurfing events also attract spectators, such as the Red Bull King of the Air which happens annually.



Source: South African Kitesurfing Association Facebook page

6. THEMATIC ANALYSIS

6.1 Theme 1: Economic contribution

The study sought to understand the economic contribution of each of the ocean sports based on anecdotal evidence supplied by respondents.

6.1.1 Business growth

Respondents across all categories of Manufacture, Retail, Supply and Training in all the sports were asked if their businesses had experienced growth in the last five years.

62% of the sample reported growth.

8.3% of the sample said there had been no growth.

4.1% of the sample said they had experienced negative growth.

25% of the sample did not respond.

The sub-sector reporting the highest growth was the SUP sector reporting 30%. The other sub-sector that has demonstrated high growth is the Kitesurfing sector. Whilst an exact growth figure was not established the research conducted by UCT (2018) found that this sector has grown internationally and Cape Town has become one of the top destinations for kitesurfing with the consistent winds, wave conditions and favourable weather. This growth is significant considering the sport has a distinct four-month season.

The next largest area of growth is seen in the Ocean Safety sector with reported growth of between 10 and 20% consistently reported.

The Scuba Diving sector report growth of between 5 and 10% with just one respondent in the retail sector reporting negative growth. Interestingly, this is attributed to the improvement in marine anti-poaching efforts and a subsequent decline in the number of poachers purchasing diving gear and outboard engines. However, it must be noted this is an anomalous point as many of the respondents in the survey are despondent about the level of poaching that still takes place in Marine Protected Areas.

The Fishing Charter sector had mixed reports on growth, with one respondent reporting 20% growth, whilst another reported nil growth.

The Surfing sector all reported growth but did not quantify the growth, however the UCT research (2018) indicated that surfing industry in general has seen significant growth since the early 2000s and that this upward trajectory is driven partly by the inclusion of women and families becoming active surfers.

The Kayak/Surfski sector did not respond directly to the question regarding growth, but anecdotally, one interviewee felt that there was growth potential with large events and international events potentially being hosted in Cape Town to boost the sector.

6.1.2 Turnover

From the sample respondents, the average annual turnover per company was R11 million. However, the majority of respondents reported a turnover of between R3 million and R7 million. The Ocean Safety sector reported the highest turnover of all the sectors with one respondent reporting R112 million in turnover. The Fishing Charter, Kayak/Surfski, Surfing and Scuba Diving all reported similar levels of turnover with the lowest being R1.5 million and the highest being R8 million.

6.1.3 Product and equipment

From the sample of respondents there is a mix of imported and local products and materials being used and approximately 30% make use of specialised equipment with many respondents highlighting the cost of procuring and operating specialised equipment.

6.1.4 Overall value of sub-sectors

6.1.4.1 Sport Fishing

This sub-sector is broken up into two distinct groupings: the boat based fishing charter industry and the recreational fishing industry (beach, surf and rock angling).

It is estimated that the commercial Fishing Charter sub-sector is worth R54 million with 60% of this business generated by foreign visitors (R32.4 million). The capital asset value of commercial boats and fishing gear in the Cape is estimated at R26 million.

The retail fishing component (retail/distribution/online) for hardware accessories/consumables report a R50 million annual turnover. In addition to this it is estimated that there are 15 000 beach, surf and rock anglers (Leipoldt, 2007) who will spend an average of R1 000 per annum on fishing, indicating a total value of R65 million in the recreational fishing industry.



Source: Hooked on Africa Fishing Charters Facebook page

6.1.4.2 Kayak/Surfski

It is estimated that there are 5000 recreational, fishing and sport Kayakers and Surfskiers and 400 professionals and competitors in the sector and based on anecdotal evidence this translates into a maximum contribution to GDP of R50 million.



Source: Freedom Paddle Facebook page

6.1.4.3 Surfing

The UCT study (2018) found that the surf retail sector contributes R200 million per annum to GDP. From anecdotal evidence from this study it is estimated that surfing lessons contribute a further R12 million. Approximately R38 million is generated in the manufacturing and supplier space with 4000 surf boards shaped annually (UCT, 2018) and an average value of R4000 per board with the balance generated by suppliers of accessories. As found in the UCT study (2018) and corroborated in this study, the price of a surfboard in Cape Town is significantly lower than it should be due to recently established shapers trying to break into the market and driving price and quality down. The total value of the surfing sector is therefore estimated at R250 million.



Source: www.amanzimag.co.za (Interview with Frank Solomon)

6.1.4.4 Ocean Safety

The Ocean Safety sub-sector comprises services (commercial and volunteer), manufacturers, distributors and training. It is a diverse sub sector where manufacturers are economically dominant, contributing approximately R250 million per annum to the Cape economy. The

National Sea Rescue Institute and Western Province Lifesaving each contribute R30 million per annum plus an additional R12 million in volunteer hours. Training is an important contributor estimated at R35 million per annum. The balance of GDP contribution comes from event safety companies and services such as Shark Spotters. This equates to a GDP value contribution per annum of R375 million plus R12 million in volunteer hours. As discussed earlier, it is likely that this is an underestimate of the sub-sector.



Source: NSRI Facebook Page

6.1.4.5 Scuba Diving

The scuba diving sector is estimated to contribute R94 million to the Western Cape GDP. The largest contributor in this sub-sector is training which generates R50 million per annum. The charter industry is approximately R24 million whilst manufacturing (largely wetsuits and not manufactured exclusively for the diving sub-sector) contribute R12 million. The dive retail industry is R8 million. The balance of contribution to GDP comprises the dive boat manufacturing and repair/maintenance sector and the independent recreational shorediving and snorkelling experiences.

6.1.4.6 Stand Up Paddle Boarding (SUP)

The SUP respondents in the survey had a limited sample size and therefore this figure will require further verification, but initial indications are that the sub-sector contributes R560 000 per annum to GDP. This figure is based on estimates for sales, teaching, repairs and transport of SUP boards and kiteboards (October – April) for foreign visitors.

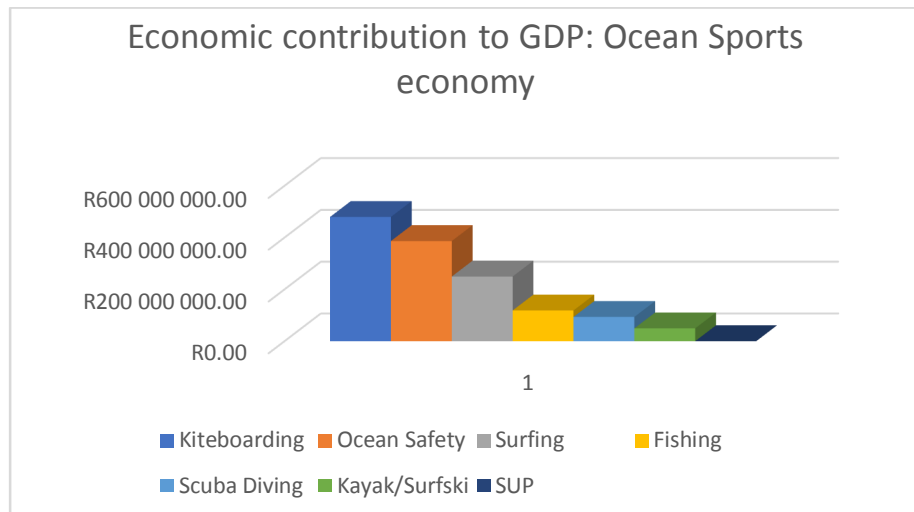
6.1.4.7 Kiteboarding and Windsurfing

Values for this sector are sourced from research conducted by UCT (2018), based on statistics supplied by the South African Kiting Association and supplemented with additional research data. The sector is valued at over R480 million and comprises the largest sub-sector ocean sport contributor to GDP. A large proportion of the kiteboarding and windsurfing contribution is generated by foreign visitors, inclusive of average monthly spend on accommodation,

entertainment and travel whilst the visitors are in South Africa. Considering this is a seasonal sport (November – March) the sector contribution is substantial.

6.1.5 Total economic value of Ocean Sports to the Western Cape economy

Based on the above research and assumptions, it is therefore estimated that in total the ocean sports economy contributes R1.38 billion to the Western Cape economy per annum.



6.2 Theme 2: Employment/Job creation

The Ocean Sports sector is strongly dominated by a mix of permanent and contractual employees. From the sample respondents, the following figures were extrapolated. The largest employer is the Ocean Safety sector with an average of 19 permanent staff and 8 contract staff per company (in the sample size, one company outlier employing 390 people was excluded). The kayak/surfski and SUP sectors are the smallest employers averaging 3 permanent staff and at least double that number in freelance/contract. In general, smaller companies employ more contract/freelance staff. A preliminary estimate of employment numbers in the sector, suggests that there are approximately 3 538 people employed (both permanent and contract staff) and 1000 unremunerated volunteers.

The race and gender profile in the industry varies and the study found that the longer a company has been established the more racially and gender balanced the workforce.

Fishing and Kayaking/Surfski are male dominated companies. Surfing has the most gender equity with a R60% male and 40% female workforce. This is followed by Diving with 70% male and 30% female and Ocean Safety with 75% male and 25% female.

In terms of racial profiling only the Kayak/Surfski sub-sector sample had 100% white employees. Interestingly, the Diving sample was the most transformed with 60% coloured and black employees and 40% white employees and it is

recommended that this finding be verified with a larger sample size to ensure veracity of the finding. The other sub sectors varied between 50% and 36% black and coloured employees with the balance being white employees. Whilst showing a more balanced profile, the sub-sectors are not representative of the Western Cape race demographic and the study did not investigate whether this employment profile is also reflected in ownership and management structures.

The Ocean Safety sub-sector sample was the only one that indicated they employ people with disability and none of the respondents across all the sport disciplines belong to any form of union or organised labour entity.

In terms of promoting job creation, respondents had a number of suggestions. Targeting school leavers, encouraging a love of the water, introducing sailing at schools, providing specialist training and addressing issues of an ageing workforce in the manufacturing sector.

6.3 Theme 3: Exports/Imports

As to be expected there was a distinct difference between service suppliers/training providers and manufacturers under the theme of exports and imports.

The Fishing Charter industry indicate that 60% of their clients are foreigners. They do not export their services and they do not directly import any goods or services, rather procuring imported product from retailers. Manufacturers in the Fishing industry supply boats and also repair and maintain the boats and they indicate 80% of their business is local with export markets being Mozambique, Seychelles, Zimbabwe and Angola. They don't foresee increased export opportunities and they currently import engines and spare parts and report issues with tariffs.

Kayak and Surfski supplier respondents did not indicate the percentage of local and foreign clients taken on ocean charters, but one would surmise that a percentage of clientele would be foreigners. The Kayak and Surfski manufacturers do export boats, but again no percentage was indicated by the respondents, however the value of a boat is between R6 000 and R8 000. The kayak retail sector indicate that they import accessories and there is an opportunity to increase retail exports, although destination countries for export were not specified.

The Surfing suppliers and retailers report that their current business is 100% local although one respondent said they were looking in the future to export to Mauritius, Seychelles and Mozambique. They currently import boards, accessories, wetsuits and branded gear and have issues with duties on imports. The UCT study (2018) found that there are distinct opportunities to tap into the export market for clothing, surfboards and apparel in the surfing sector. This is of particular relevance to surfboard manufacturers who have the skills. Another area with export growth potential is the development of new technologies such as Hydrofoiling with manufacturers already established in this sector. The UCT study (2018) also identified the potential for eco-board manufacturing where consumers are willing to pay a premium price for an environmentally friendly product. This was demonstrated recently in June 2019,

when the global publication Newsweek profiled a locally manufactured wooden surfboard, built in Muizenberg, as one the best father's day gifts.

The Ocean Safety sector is a diverse one. Sailing schools report that between 40 and 50% of their students are foreigners, and they do not see any opportunity to export their offerings. Generic safety training companies on the other hand see opportunities to promote their capabilities internationally, in particular into the African markets. Safety equipment manufacturers and importers do export their products and they would like to see inward buying missions to increase export opportunities. Currently they experience great difficulty exporting lithium batteries and emergency flares into African countries. The non-profit organisations working in the ocean safety sector did not report on any export opportunities as they have a particular local mandate and focus.

The Dive training schools reported 50% of their customers are foreigners. The Dive retail sector currently export product to Africa and the Indian Ocean Islands but did not report on what percentage is exported. The retail sector import wetsuits, drysuits and other diving equipment and they currently experience a 40% duty on imports in addition to the freight costs. In the wet suit manufacturing sector, 10% of product is exported and large proportion of this is into Namibia and the diamond diving sector. All the material used to fabricate wetsuits is imported with the local value add being the fabrication whilst the tariffs for import stand at 22%.

The SUP rental industry does not have an export/import focus, whilst the retailers import most of their boards and accessories.

The Kiteboarding manufacturing sector is growing and so are the exports, although a percentage figure was not obtained in this study. Ullman Kiteboarding was established in Paarden Eiland in the first quarter of 2019, where they have an R&D and manufacturing facility with international reach. A global leading international kite board and accessories manufacturer have established their R&D and rapid prototyping facility in Cape Town with manufacturing taking place in Asia. They are the fastest growing kite brand in the market with an annual growth of 40%. With a strong brand following and increasing popularity of this sport, local manufacturing has been identified as a key area for future growth (UCT, 2018).

6.4 Theme 4: Skills Development

In the Fishing Charter industry, formal skipper training and STCW (Standards of Training Certification and Watchkeeping) training is required by SAMSA and international IMO regulations and this training is offered by TVETs and private providers. Over above this statutory training, there is a need for specialist short courses for deckhands in order to upskill them in the areas of marine life, aquatic bird life, environmental conservation, marine conditions and hospitality. An all-rounded deckhand who can add value to clients on an offshore fishing charter is crucial. In addition to this, respondents highlighted the need for outboard engine technician training. Currently, this skills set has no formal qualification and it needs to be developed.

In the Kayak adventure industry, there is a bottleneck with the statutory training requirement for kayak guides to have a Generic Adventure Site Guide qualification. Respondents reported the qualification is complex and a barrier to entry for new employees in the industry. The need exists for a simpler and more accessible qualification. Because the majority of kayak guides are freelance or part time employees, it does not make economic sense for operators to outlay the cost of the training, when the guides may well be working for a competitor at other times of the year. The industry feels that a better understanding of the adventure tourism sector and the niche specialisations and requirements would help. An existing international specialist short course developed for the Desert Canoe Trail in the Richtersveld could be used and adapted to create an industry relevant short course qualification. There is also a technical requirement for people to be trained in kayak repairs, primarily in composites, but also in steering systems. It was suggested that a central repair centre with adequately trained composite repair staff could be used across all the ocean sports that use composite products (kayaks, surfskis, SUPs, surf boards, windsurf boards, kite boards).

The surfing industry is built on skills and training with over 50 000 surf lessons taking place a year in Cape Town (UCT, 2018). This appears to be well regulated and South African surfers have an excellent international reputation. There are a number of outreach programmes that train previously disadvantaged youth to surf and these organisations have laid important groundwork upon which transformation in the surfing sector can be driven. As holistic interventions, the outreach programmes play a vital role in addressing broader socio-economic issues in the Cape and they offer youth from marginalised communities an opportunity to engage in a healthy sporting lifestyle fraternity.

In the Ocean Safety sector, and specifically in the Sailing Schools who teach Royal Yachting Association (RYA), S A Sailing (SAS) and SAMSA accredited qualifications, the issue is difficulty in retaining trained skippers and instructors who leave because of low local remuneration and the comparatively much higher remuneration on offer in the international yachting and super yachting sectors. One respondent raised the issue of parity of quality assurance between RYA and SAS skipper qualifications and a need for harmonisation and recognition of international sailing qualifications with SAMSA.

In the Lifesaving component of Ocean Safety, there is a need to train more lifeguards and to create a career path. With over 300 pro lifeguards required per season and insufficient lifeguards at the City's 35 municipal swimming pools this is a priority area. Respondents recommended a career path for new entrants that starts with swim training, followed by pool lifeguard training, then beach lifeguard training and eventually pro lifeguarding. The qualifications are in place and what is needed is better funding to capacitate the City's beaches and municipal swimming pools. A related and urgent skills training requirement, with appropriate policy and legislation to support it, is the establishment of a Beach Stewards programme. This was raised by a number of respondents who see the need for greater safety, environmental monitoring and overall beach management. Programmes established in Portugal were cited as international best practice to be considered when developing a Beach Steward intervention in Cape Town.

The safety equipment suppliers in the Ocean Safety sector have developed their own in house training for repairs and services for their equipment both locally and in Africa due to the specific nature of their products. Safety training for onboard competences urgently require onboard work experience opportunities for their learners on the appropriate tonnage of vessel. This extends to the need for experienced Marine Surveyors with the requisite qualification and sea time. An urgent requirement in this sub sector is the development of online learning with modern short courses that are Marpol compliant. The slow turnaround of qualification registration and quality assurance in the vocational qualification space creates substantial bottlenecks and prevent access to Skills Development Levy funds. In the non-profit Ocean Safety sector, the high cost of training for responders is a continued budgetary burden which some are able to absorb and smaller organisations can't, hence the request for grants to assist with specific responder training.

In the Diving sector, Padi is the dominant qualification offered by Dive Shops and there are between 5 – 8 training schools in the Cape Town areas for recreational diving. In the military equipment diving sector international suppliers of specialist equipment such as re-breathers will come to train local suppliers/retailers on equipment maintenance and servicing.

In the Kiteboarding sector, many instructors offering training are approved by the South African Kiting Association and some schools are certified by the International Kiteboarding Organisation. This sport is generally well regulated to international standards.

6.5 Theme 5: Sustainability/Green issues

In general most of the respondents are aware of environmental sustainability and their commitment to change includes recycling, especially packaging, beach clean ups and underwater clean ups. One respondent is proactively repurposing waste by-product producing bean bags from neoprene off cuts and supplying offcuts to Physiotherapy units to be used by patients in rehabilitation. Another respondent is using sail cloth offcuts to make kites for the kitesurfing industry.

Two significant environmental issues were raised by individual respondents. The first is the disposal of old batteries and flares. The Navy used to use expired flares for their exercises, and now a pyrotechnic disposal service provider is needed. It was suggested that consideration be given to a levy for flares to encourage people to bring in expired flares and not to shoot them off as fireworks. Flares shot off from the land can result in fires and unnecessary activation of emergency services in response to flare sightings reported by the public. The second issue raised by the diving sector is the practice of octopus fishing in the Marine Protected Area of False Bay where ropes and lines historically have trapped whales and recently resulted in the death of a Bryde whale, a rare whale species.

A small number of respondents reported that the recent power outages affected business but it was viewed as an inconvenience by and large. A few respondents suggested that solar power, batteries and wind energy could be used as an alternate power source, but in general respondents thought it "impractical" and "not worth it".

6.6 Theme 6: Obstacles and Opportunities

The key challenges experienced are sector specific with respondents raising very different issues. For the Fishing sector the main obstacles are bag limits, being unable to sell catch, training staff and DAFF permits.

For the Kayak sector it is a lack of understanding by tourism authorities on the adventure tourism sector and kayaking requirements. They also cited increasing fuel costs incurred in the transport of kayaks to suitable launch sites.

The Surfing sector had a broad range of issues: high City rentals and the urban decay of Main Road for retail shops, polluted beaches and waters, issues with permits for events, the trade in fake branded goods and the long time it takes to get market share with a new brand due to the sector being extremely brand conscious. In addition, the UCT research (2018) identified the surfing industry has struggled to stay lucrative in the context of increased political and economic uncertainty. Tourism fluctuations also have a significant impact on the sector. The relatively small size of the sector is a challenge as it makes it difficult for businesses to expand and innovate and manufacture at an affordable local price. The imported Chinese brands push down prices and force retailers to sell at decreasing prices. For surfboard shapers, the price of a locally shaped board is lower than it should be due to market perception and poorer quality boards being manufactured locally at cheaper prices.

The UCT research (2018) found that the Kiteboarding sector challenges are similar to the Surfing sector. "These include, the size of the market, the lack of consumer confidence and the unregulated nature of the sector." Issues with hosting events and regulatory local authority issues are a hinderance. Similarly, Kiteboarding currently falls under South African Sailing (SAS) as a sporting body and the South African Kitesurfing Association (SAKA) feels it does not get enough support from SAS and as a result the lack of cohesive support limits the development of the sport. Lastly, the costs associated with kitesurfing are high. On average a kite set up costs R28 000 and generally people have two to four kites, adding an additional R20 000. (<https://amanzimag.co.za/amanzi-speaks-to-saka-south-africas-kitesurfing-association/> accessed 25 June 09h50)

The Ocean Safety sector challenges reported are: staff retention, staff costs, lifejacket approvals from NRCS for sport specific lifejackets with ISO approvals and funds for simulators to take training to the next level.

In the Diving sector location specific issues were raised; firstly the prohibitive cost of safe public transport between Cape Town and Simonstown. They cited the lack of safe rail transport, the lack of a My Citi Bus route and an Uber cost of R600. Secondly, the lack of safety and security in the vicinity of Oudekraal on the Atlantic Seaboard means clients are changing into diving gear and wetsuits at the side of a busy road where cars are visible, minimising theft. A major challenge for the Diving sector is legislated permit requirements. It is the only ocean sport requiring a permit, yet they have almost no impact on the underwater environment as distinctly different to fishing and shark cage diving as an example. Diving events also require eventing permits and this is seen as problematic. In the manufacturing respondents, generic challenges were raised, namely finance, cash flow and holding stock.

In the SUP sector, a challenge cited was the industry working against each other and a lack of coordination to grow the sport.

In the short to medium term across all the ocean sports respondents see growth potential. The opportunities for growth surprisingly show some similarities across sectors, considering the key challenges identified were so diverse. Increased events and tourism are seen as a major opportunity. Training, lessons and skills development are also a cross sectoral opportunity. Diversification of activities and diversification of product were another theme for growth opportunities. A small number of respondents saw growth opportunities associated with better access to Marine Protected Areas and improved safety on beaches and in the water.

The UCT research into Kitesurfing and Surfing (2018) also identified key opportunities. In the Surfing sector there is an opportunity to develop local manufacturing capacity for clothing, surfboards and apparel. The emergence of new wave riding disciplines also creates a niche manufacturing opportunity while the production of ecoboards is another area of growth. Bringing surfing to previously disadvantaged people has massive potential for growth. In the Kiteboarding sector the UCT study identified the opportunity to build on Cape Town's established reputation in the kitesurf market with greater visibility overseas. The opportunity also exists to raise the profile of the sport through hosting international events. Thirdly, as with Surfing there is an opportunity to expand local manufacturing of boards, kites and accessories.

6.7 Theme 7: Promotion and Marketing

In general respondents felt that more international marketing support from government would promote the ocean sports economy in Cape Town such as exhibiting at overseas shows and growing the Cape Town International Boat Show. Growing and supporting large ocean sport events is viewed as an important lever. A number of respondents feel that a developmental approach to all ocean sports is vital for the expansion and growth of the sector. An area of concern that arose under this theme and others was the importance of clean beaches and safe beaches. Preserving the oceans, keeping them clean and safe are the number one priority to supporting the ocean sports economy.

A number of respondents are already members of existing associations (Cape Charter Association, SADSA, Fishing Clubs, African Paddling Association, SUP SA, SAS, Underwater Africa, CT Tourism, Surfing SA) and the majority said they would join an association representing all ocean sports.

7. SECTORAL OVERVIEW

7.1 Sport Fishing

7.1.1 Charter

Approximately 22 commercial fishing charter companies operate in the Greater Cape Town area. Of these, 9 are located in Hout Bay, 5 in Simonstown, 1 in the Waterfront, 3 in Gordons Bay, 1 in Hermanus and 3 that do not have a specific location.

There is a level of diversification taking place in the fishing charter sector with high speed boats being used for events, film shoots and marine safety. Two companies in particular work in this diversified space. In addition, fishing charter operators are taking advantage of winter opportunities for whale monitoring and whale watching.

"We also offer a variety of exciting boating excursions such as Eco Ocean Safari's, Cray Fishing, Pelagic Birding Trips. We are also frequently being called upon for boat hire for the use of filming of Documentaries, Celebrity Video & Photo Shoots & boat hire for major sailing events such as The Volvo Ocean Race." (Quote from Hooked on Africa website)

An issue of great concern to the commercial fishing charter operators is the Total Allowable Catch (TAC) for pilchards issued by DAFF. Whilst we have pilchard stocks in South Africa, there are regularly shortages of fresh and frozen pilchards used for bait, and charter operators import pilchards from Morocco in order to be able to continue operating.

Job opportunities exist in this sector for deckhands. Qualified deckhands earn R1000 per day whilst trainee deckhands earn R500 per day. On average they will work 100 days per annum plus any tips received. On top of the statutory training, specialist training courses need to be developed to add value to the industry. Fishing charters are costly and generally clients are relatively high net worth individuals expecting more than just a boat ride to a fishing ground. Deckhands need to be trained in hospitality, marine bird life, marine aquatic life, fishing gear and basic boat maintenance and troubleshooting.

A potential opportunity for growth in this sector, is if charter fishermen could sell a portion of their daily bag limit catch. Currently they are not allowed to sell catch, although in reality there are a number of middleman operating under the radar selling fresh catch. A recommendation to DAFF would be to charge a fee for a combination of a recreational and commercial permit that allows some catch sales. This would generate revenue for DAFF and could be used to combat poaching activities whilst also regularising fresh fish sales and allowing operators a percentage of return. The challenge identified by respondents is that communication with DAFF is almost impossible.

Fishing charter operators, whilst running a business are custodians of the ocean and their operations include catch and release and a sustainable approach to the very stocks their businesses depend on.

A Total Allowable Catch (TAC) of 1084 tons has been determined for the 2018/19 fishing season, which is a 43.6% reduction when compared to the TAC of 1924.08 tons determined for the 2017/18 fishing season. (Quote from the DAFF announcement 2 November 2018)

7.1.2 Retail

Approximately 11 companies operate in the Cape Town area with 5 located in the Northern Suburbs and 6 in the Southern Suburbs. Largely supplying fishing

rods, tackle and accessories, the retailers have seen a decline in individual recreational fishing and a subsequent downturn in business. It has become costly to hold stock and retailers feel that the impact of poaching is having a detrimental effect on recreational fishing. One firm has closed their retail store fishing division in Cape Town and have moved to online retail, with the busiest online purchases coming from Johannesburg and Durban. Beach and rock angling safety is an issue as well as safety at boat launch sites, where it is reported that poaching activity has marginalised law abiding recreational fisherman wishing to use the launch sites.

7.1.3 Manufacturing

Currently there are a handful of boat builders building recreational fishing vessels in fibreglass and semi-rigid inflatable materials. Similarly, a small number of boat servicing and maintenance companies exist to support recreational fishing.

Training is needed for outboard engine technicians. No qualification currently exists for outboard engine technicians and the large OEM brands offer their own in-house training on brand specific issues, but a baseline technical competence is in short supply. A similar issue exists for inboard engine technicians able to operate the specialist diagnostic software and associated maintenance and servicing tasks.

7.1.4 General

Recreational angling clubs are generally well organised and are part of national fishing structures with participation on SASCO. It is estimated that there are 21 recreational angling clubs from Yzerfontein to Gansbaai and on average there are 5 competitions run annually. Shore angling is represented by the Western Cape Shore Angling Association with 7 affiliated clubs and 1200 members.

Development work is currently undertaken by the Youth Fishing Academy, a small non-profit aimed at empowering young black anglers and changing the exclusive perceptions of the sport. The project is linked into empowering youth development and addressing the scourge of gangsterism, drug use and crime in the Mitchells Plain and Khayelitsha areas, by partnering with local schools and community structures and teaching children to fish from the shore.

7.2 Kayaking/Surfskiing

7.2.1 Charter

The kayak charter industry comprises approximately 20 companies that run both ocean kayak trips as well as river-based trips, with a greater proportion running river based operations. Operators are members of the African Paddling Association for commercial paddling in South Africa. Charter operators believe there is strong potential for transformation in kayaking charters if training and employment efforts are aligned to existing efforts in Lifesaving, Waves for Change, the Khayelitsha Canoe Club and Educo. If potential new employees already have an affinity for water it will reduce the drop out rates. There is currently a need for qualified and experienced guides in this sector and job opportunities.

Remuneration rates for river based charter operations are standardised, with trip leaders earning between R1250 and R670 per day dependent on experience, river guides earn between R675 and R525 per day, river crew earn between R430 and R345 per day, porters earn R320 per day and drivers earn R295 per day, all excluding accommodation and food.

7.2.2 Manufacture

Kayaks cost between R6000 and R8000 per boat and they are manufactured locally in South Africa, but not necessarily in Cape Town. The manufacture of surf skis also happens locally, but the two centres for ski manufacture are East London and Durban. Paddles and lifejackets are also manufactured and sourced locally.

7.2.3 Retail

The retail shops also undertake repairs of both kayaks and surfskis and they identify a need for specialist epoxy and carbon repair training. The retailers also feel there is a crucial need for a “go to” point of contact for all ocean sports and that this would provide a more cohesive and supportive regime for the sector. They see large events as crucial drivers for industry growth.

7.2.4 General

Kayaking and surfskiing offers the cheapest entry level boat. It is a self regulated industry where no skippers ticket is needed. The boats are portable with roof racks on a normal car. The increase in the number of foreigners booking kayak charters has opened up a small business opportunity for an operator to transport boats between the start and end of a one way kayaking route in False Bay.

7.3 Surfing

7.3.1 Manufacture

The UCT study (2018) identified 27 board shapers with 7 located in Muizenberg, 6 in Kommetjie, 3 in Paarden Eiland, 2 in Woodstock, 1 in Edgemoed, 1 in Montague Gardens, 4 in Table View, 1 in Strand and 1 in Hout Bay. This is a wide geographic spread considering the main surfing cluster is located in Muizenberg. The study also identified a resurgence of ‘old school’ styles and artisanal board making with a shift back to traditional handcrafted boards and eco friendly surfboards. The surfboard manufacturers compete with the East and they have low profit margins to remain competitive. An opportunity exists to grow the board exports from the current 10% export market identified in the UCT study. The shapers have a more collaborative approach driven by passion for their sport which means they often work together and help each other out. On the downside, they are often not entrepreneurs and most do not have formal business qualifications.

7.3.2 Retailers

The UCT study (2018) identified 28 retailers with 7 located in Muizenberg, 5 in the City, 3 in Fish Hoek, 1 in Kommetjie, 1 in Paarden Eiland, 5 in Big Bay and 5 in Tableview. The retailers are strongly competitive in comparison to the manufacturers and they are diversified with very few only focusing on retail.

Other components include coffee shops, schools and rentals etc (UCT, 2018). They are strongly reliant on the tourist trade and a respondent in this study cited 60% of their customers being foreigners. However, they largely purchase branded T shirts while the more costly items like wet suits are purchased by locals. This competitive apparel market where retailers sell clothes made in the East means they need to move higher volumes of product. A key challenge for surfing retailers is the high cost of rent as they need to be in high foot fall areas and they feel that the rents they pay are higher than the value of the properties (UCT, 2018).

7.3.3 Training

The UCT study (2018) identified 27 surfing schools with 8 located in Muizenberg, 3 in the City, 1 in Hout Bay, 7 in Big Bay, 7 in Tableview and 1 in Strand. The training sector has benefited from the growth of the surfing market and surfing culture in Cape Town and its popularity continues to grow. Surf instructors are considered world class and development surfing participants go on to teach beginners to the sport creating employment opportunities for youth from historically marginalised communities on the Cape Flats. Training schools also diversify into board and wet suit rentals, group team building experiences etc.

7.4 Ocean Safety

7.4.1 Manufacture

The Ocean Safety sector is supported by local manufacturing companies. This study identified manufacturers of the following products based in Cape Town; lifeboats, lifejackets, rope, torpedo buoys, man overboard cannisters, liferings, flares, boats and jetski adapted rescue craft. This is a vibrant sub sector with strong growth potential and job creation. Companies reported needing “ocean minded” interns who can be trained on the job in specialist skills such as netmaking, splicing and rope access. Manufacturers are also mindful of plastic pollution and suggestions were made to run responsible fishing courses in partnership with WWF, to build large wire fish/dolphin on beaches where people could pick up plastic and fill the wire fish/dolphin.

7.4.2 Retail

The sale of safety equipment that meets international standards is the backbone to the shipping, boating and ocean sports economy. From a pencil flare carried by a recreational kayaker to a municipal life ring at a pool to a large liferaft for a ship, retailers must ensure all product meets both local and international standards and that equipment is maintained and serviced correctly.

7.4.3 Training

Training is a major component of the ocean safety sector. It is also very diverse with sail training, power boat training, a wide range of shipping positions, training in swimming, rescue, boat operation, first aid, firefighting etc, training in the operation of safety equipment, helicopter rescue, highline rescue and more. A critical contributor in this sector is volunteer training to ensure rescue responders on the ocean and coast line are equipped and experienced to

rescue others when the conditions deteriorate at sea and people become casualties. Training to the highest standard is imperative in this sub-sector.

7.5 Scuba Diving

7.5.1 Operators/Charter/Training

Diving operators are geographically well spread out over the Cape metropole. Atlantic seaboard 5, Southern suburbs 3, City 2, Strand 2, Bellville 1, Paarden Eiland 2. There are four diving clubs and these are located in Bellville, Rondebosch/UCT, False Bay/Plumstead, Stellenbosch/Maties and Pinelands.

Generally, it is felt that there is growth potential in the recreational diving sector, specifically in attracting foreign visitors. With a wealth of wrecks, wildlife and sharks, Cape Town provides a unique destination for visitors. There are a number of blockages that need to be addressed in order to facilitate growth in the sector, for example SAN Parks, City events office and dive site security.

7.5.2 Manufacture

Manufacturing in the scuba sector is largely limited to wet suit production with three well established production facilities demonstrating growth.

7.6 Stand up Paddleboarding

This sector is integrated with retail, supply and training happening under one roof in many instances. Companies cite safety and scenery as two factors that influence their location choices. Training/lessons comprise a large portion of activity in this sector, with the UCT study estimating approximately 6000 SUP lessons per annum. The sector is highly competitive with very little collaboration taking place. One respondent felt that regular industry engagements could strengthen the sport.

7.7 Kitesurfing/windsurfing

7.7.1 Manufacture

The manufacturing opportunities for kitesurfing and windsurfing are significant. In the last year, two kite manufacturing facilities have been established, off the back of sail making loft diversification. With the sector driven by constant innovation and cutting-edge research and development, manufacturers must continually respond flexibly to new designs and trends. For example, the recent emergence of “stringless” kites where a hand-held kite with inflatable reinforcing is used in conjunction with a board. This game-changing development is manufactured in Cape Town and has the potential for growth. So too is the board manufacturing space and developments in control bars, twin tips and foils. There are a number of accessories that can potentially be produced in South Africa such as fins, bindings, harnesses and footstraps and flotation vests. With R&D and testing taking place at SA’s top Kitesurfing

destinations, the opportunity exists to move beyond prototyping and expand into larger scale manufacturing with concomitant upskilling.

7.7.2 Retail/Supply and Training

This sector is also an integrated sector with companies selling, supplying and training under one roof in many instances. It is a competitive sector and in Langebaan with 10 kitesurfing schools, user conflict has necessitated the intervention of SAN Parks who manage the beaches and lagoon to avoid overcrowding and potential danger to all water users. The UCT research (2018) estimates 80 000 lesson hours for kiteboarding in Cape Town and Langebaan with an average price of R500 per hour. 70% of these lessons are for visiting foreigners who comprise approximately 15 000 visitors a year (UCT, 2018). It is becoming apparent that the kitesurfing clusters at Blouberg and Langebaan have a level of saturation and new kitesurfing cluster agglomerations need to be explored, for example at the Strand where wave and wind conditions support both entry level and professional kites.

7.8 Specialist sports

During the course of the research a number of specialist and niche ocean sports opportunities arose in discussion. These activities do not fit neatly into a sporting category, but they demonstrate the responsiveness of the sector in meeting market demand.

There are a few examples of this in the tourism sector. One is the Torpedo Swim/Run, a newly established event that incorporates ocean swimming and off road running along the Cape coastline for participants. Whilst similar to a triathlon event, it is mooted as a unique Cape adventure, rather than a sport based opportunity. Another, is a snorkelling with seals activity that is successfully operating out of Hout Bay to Seal Island. A company offering “water bike” rides from Granger Bay was also recently established.

A local company has identified a global need for advanced superyacht crew training to cater for the growing adventure sports taking place on superyachts. Many of these superyachts are increasingly owned by active and sporting people with a quest for adventure and are no longer the “gin palaces” of the past. With this comes a need to elevate the overall skills of superyacht crews assisting owners and guests venturing into the water. A Cape Town company has developed training courses delivered in greater Cape Town, for Advanced Outdoor and Ocean Training. Courses include advanced personal water craft surf rescue coxswain training, assisting water sports from a tender, waterman training, rescue operations and more. In choosing to establish their training facility in Cape Town, they cite the geographic location as having the following advantages: access to a varied sea state on any day, staging entry level to advanced level locations, ocean and land based activities achievable within two consecutive days, depth of experienced locals, and access to a variety of unique Cape Town experiences.

An SMME new entrant opportunity was identified in the sail washing business. Historically, sail washing was done by sail lofts, but with advances in technological manufacturing, this support service is no longer offered. Older dacron sails from existing boats require washing and there is a low barrier to entry opportunity for someone with basic rigging knowledge and sufficient surface area and access to recyclable water to establish a service operation.

Another tourism opportunity identified by respondents, was to build tourism accommodation in light houses around the Cape and offer unique bespoke accommodation opportunities to visitors and locals.

In the sport fishing sector, the opportunity was raised to manufacture fishing line and lures locally and address import substitution. This is an area that needs further technical research to examine the economic viability.

8. RECOMMENDATIONS

The establishment of an industry forum or association to represent the ocean sports sector was supported by the majority of respondents. It is recommended that the forum be an objective/neutral body that unifies the sector and does not replace existing representative bodies but rather enhances communication and engagement with the City and other authorities and organisations involved in ocean sports. Collaboration in support of the sector and more streamlined public and industry engagement will assist with the economic growth of the sector. Support for manufacturing and research and development in the ocean sports sector is critical if the sector is to remain globally competitive.

Based on the key findings and the content of this report, it is recommended that the industry association or forum address five broad areas:

1. Promotion of ocean sports and an “amanzi” water culture across all the sub sectors.

Generating and supporting an emerging society of water users who are passionate about the ocean and everything it represents in Cape Town, will create opportunities and articulations that will support economic growth opportunities. This includes supporting school initiatives in teaching learners swimming and an understanding of our oceans. Closely linked to this is a need to support outreach and developmental NGO programmes currently working in the ocean sports space. Actively using programmes to address socio-economic challenges in marginalised communities is an opportunity. Large events, both local and international need to be attracted to Cape Town and environs across all the sports sectors. Coupled to this is an international marketing drive for ocean sports opportunities for visitors to the Cape. The Cape Town International Boat Show is one local event that can provide a cohesive platform for marketing opportunities locally.

2. Career pathing and Specialist Training

One of the key findings, is a need for specialist training courses to be developed to address gaps and shortfalls in formal provision and to enhance the niche opportunities that exist in the sector. These include; composite repairs, deckhand training, outboard engine technician training and kayak guiding. In the research it became apparent that there are less obvious career path options open that an association could promote to facilitate job creation and skills transfer from an existing ageing workforce to youth entrants. For example pattern cutting in the wet suit fabrication business.

The need for simulators and online learning to speed up skills acquisition particularly in the maritime crew sector is vital. So too is an articulated career path from swimming skills to basic lifeguarding to pro-lifeguarding and the associated job opportunities that exist in manning swimming pools and beaches more comprehensively in the Province.

The introduction of a Beach Stewards programme is a significant need in light of security and crime issues that need to be addressed to promote safe beach experiences. Whilst lifeguards currently fall under Parks and Recreation, they could more effectively operate under Safety and Security and could more adequately be supported from a policing perspective by a Beach Steward intervention, as has been successfully implemented in Portugal.

3. Manufacturing and Employment enhancement

The surfing and kitesurfing sub-sectors have significant opportunities for manufacturing expansion. With significant R&D and prototyping happening in Cape Town, the opportunity exists to upscale into production, if pricing could be competitive with Asian manufacturers and the requisite skills could be supported. Eco boards were identified by the UCT study as a growth opportunity and innovations in kite manufacture and foil manufacture present opportunities. Local surf branded clothing and apparel was also highlighted in the UCT study as an area for manufacturing growth potential.

With the flexible and responsive nature of businesses in the ocean sports economy, there are opportunities to support young entrepreneurial ideas such as sail washing and board transport. A significant employment opportunity exists in lifeguarding. With the right training and career pathing support, young people can be trained to meet the need for beach and pool lifeguards. Similarly, with the establishment of a Beach Stewards safety programme, jobs can be created in support of safe and clean beaches in the City.

4. Address regulatory and legislative bottlenecks

There are a wide range of regulatory and policy issues affecting the ocean sports sector. First and foremost is the close connection between tourism and the ocean sports economy. This interface is symbiotic and a better understanding of this relationship is critical for government to understand in order to leverage economic benefits arising from this close relationship. Closely linked to this is the issue of events and permitting; an holistic understanding of the economic impact of large scale and international events will allow better leverage to grow the sector. However, it will require collaborative solutions across different departments and jurisdictions in order to cut red tape and encourage more eventing activity. An example cited by a respondent, was that if today someone proposed an internationally recognised cycling race that would close down half the City for a day, it is highly unlikely a permit would be approved. However, the Argus Cycle Race has become a significant economic contributor to the City of Cape Town and necessary permits and safety and security are in place.

Some of the sub sector specific regulatory blockages need to be addressed include; export of lithium batteries, approval of lifejackets with NRCS, diving permits, bag limits, sale of fish catches, recognition of international yachting qualifications locally. At a systemic level, safety and security along the coastline and at beaches needs addressing, as does safe and affordable public transport between key nodes such as Cape Town and Simonstown.

5. Environmental stewardship

The preservation of clean oceans and beaches is a critical area requiring support and activation. All respondents in the study have a vested interest in preserving the very space which affords them the opportunity to conduct business. Particular issues raised include

pyrotechnic disposal, the impact of octopus fishing in False Bay, ocean debris from recreational fishing, sewage outfalls and plastic contamination.

9. CONCLUSION

This research builds on the initial UCT (2018) research to understand the scope and scale of ocean-based sports activities in Cape Town. It deepens the understanding of the underlying dynamics that underpin the sector and provides an overview of the key stakeholders, how the industry operates and the key challenges and opportunities that exist. This research is not exhaustive and provides an anecdotal profile in support of meaningful interventions that can be developed to support and grow the sector economically. Further research will add value and nuance to this baseline picture, however, it is clear that there are opportunities for further growth and activities to be undertaken in support of skills development, sector promotion and collaboration, job creation and stewardship.

10. REFERENCES

Cape Town's Ocean Board Sports Sector: An overview of Cape Town's Surfing and Kitesurfing Clusters. University of Cape Town. 2018.

The Economic Impact of Sport and Recreational Angling in the Republic of South Africa: Report of project to scientifically determine the overall Economic Impact and Strategic Value of Sport and Recreational Angling in the Republic of South Africa, 2007. Development Strategies International Pty Ltd. Compiled by Professor Marius Leibold and Dr Colin J van Zyl.

APPENDIX A

Cape Town's Ocean Board Sports Sector: An overview of Cape Town's Surfing and Kitesurfing Clusters. University of Cape Town. 2018.

APPENDIX B: QUESTIONNAIRES

City of Cape Town Research 2019

What's happening in Cape Town's marine manufacturing and ocean sports economy?

Interview Questionnaire

MANUFACTURER RESPONDENTS

March 2019

1. INTRODUCTION

The study sets out to understand Cape Town's ocean sports economy by identifying the key stakeholders, their anecdotal economic contribution to the City of Cape Town's economy, the export and manufacturing opportunities, the strengths and weaknesses of the particular sport's industry, job creation opportunities, import substitution, important cross-sectoral linkages, opportunities for development, and devise specific strategies to address the issues and foster development of the sector.

For this study the "ocean sports economy" is defined by the following sectors in the Western Cape: Surfing, Kite Surfing, Wind Surfing, Scuba Diving, Stand Up Paddling, Kayaking, Surfskiing, Boating/Sport Fishing and Ocean Safety (NSRI, Lifesaving SA and Sharkspotters).

The data collection method is semi structured face-to-face and telephonic qualitative interviews. The categories of respondents per each sub-sector are:

- Manufacturers
- Retailers
- Suppliers
- Training/Skills development

2. BIOGRAPHICAL DETAILS

Date		
Sport sector		
Respondent	Name	

	Position			
	Contact details			
Company	Name			
	Geographical location	Suburb		
	Company size	Small	Medium	Large

3. COMPANY OVERVIEW

Give an overview of your company, your history, your products and activities?
 Are you a custom manufacturer or a mass manufacturer?
 What is your BBBEE status and what is your ownership structure?

4. DISCUSSION

Theme 1: Economic contribution

1. Has your business experienced much growth in the past 5-10 years?
2. How big is your sport in rand terms?
3. How many units do you produce a year?
4. What is your annual turnover?
5. What percentage of the sector do you think you hold?
6. Do you sell directly or do you sell via a distributor?
7. For local sales, what do you think is the provincial breakdown?
8. What are your input costs?
9. Do you source your materials locally?
10. Do you make use of any specialised equipment

Theme 2: Employment/Job Creation

1. How many employees do you have? Permanent? Contractual?
2. What is the race profile of your employees?
3. What is the gender profile of your employees?
4. Do you employ anyone with a disability?
5. Roughly what is the percentage breakdown of owner/manager/supervisor/worker?
6. Do you belong to a bargaining council or union body?
7. How can we promote job creation in this sector?

Theme 3: Exports/Imports

1. What percentage of your product is sold to locals and what percentage is exported?
2. What countries do you export product to?
3. Do you think there is an opportunity to increase exports?
4. What type of export support would you like to receive?
5. What do you import?
6. Are there any tariff issues with imports?

Theme 4: Skills Development

1. What qualifications are needed in your business? (Formal/Informal/On The Job/Experience)
2. Who offers training in your sector? (TVET college, private providers, universities of technology, universities)
3. Do you have skills needs/challenges?
4. What do you think must be done to address these needs/challenges?

Theme 5: Sustainability/Green issues

1. Do you have waste by products that could be used elsewhere?
2. What are your views on environmental sustainability in your sector?
3. Have the recent power outages affected your business?
4. Would you consider alternate power sources?

Theme 6: Obstacles and Opportunities

1. What is the key challenge/s that constrain your business from improving or growing?
2. What do you feel is needed to overcome this challenge(s)?
3. What is the growth potential for you in the short to medium term?
4. What areas of opportunity for growth do you see in the ocean sports sector?

Theme 7: Promotion and Marketing

1. What do you think should be done to promote your ocean sport?
2. What marketing support would you like to get from government?
3. Are you a member of a sporting association aligned to your ocean sport?(Eg Surfing SA/Windsurfing SA etc.)
4. If there was an association representing all ocean sports, would you join?

5. OVERALL COMMENT

Any final comments or suggestions about the ocean sports economy and its potential for growth in the Western Cape?

City of Cape Town Research 2019

What's happening in Cape Town's marine manufacturing and ocean sports economy?

Interview Questionnaire

RETAILER RESPONDENTS

March 2019

1. INTRODUCTION

The study sets out to understand Cape Town's ocean sports economy by identifying the key stakeholders, their anecdotal economic contribution to the City of Cape Town's economy, the export and manufacturing opportunities, the strengths and weaknesses of the particular sport's industry, job creation opportunities, import substitution, important cross-sectoral linkages, opportunities for development, and devise specific strategies to address the issues and foster development of the sector.

For this study the "ocean sports economy" is defined by the following sectors in the Western Cape: Surfing, Kite Surfing, Wind Surfing, Scuba Diving, Stand Up Paddling, Kayaking, Surfskiing, Boating/Sport Fishing and Ocean Safety (NSRI, Lifesaving SA and Sharkspotters).

The data collection method is semi structured face-to-face and telephonic qualitative interviews. The categories of respondents per each sub-sector are:

- Manufacturers
- Retailers
- Suppliers
- Training/Skills development

2. BIOGRAPHICAL DETAILS

Date				
Sport sector				
Respondent	Name			
	Position			
	Contact details			
Company	Name			
	Geographical location	Suburb		
	Company size	Small	Medium	Large

3. COMPANY OVERVIEW

Give an overview of your company, your history, the products you retail and activities?
 Who are your customers?
 What platforms do you use for retail? (Online, shop based, dealers, markets etc)
 What is your BBBEE status and what is your ownership structure?

4. DISCUSSION

Theme 1: Economic contribution

11. Has your business experienced much growth in the past 5-10 years?
12. How big is your sport in rand terms?
13. What volume do you sell a year?
14. What is your annual turnover?
15. What percentage of the sector do you think you hold?
16. For local sales, what do you think is the provincial breakdown? (WC, EC, KZN etc)
17. What are your input costs?
18. Where do you source your products?
19. Do you make use of any specialised equipment?

Theme 2: Employment/Job Creation

8. How many employees do you have? Permanent? Contractual?
9. What is the race profile of your employees?
10. What is the gender profile of your employees?
11. Do you employ anyone with a disability?
12. Roughly what is the percentage breakdown of owner/manager/supervisor/worker?
13. Do you belong to a bargaining council or union body?
14. How can we promote job creation in this sector?

Theme 3: Exports/Imports

7. Do you sell outside of South Africa and if so, to where?
8. Do you think there is an opportunity to increase exports?
9. What type of export support would you like to receive?
10. What do you import?
11. Are there any tariff issues with imports?

Theme 4: Skills Development

5. What qualifications are needed in your business? (Formal/Informal/On The Job/Experience)
6. Who offers training in your sector? (TVET college, private providers, universities of technology, universities)
7. Do you have skills needs/challenges?
8. What do you think must be done to address these needs/challenges?

Theme 5: Sustainability/Green issues

5. Do you have waste by products that could be used elsewhere?
6. What are your views on environmental sustainability in your sector?
7. Have the recent power outages affected your business?
8. Would you consider alternate power sources?

Theme 6: Obstacles and Opportunities

5. What is the key challenge/s that constrain your business from improving or growing?
6. What do you feel is needed to overcome this challenge(s)?
7. What is the growth potential for you in the short to medium term?
8. What areas of opportunity for growth do you see in the ocean sports sector?

Theme 7: Promotion and Marketing

1. What do you think should be done to promote your ocean sport?
2. What marketing support would you like to get from government?
3. Are you a member of a sporting association aligned to your ocean sport? (Eg Surfing SA/Windsurfing SA etc.)
4. If there was an association representing all ocean sports, would you join?

5. OVERALL COMMENT

Any final comments or suggestions about the ocean sports economy and its potential for growth in the Western Cape?

City of Cape Town Research 2019

What's happening in Cape Town's marine manufacturing and ocean sports economy?

Interview Questionnaire

SUPPLIER RESPONDENTS

March 2019

1. INTRODUCTION

The study sets out to understand Cape Town's ocean sports economy by identifying the key stakeholders, their anecdotal economic contribution to the City of Cape Town's economy, the export and manufacturing opportunities, the strengths and weaknesses of the particular sport's industry, job creation opportunities, import substitution, important cross-sectoral linkages, opportunities for development, and devise specific strategies to address the issues and foster development of the sector.

For this study the “ocean sports economy” is defined by the following sectors in the Western Cape: Surfing, Kite Surfing, Wind Surfing, Scuba Diving, Stand Up Paddling, Kayaking, Surfskiing, Boating/Sport Fishing and Ocean Safety (NSRI, Lifesaving SA and Sharkspotters).

The data collection method is semi structured face-to-face and telephonic qualitative interviews. The categories of respondents per each sub-sector are:

- Manufacturers
- Retailers
- Suppliers
- Training/Skills development

2. BIOGRAPHICAL DETAILS

Date				
Sport sector				
Respondent	Name			
	Position			
	Contact details			
Company	Name			
	Geographical location	Suburb		
	Company size	Small	Medium	Large

3. COMPANY OVERVIEW

Give an overview of your company, your history, the products you supply and activities?
 Who do you supply to?
 What is your BBBEE status and what is your ownership structure?

4. DISCUSSION

Theme 1: Economic contribution

20. Has your business experienced much growth in the past 5-10 years?
21. How big is your sport in rand terms?
22. What volume do you supply a year?
23. What is your annual turnover?
24. What percentage of the sector do you think you hold?
25. For local sales, what do you think is the provincial breakdown? (WC, EC, KZN etc)
26. What are your input costs?
27. Where do you source your products?
28. Do you make use of any specialised equipment?

Theme 2: Employment/Job Creation

15. How many employees do you have? Permanent? Contractual?
16. What is the race profile of your employees?
17. What is the gender profile of your employees?
18. Do you employ anyone with a disability?
19. Roughly what is the percentage breakdown of owner/manager/supervisor/worker?
20. Do you belong to a bargaining council or union body?
21. How can we promote job creation in this sector?

Theme 3: Exports/Imports

12. What percentage of your product is sold to locals and what percentage is exported?
13. What countries do you export product to?
14. Do you think there is an opportunity to increase exports?
15. What type of export support would you like to receive?
16. What do you import?
17. Are there any tariff issues with imports?

Theme 4: Skills Development

9. What qualifications are needed in your business? (Formal/Informal/On The Job/Experience)
10. Who offers training in your sector? (TVET college, private providers, universities of technology, universities)
11. Do you have skills needs/challenges?
12. What do you think must be done to address these needs/challenges?

Theme 5: Sustainability/Green issues

9. Do you have waste by products that could be used elsewhere?
10. What are your views on environmental sustainability in your sector?
11. Have the recent power outages affected your business?
12. Would you consider alternate power sources?

Theme 6: Obstacles and Opportunities

9. What is the key challenge/s that constrain your business from improving or growing?
10. What do you feel is needed to overcome this challenge(s)?
11. What is the growth potential for you in the short to medium term?
12. What areas of opportunity for growth do you see in the ocean sports sector?

Theme 7: Promotion and Marketing

1. What do you think should be done to promote your ocean sport?
2. What marketing support would you like to get from government?
3. Are you a member of a sporting association aligned to your ocean sport? (Eg Surfing SA/Windsurfing SA etc.)
4. If there was an association representing all ocean sports, would you join?

5. OVERALL COMMENT

Any final comments or suggestions about the ocean sports economy and its potential for growth in the Western Cape?

City of Cape Town Research 2019

What's happening in Cape Town's marine manufacturing and ocean sports economy?

Interview Questionnaire

TRAINING/SCHOOL RESPONDENTS

1. INTRODUCTION

The study sets out to understand Cape Town's ocean sports economy by identifying the key stakeholders, their anecdotal economic contribution to the City of Cape Town's economy, the export and manufacturing opportunities, the strengths and weaknesses of the particular sport's industry, job creation opportunities, import substitution, important cross-sectoral linkages, opportunities for development, and devise specific strategies to address the issues and foster development of the sector.

For this study the "ocean sports economy" is defined by the following sectors in the Western Cape: Surfing, Kite Surfing, Wind Surfing, Scuba Diving, Stand Up Paddling, Kayaking, Surfskiing, Boating/Sport Fishing and Ocean Safety (NSRI, Lifesaving SA and Sharkspotters).

The data collection method is semi structured face-to-face and telephonic qualitative interviews. The categories of respondents per each sub-sector are:

- Manufacturers
- Retailers
- Suppliers
- Training/Skills development

2. BIOGRAPHICAL DETAILS

Date				
Sport sector				
Respondent	Name			
	Position			
	Contact details			
Company	Name			
	Geographical location	Suburb		
	Company size	Small	Medium	Large

3. COMPANY OVERVIEW

Give an overview of your company, your history, the training you offer and activities?
Who are your customers?
What is your BBBEE status and what is your ownership structure?

4. DISCUSSION

Theme 1: Economic contribution

29. Has your business experienced much growth in the past 5-10 years?
30. How big is your sport in rand terms?
31. What volume do you sell a year?
32. What is your annual turnover?
33. What percentage of the sector do you think you hold?
34. For local sales, what do you think is the provincial breakdown? (WC, EC, KZN etc)
35. What are your input costs?
36. Where do you source your training curricula?
37. Do you make use of any specialised equipment?

Theme 2: Employment/Job Creation

22. How many employees do you have? Permanent? Contractual?
23. What is the race profile of your employees?
24. What is the gender profile of your employees?
25. Do you employ anyone with a disability?
26. Roughly what is the percentage breakdown of owner/manager/supervisor/worker?
27. Do you belong to a bargaining council or union body?
28. How can we promote job creation in this sector?

Theme 3: Exports/Imports

18. Do you train outside of South Africa and if so, to where?
19. Do you think there is an opportunity to increase exports?
20. What type of export support would you like to receive?
21. What is the percentage breakdown of locals vs foreigners who attend your training?

Theme 4: Skills Development

13. What qualifications do you offer and what is your target market?

14. Who are your competitors in the training space?
15. Who quality assures your courses
16. Do you have skills needs/challenges?
17. What do you think must be done to address these needs/challenges?

Theme 5: Sustainability/Green issues

13. What are your views on environmental sustainability in your sector?
14. Have the recent power outages affected your business?
15. Would you consider alternate power sources?

Theme 6: Obstacles and Opportunities

13. What is the key challenge/s that constrain your business from improving or growing?
14. What do you feel is needed to overcome this challenge(s)?
15. What is the growth potential for you in the short to medium term?
16. What areas of opportunity for growth do you see in the ocean sports sector?

Theme 7: Promotion and Marketing

1. What do you think should be done to promote your ocean sport?
2. What marketing support would you like to get from government?
3. Are you a member of a sporting association aligned to your ocean sport? (Eg Surfing SA/Windsurfing SA etc.)
4. If there was an association representing all ocean sports, would you join?

5. OVERALL COMMENT

Any final comments or suggestions about the ocean sports economy and its potential for growth in the Western Cape?