Valuing South Africa’s Ocean Economy: current facts and futures

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Oceans contain over 96% of the planet’s water but they too are fragile...
The air we breathe

• Oceans produce 70%–80% of the planet’s oxygen
• Oceans absorb more than half of all man-made CO2 and regulate the climate
The food we eat

- Seafood makes up 17% of global protein intake
The energy we burn

• A third of the oil and gas we use comes from offshore sources
The things we buy and sell

- 90% of world trade is carried by sea
The income we earn

- 10-12% of global livelihoods associated with fisheries and aquaculture
- Tourism
And all things unmeasurable

• Culture, religion, recreation...
The ocean provides wide-ranging value, from food and tourism to coastal protection and much more.

<table>
<thead>
<tr>
<th>OCEAN-RELATED ACTIVITIES AND ASSETS</th>
<th>TOTAL VALUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct output of the ocean from:</td>
<td>US$6.9tn</td>
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<tr>
<td>Marine fisheries</td>
<td></td>
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<tr>
<td>Mangroves</td>
<td></td>
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<tr>
<td>Coral reefs</td>
<td></td>
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<td>Seagrass</td>
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<td>Trade and transport:</td>
<td>US$5.2tn</td>
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<tr>
<td>Shipping lanes</td>
<td></td>
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<td>Adjacent assets:</td>
<td>US$7.8tn</td>
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<tr>
<td>Productive coastline</td>
<td></td>
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<tr>
<td>Carbon absorption</td>
<td>US$4.3tn</td>
</tr>
</tbody>
</table>

WWF: Reviving the Ocean Economy  Report 2015
The ocean’s asset value would dwarf the world’s largest sovereign wealth funds:

- **US$893bn**
  NORWAY
  Government Pension Fund

- **US$773bn**
  ABU DHABI
  ADIA

- **US$757bn**
  SAUDI ARABIA
  SAMA

- **US$653bn**
  CHINA
  China Investment Corp.

The ocean is valued at more than US$24 trillion; however, its actual value is likely to be much higher because many key ecosystem services are difficult to quantify.
South African Fisheries

- Economically and culturally important
  - Livelihoods
  - Culture
  - Recreation

- Critical role in coastal communities food security

**Commercials Fisheries**
- $12 Billion annual turnover (USD)
- 0.5% of South African GDP
- 27,000 direct employment
- 100,000 indirect employment

**Small-Scale Fisheries**
- ±230 coastal communities participating in small-scale fishing sector in 2016
- 28,388 fishing households
- 29,233 subsistence fishers

**Recreational Fisheries**
- ±897,000 recreational anglers
- 28,757 are members of organised clubs
- 1.6 Billion estimated economic value of recreational fisheries in 2007

WWF: Oceans Facts and Futures Report 2016
South African Fisheries

- No room for growth
- Significant risks to existing resources
- Should be managing for recovery
  - Abalone
  - WCRL

DAFF: State of the Stocks Report 2014
Tourism

- Biggest contributor to ocean economy
- Coastal tourism R26bn
- Eco-tourism R2bn
Coastal Development

- 80 people per square km
- 22% of coastal developments threatened by sea level rise
- Direct coastal resources contribute 35% of annual GDP
- Coastal
  - Xolobeni
- Offshore
  - Phosphate
Protecting Our Ocean Assets

- Only 0.5% of our ocean currently protected
- 10% proposed under Operation Phakisa (5% now and 5% later)
South Africa’s Ocean Trends

WWF: Oceans Facts and Futures Report 2016
South Africa’s Ocean Trends

- Our ocean ecosystems are reaching their ecological capacity
- “Business as Usual” is unlikely to generate significantly greater economic returns
- We need to develop innovative resource-efficient pathways towards sustainable development and are well-placed to do so
2036 Ocean Scenarios

- **Weak Governance**
  - Suffer under elite capture
  - Corruption
  - Poorly capacitiated
  - Policies unclear and drive inequality
  - Exclusive

- **High Growth & Weak Governance**

- **High Growth & Strong Governance**
  - Inclusive, participatory and transparent
  - Policies that deliver the constitution
  - Capacitated

- **Low Growth & Weak Governance**

- **Low Growth & Strong Governance**

- **Scenario 1**

- **Scenario 2**

- **Scenario 3**

- **Scenario 4**

**Low Economic Growth**

**High Economic Growth**
Where To From Here?

If we want a future in which our country’s needs are met, despite growing water scarcity and increasing climate variability, we need to focus on:

1. Managing our fisheries for recovery, resilience and MSY, recognising that fish are part of a broader ecosystem
   – Establish recovery targets

2. Developing marine spatial planning frameworks which minimise conflicts and enable a holistic management approach
   – Finalise effective MSP Act

3. Secure at least 20% of our oceans to protect critical biodiversity and ensure ecosystem functioning
   – Declare Phakisa Marine Protected Areas
Final Thoughts…

Any discussion of growing our ocean economy needs to recognise that healthy ecosystems underpin the ocean economy.
WWF is in over 100 countries, on 5 continents

> $1 Billion
WWF invests more than $1 Billion annually in the environment

> > 6 Million
WWF has over 6 million direct supporters

> > 6000
WWF has over 6,000 staff worldwide

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Thank You