

MARITIME INDUSTRY

Boat builders need support

THE Western Cape boat-building industry should be supported by the national government similar to their French counterpart if it is to survive and become a major contributor to the local economy.

The Western Cape government has called on the national decision makers to dedicate millions to ensure that the industry flourishes.

Various estimates put the annual turnover of the South African industry at close to R1 billion, with 75% coming from Western Cape manufacturers. Ten years ago finance minister Trevor Manuel told Ellian Perch, director of the country's premier boat-building operation, Robertson & Caine, that he saw the undoubted need for

government support. But this has not materialised and has cast the future of the industry in doubt.

Perch is unequivocal about the need for government subsidies. "We can make a serious contribution to the local economy and create countless job opportunities, but we need government to come to the party."

Perch adds that the largely export-based local industry is too vulnerable to fluctuations in the value of the rand and thus needs government to consider subsidising the bigger manufacturers.

Herman Jonker, manager of Marine Marketing at the Department of Economic Development and Tourism in the Western

Cape, says the department, in conjunction with the City of Cape Town, provides industry bodies with R500 000 in annual funding.

The South African Boat-builders Business Council was formed through this funding, but Perch says to stimulate real growth national government must follow the example of the French.

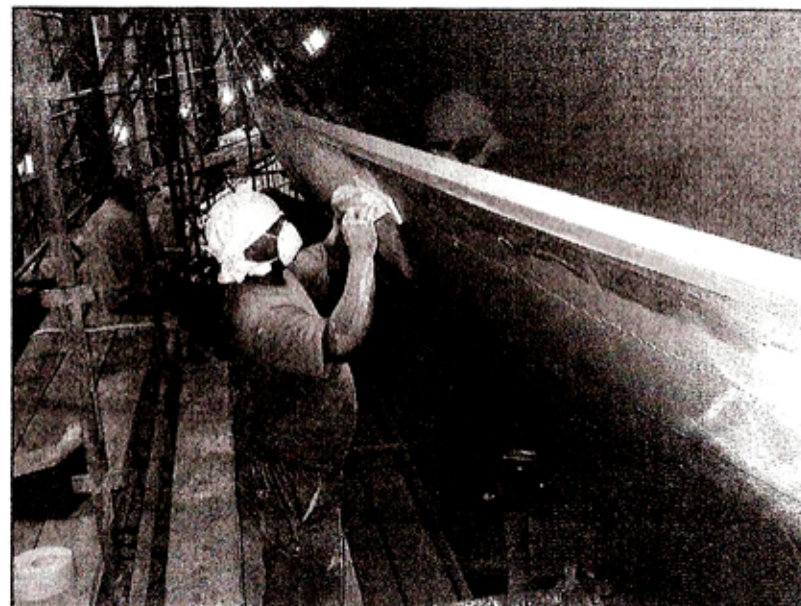
Council officials are aware that the French government subsidises their industry, but the nature of the support has never been made public.

Says Jonker: "We would like to make a more meaningful contribution to the industry, but that is really dependent on the contribution of the national government."

Former director of the boat-builders council Bruce Tedder suggests tax breaks from government for builders, but Jonker rules this out. He says international examples have shown that this does not work, but he does not rule out that the French subsidising could be looked at as a model.

According to Perch, there is currently no dialogue between government, either at local or national level, and the major manufacturers.

"We need to start interacting with government on this issue. My company has decided to not expand our operation abroad and we remain committed to the local economy, but this cannot carry on indefinitely. When we visited Dublin to



Boat builders say they can make a serious contribution to the local economy and create many more new jobs.

consider expansion there we were received like royalty, because I think they understand the real economic value of the industry," Perch adds. Robertson & Caine is one of the world's top builders of cruising catamarans and has consistently

been awarded the highest industry accolades for their designs. In 2005, their Leopard 40 catamaran was named Best Overall Export Boat in the United States.

Another issue that stymies industry growth is the reluctance of banks to

provide bridging finance for builders or loans for local buyers. Says Perch: "If banks changed the way they view our business, and the bona fides of clients, we will also be in a much better position to compete internationally."